

# The Malaysian Reserve



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Peninsula RM1.90 • Sabah & Sarawak RM2.20

FRIDAY, AUGUST 14, 2009

## NewsToday

### ► GENERAL NEWS BRIEFS

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### ► CORPORATE

**Nomura hiring for cash equities biz:** Asia-based global investment bank Nomura yesterday announced the appointment of a Malaysia-based equity research team as part of its drive to build up its cash equities business in South-East Asia.

PG 2

**Scomi's oilfield services sector drags 2Q profit down 40%:** Scomi Group Bhd's net profit in the second quarter (2Q) ended June 30, 2009, fell 39.63% to RM20.85 million from RM34.54 million a year earlier due to a lower contribution from its oilfield services division, which incurred a higher taxation in the quarter.

PG 4

**Time Eng may miss 12-month revenue target of RM 177m:** Time Engineering Bhd may miss the 12-month revenue target of RM176.5 million set earlier following the disclosure of its six-month financial results which ended June 30, 2009.

PG 5

**Duty free status by 2016 for 80% of local products entering India:** The Malaysian business community will enjoy better market access to India as more than 80% of products entering the country will be duty free by 2016 with the signing of a free trade agreement (FTA) between Asean and India yesterday.

PG 6

**Govt to up funds for venture capital in budget 2010:** THE government is likely to increase the allocation for venture capital under the upcoming Budget 2010, including the Malaysia Venture Capital Management (Mavcap).

PG 8

### ► MONEY

**Challenges remain in Asian steel industry:** The slump in demand in the Asian steel industry is showing signs of bottoming out, although key challenges remain, says Standard & Poor's (S&P).

PG 9

**East Europe budgets strained as recessions worsen:** Recessions in the Czech Republic, Hungary, Slovakia and Romania deepened in 2Q, depleting gov't coffers as the countries struggle to keep their deficits in check.

PG 11

**Aegon sees loss, will sell shares to help repay state:** Aegon NV, the Dutch owner of US insurer Transamerica Corp, posted a fourth straight quarterly loss and said it will sell as much as RM5b in stock to help repay state aid.

PG 12

**Lithuania's 'attractive' bonds may help avoid bailout:** Lithuania may avoid seeking an international bailout as bond investors in search of yields close to 10% return to the Baltic state's debt market.

PG 12

**Prudential in talks to sell South Korean unit:** Prudential Financial Inc is in the early stage of talks with KB Financial to sell its South Korean brokerage arm, an online news outlet reported yesterday, a deal which could fetch an estimated RM2b.

PG 25

**GM exports vehicles under Chevrolet brand:** General Motors Co said yesterday its commercial vehicle venture in China has signed an initial deal to export Wuling vehicles under the Chevrolet brand to emerging markets in South America, the Middle East and North Africa.

PG 26

# AMMB expects NPLs to start rising by year-end

Three consecutive quarters of economic contraction this year may lead to a rise in NPLs by end-2009

by ASHWIN RAMAN

AMMB Holdings Bhd, which is targeting a net profit of RM1.2 billion for the financial year ending March 31, 2012, is expecting non-performing loans (NPLs) in the banking industry to begin increasing towards the end of 2009 as a result of the economic slowdown.

NPLs in the banking industry this year have remained relatively low despite earlier fears that the recession would lead to a spike in distressed debt.

However, AMMB's group financial officer, Ashok Ramamurthy believes that the

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**ROOM TO RISE:** Closed-end fund icapital.biz Bhd's managing director Tan Teng Boo believes that the benchmark composite index still has the legs to rise a further 5%-10% in the next two months driven by value investors. 'There are so many undervalued stocks and we are running down our cash position. If there are no major political issues, I believe the CI will test and get past the 1,500 level in the next two years,' he told reporters at a media conference in Kuala Lumpur yesterday. SEE P4

UPDATE		
	Aug 13	Net Chg
KLCI	1186.19	▲ 5.65
STI	2614.18	▲ 42.87
DJIA (Aug 12)	9361.61	▲ 120.16
CPO <sup>1</sup>	2500.00	▲ 5.00
OIL <sup>2</sup>	71.68	▲ 1.52
GOLD <sup>3</sup>	3538.00	▲ 13.00

<sup>1</sup> RM/tonne; <sup>2</sup> NYMEX (US\$); <sup>3</sup> Xijiang Emas (RM/oz, sell)

### CORPORATE MALAYSIA



**Sime Darby needs a shine to charm investors P7**

**China's Xidelang to raise RM100m on Bursa P8**

# Germany and France see shock return to growth

**BERLIN/PARIS** • Germany and France enjoyed a shock return to economic growth in the second quarter of the year, data showed yesterday, ending their recessions earlier than many policymakers and economists had expected.

German gross domestic product rose by 0.3% in the second quarter, bringing an

end to the country's deepest recession since World War Two and boosting hopes of recovery in the broader euro zone. French GDP also grew by 0.3% in the second quarter.

The consensus in a Reuters poll of economists had predicted a 0.3% quarterly contraction in both countries.

'The data is very surprising. After four negative quarters France is finally coming out of the red,' French Economy Minister Christine Lagarde told RTL radio.

Germany suffered a calamitous 3.5% contraction in the first quarter of this year to cap four quarters of decline while the French

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\*Malaysian Rally Championship 2008 (MRC '08)

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