PRESS CUTTINGS

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Moratorium on bauxite mining till March 31

PUTRAJAYA: The moratorium on bauxite mining and export, which has been extended until March 31,

Decline in aluminium prices is temporary, says brokerage

By INTAN FARHANA ZAINUL
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PETALING JAYA: The recent decline in global aluminium prices, after the United States

Relief to the global aluminium market

Trump lifts Rusal and En+ sanctions as Glencore shuffles stake

WASHINGTON: The US Treasury Department lifted sanctions on three firms tied to Russian

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Part 1:

METALLIC COMMODITIES

Source : The Star
Date : 02 January 2019 (Wednesday)

Moratorium on bauxite mining till March 31

PUTRAJAYA: The moratorium on bauxite mining and export, which has been extended until March 31, will only be withdrawn after a new SOP has been finalised and its stockpile cleared from the ports.

The new SOP on bauxite mining, transport, stockpile management and exportation had already been prepared by a task force that was jointly established by the federal and state government agencies.

The Water, Land and Natural Resources Ministry said based on the monitoring report and a meeting with the relevant agencies on Dec 21, clearance of the stockpile from both Kuantan Port and Kemaman Port had yet to be implemented.

"Hence, the moratorium on bauxite mining and exports activities in Pahang need to be extended to clear the existing stockpiles," the ministry said in a statement.

The moratorium expired on Monday.

The ministry said the agreement was reached between minister Dr Xavier Jayakumar and Pahang Mentri Besar Datuk Seri Wan Rosdy Wan Ismail.

"The moratorium is necessary to remove bauxite stockpiles from the Kuantan and Kemaman ports.

"All parties involved are also reminded that the stop-work order issued under the Mineral Development Act 1994 is still in force.

"No party shall be allowed to carry out any bauxite mining work in Pahang until the order is withdrawn," it said. — Bernama

Source : StarBiz
Date : 08 January 2019 (Tuesday)

Lion selling Angkasa Amsteel for RM81mil

PETALING JAYA: Lion Industries Corp Bhd (LICB) is selling its entire stake in Angkasa Amsteel Pte Ltd (AAPL) to Daehan Steel Co Ltd for RM80.90mil, as part of a move to dispose of non-core assets and strengthen its presence in the steel industry.

In a filing with Bursa Malaysia yesterday, LICB said it had entered into a conditional sale and purchase agreement with Daehan to dispose of its entire holding of 11.52 million ordinary shares in AAPL, representing 50% of the share capital of the steel fabrication company.

Last year, the company announced that it was proposing to expand into the flat steel business through the proposed acquisitions of flat steel assets with a production capacity of up to 3.20 million tonne per annum of hot rolled coils and up to 700,000 tomme per annum of cold rolled coils.

"Following completion of the proposals, LICB would be able to embark on the flat steel business thus, strengthening its presence in the steel industry in Malaysia," it said.

LICB said the proceeds from the disposal of AAPL would be utilised for the proposed acquisitions and working capital requirements of the LICB Group.

"The total funding required to implement the proposals amounted to RM636mil, of which the LICB group is expected to deposit RM92.5mil within 14 working days from the court-convened meeting for the purpose of obtaining sanction for the proposals.

"Barring any unforeseen circumstances and subject to the fulfilment of all the conditions precedent, the proposed disposal is expected to be completed by the first quarter of 2019 pursuant to the terms of the sale and purchase agreement," the company said.

LICB is involved in the manufacturing of long steel products comprising bars and wire rods which are used in the construction, fabrication and manufacturing industries.

LICB shares ended 3.5 sen up to 56 sen yesterday.

Source : StarBiz
Date : 09 January 2019 (Wednesday)

Gold imports by India collapsed in 2018

NEW DELHI: Gold imports by India tumbled by a fifth last year as high domestic prices deterred buyers in the second biggest consuming nation and local stores remained well-stocked, highlighting a headwind to global demand even as bullion in dollars gains on renewed haven buying.

Overseas purchases fell to 762 metric tonnes in 2018, a 20% slump from the previous year, according to a person familiar with the data, who asked not to be identified as the numbers aren't public. That would make it the second smallest amount shipped into the country this decade. In December, imports shrank 23% to about 60 tonnes from a year earlier, the person said.

Finance Ministry spokesman D.S. Malik didn't respond to a call.

Demand for gold, almost all of which is imported, has been declining in India as a slump in the rupee made the metal more expensive in the price-sensitive market. A liquidity crunch and government measures to curtail consumption have exacerbated the decline. In dollar terms, bullion has recovered since August as global investors seek protection from equity market volatility, risks of slower growth, and the chances of fewer US interest rate hikes.

"The trend has been weak as far as demand is concerned," said Gnanasekar Thiagarajan, a director at Commtrendz Risk Management Services Pvt Ltd, referring to Indian consumption. However, the outlook may change in favor of gold in the first half of 2019, with demand expected to rise up to 20% as purchases for investment may pick up, he said.

Last year, benchmark rupee-priced gold futures in Mumbai rose nearly 8%, rising for a third year aided by the weaker local currency, which fell to a record. In the same full-year period, overseas spot gold priced in the greenback ended almost 2% lower, paring its drop in the final three months. — Bloomberg

Source : StarBiz
Date : 29 January 2019 (Tuesday)

Relief to the global aluminium market

Trump lifts Rusal and En+ sanctions as Glencore shuffles stake

WASHINGTON: The US Treasury Department lifted sanctions on three firms tied to Russian tycoon Oleg Deripaska, including United Co Rusal, a move that will provide relief to the global aluminium market. The metal fell in London.

Deripaska, an ally of Russian leader Vladimir Putin, will remain under US sanctions, and his property will remain blocked. But the Treasury Department is removing restrictions on Rusal, En+ Group Plc and EuroSibEnergo JSC.

"The companies have also agreed to unprecedented transparency for Treasury into their operations by undertaking extensive, ongoing auditing, certification, and reporting requirements. All sanctions on Deripaska continue in force," the Treasury's Office of Foreign Assets Control said in a release.

In a separate statement, En+ announced the addition of seven independent directors to its board, as well as a securities swap with Ivan Glasenberg's Glencore Plc.

Under the deal, the London-listed commodity trader will get global depositary receipts representing 10.55% of En+'s enlarged share capital in exchange for its existing 8.75% stake in Rusal.

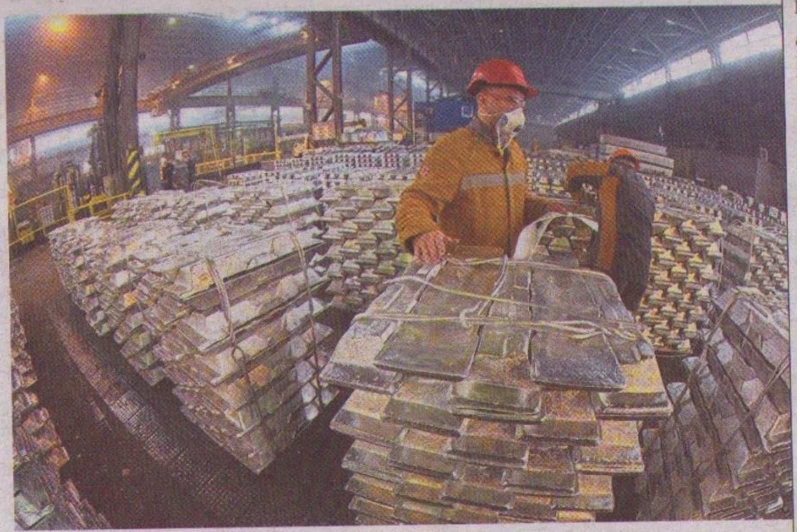
Rusal said that chairman Jean-Pierre Thomas had resigned as a director after an "imperative request" from OFAC as a condition for lifting the sanctions.

He became chairman in December, replacing Matthias Warnig, a former East German Stasi agent who has known President Putin since at least 1991.

Thomas' appointment drew criticism from American media and some lawmakers during debates in Congress in January because of his calls for investment in the Crimea peninsula, which Russia annexed from Ukraine in 2014, leading to the first round of sanctions. His departure was effective from Jan 26.

Rusal's shares rose as much as 6.7% in Hong Kong yesterday, gaining for an eighth straight day.

At En+, new independent directors include Christopher Burnham, the chairman of Cambridge Global Capital LLC, who was a member of Donald Trump's transition team at the State Department.



Restrictions removed: Workers marking stacks of aluminium ingots in preparation for shipping in the foundry at the Sayanogorsk aluminium smelter, operated by Rusal. Sanctions relief for Rusal will remove a source of uncertainty from the market. – Bloomberg

Congressional Democrats have tried to block Treasury's action, citing concerns about the Trump administration's motives at a time when Special Counsel Robert Mueller is continuing his investigation of Russian interference in the 2016 presidential election and possible connections to the Trump campaign.

"This represents just one more step in undermining the sanctions law, which President Trump has obstructed at every opportunity, while Russian aggression remains unabated," said Representative Lloyd Doggett, a Texas Democrat.

Sanctions relief for Rusal, the world's second-largest aluminium producer, will remove a source of uncertainty from the market.

Aluminum surged in April when Treasury announced the financial restrictions, but tumbled in recent months on speculation that the sanctions would be lifted. The price fell yesterday, losing as much as 1.6% on the London Metal Exchange.

Deripaska's agreement with Treasury, negotiated over eight months, includes cutting his direct and indirect share ownership below 50% in each company, overhauling the boards of En+ and Rusal, and providing extensive disclosures, the department said in December when announcing its plans to remove the sanctions.

Rusal is among the largest companies the United States has ever put on its sanctions designation list. The value of the aluminium producer declined by more than half from US$9.2bil more than eight months ago. — Bloomberg

Source : StarBiz **Date : 31 January 2019 (Thursday)**

Iron ore rockets on Vale supply disruption

SINGAPORE: The global iron ore market was pitched into turmoil after Brazil's Vale SA, the world's largest producer, outlined plans to cut output after a deadly dam breach, buoying shares of rivals as investors weighed the impact of the disruption. Prices soared, with futures rallying more than 9%.

Vale will decommission some tailings dams, curbing production by 40 million tons a year, chief executive officer Fabio Schvartsman said at a press conference, citing a plan presented to the Energy and Environment Ministries. The impact will be offset by an increase in production from other systems, Vale said. The company had planned to mine 400 million tons this year.

The severity of the fallout will hinge on Vale's ability, as well as efforts by other miners, to make up the tons that'll be lost. A sharp reduction in supply, if that happens, would tighten the global seaborne market, aiding Rio Tinto Group, BHP Group and Anglo American Plc, while lifting costs for steelmakers across the globe. One of Vale's dams collapsed last Friday, hammering the company's share price and spurring speculation that while the affected operation was minor, the repercussions would affect a greater share of output.

"Vale certainly has the ability to replace 40 million tons in output, and in fact it'd initially have 50 million tons of flexible production," said Vivek Dhar, an analyst at Commonwealth Bank of Australia.

"But the key question is how quickly they'll be able to compensate that output, bearing in mind social, political pressures, and that investigations are still ongoing." On Singapore Exchange Ltd., futures jumped as much as 9.6% to US$86.20 a ton, the highest since March 2017, while the contract in Dalian went limit-up.

Even before Vale's announcement of the cut, benchmark ore for immediate delivery hit US$80.25 a ton on Tuesday, according to Mysteel.com.

Australian miners soared. Rio closed 4.5% higher to A$87.30, the highest since 2011, while BHP Group rose 2.6%, and Fortescue Metals Group Ltd. was up 7.8%.

"The estimated impact of the production stoppage is about 40 million tons of iron ore per year, including in this figure the pellet feed needed for the production of 11 million tons of pellets, an impact that will be offset by the increase in production of other systems," Vale said.— Bloomberg

Source : StarBiz
Date : 31 January 2019 (Thursday)

Decline in aluminium prices is temporary, says brokerage

By INTAN FARHANA ZAINUL
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PETALING JAYA: The recent decline in global aluminium prices, after the United States formally lifted sanctions on Russian aluminium producer United Co Rusal, is expected to be temporary, said Kenanga Research.

The research house said the relief has an inconsequential impact on the aluminium supply landscape as Rusal was allowed to continue supplying to its existing customers even during the sanction.

"Rusal relief deludes aluminium market," it said in a report. Rusal is the world's second largest aluminium company.

On Monday, the US Treasury Department lifted sanctions on three firms including Rusal. The sanctions had sent London aluminium to a seven-year high when they were announced in April last year amid fears of a supply squeeze.

The recent weakness in aluminium prices had added pressure to the share price of Press Metal Aluminium Holdings Bhd, which had declined more than 13% since the beginning of this year.

Shares in Press Metal closed unchanged at RM4.20 yesterday.

Kenanga expected aluminium price to recover from the current level of US$1,847 per tonne, but has cut its average selling price assumption (ASP) for 2019 by 5% to US$2,000 per tonne from US$2,100.

As such, it has reduced its forecast on Press Metal's earnings per share to 20.6 sen in 2019 based on earnings growth of 27%, assuming aluminium ASP average of US$2,000 per tonne.

"We continue to like Press Metal for its long-term positive operating outlook and earnings growth potential.

"However, we expect substantial volatility in both aluminium and raw materials prices to cloud earnings visibility in the near term," Kenanga said.

It said Press Metal's earnings would be supported by better product mix and Japan Alumina Associates (JAA) consolidation.

Press Metal has expanded its billet capacity by 60,000 tonnes to 240,000 tonnes and wire rod capacity by 50,000 tonnes to 200,000 tonnes in October 2018.

Kenanga expected this move would lift the company's sales composition of high-value products to 60%-70% in 2019 from 40%-50% last year.

Part 2:

NON-METALLIC COMMODITIES

Source : The Star
Date : 10 January 2019 (Thursday)

Hot item: Traders selling clay pots and sugarcane for Ponggal at Little India, Kuala Lumpur.

Clay pots snapped up despite higher price

By JYNN KOK E-LYNN
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KUALA LUMPUR: With Hindus celebrating Ponggal next Tuesday, shop owners in Little India, Brickfields, are busy stocking up on clay pots and sugarcane.

According to a staff at a wholesale store, the clay pots at their store come from Kuala Selangor.

Thilagavathi, a cashier at Kalyaan wholesale store, said the prices of the clay pots had gone up this year.

"Last year, it was an increase of 10%, but this year it was 20%," she added.

This was due to a lack of workers to produce the pots, she said.

"Even with the increase in price, customers are not deterred from buying the clay pots as they are a must-have item for the festival.

"Most customers prefer the traditional clay pots instead of the stainless steel ones," said Thilavagathi.

Ponggal, meaning "to boil over" or "overflowing" in Tamil, is traditionally celebrated by farmers in India to represent the first harvest of the year.

The event is held to mark the harvest festival celebrated in the month of Thai, which is the 10th month in the Tamil calendar.

The ritual of cooking rice until it overflows is a thanksgiving to the Sun God and to the earth for a bountiful harvest.

Another shop in Little India, Modern Store, also offers the clay pots and sugarcane stalks.

The shop's supervisor Raman said the shop's sugarcanes come from India.

"The sugarcane stalks will arrive here about two weeks before Ponggal," he said.

The store now only sells the shorter sugarcane stalks which are meant to be consumed.

Raman also said the shop offered five different sizes of colourful clay pots which are selling out fast.

Customers usually favour the traditional clay pots.

"Stock is moving very fast around this time, although prices have increased about RM1 to RM2 per pot," he said.

Source : StarBiz **Date : 11 January 2019 (Friday)**

TNB secures RM144mil financing for solar project

PETALING JAYA: Tenaga Nasional Bhd (TNB) has secured RM144mil financing for its second large-scale solar (LSS) project in Malaysia.

The power company said its unit, TNB Bukit Selambau Solar Sdn Bhd (TBSS), had reached financial close for the project with MUFG Bank (M) Bhd (formerly Bank of Tokyo-Mitsubishi UFJ (M) Bhd).

The bank will provide funding and working capital requirements of up to RM144mil for the LSS project in Bukit Selambau, Kedah.

TBSS, which was set up as a special-purpose vehicle to undertake the LSS in Bukit Selambau, was awarded the project by the Energy Commission through a competitive bidding.

A 21-year power purchase agreement had been inked between TNB and TBSS for the project in March 2018.

The project is scheduled to be completed in the fourth quarter of 2020.

In a statement, TNB noted that the LSS would have a generation capacity of 30 megawatts (MW) with a direct current (DC) install capacity of 45MWp.

TNB's first LSS is in Kuala Langat, Selangor, which is currently in operation. It has a generation capacity of 50MW with a DC install capacity of 78MWp.

"Both LSS projects reinforce TNB's aspiration and commitment towards the growth of renewable energy in the country," it said.

The Energy, Science, Technology, Environment and Climate Change Ministry is targeting for 20% of the country's electricity to be generated from renewable sources by 2030, a significant increase from the current 2%.

Part 3:

ENERGY MINERAL (COAL)

Source : The Star
Date : 10 January 2019 (Thursday)

China to investigate lost coal mining papers

BEIJING: The Commission for Political and Legal Affairs of the CPC Central Committee announced on its website that it has launched an investigation into a high-profile case in which key materials related to a coal mining dispute were allegedly lost in an office of the country's top court.

The commission on Tuesday said the probe will be carried out together with the National Supervisory Commission and the Central Commission for Discipline Inspection of the CPC, the Supreme People's Procuratorate and the Ministry of Public Security.

The dispute happened between two organisations in Shaanxi province over the ownership of a coal mine, which reportedly has coal reserves worth 380 billion yuan (RM231bil), lasting 12 years in all.

In December 2017, the Supreme People's Court delivered a final verdict on the case, overturning a previous ruling made by the Shaanxi Provincial High People's Court.

However, the case recently came under spotlight again as Cui Yongyuan, a famous former news anchor, said that some of key documents of the case were lost in the office building of the Supreme People's Court and Cui attached photos of the "missing materials".

Cui also posted on the Weibo account a video clip of a judge of the case, named Wang Linqing.

Wang said in the video he was astonished by the fact that key documents of the case went missing in his office.

The top court later confirmed that the photos posted by Cui were the same as the missing documents. — China Daily/Asia News Network

Source : StarBiz
Date : 14 January 2019 (Monday)

TNB using blended coal at Perak power plant

KUALA LUMPUR: Tenaga Nasional Bhd (TNB) is introducing blended coal at its power plant in Lumut, Perak, as part of a continuous effort to ensure a sustainable coal supply for electricity generation.

The introduction of blended coal for the Sultan Azlan Shah Power Station, which produces 20% of Peninsular Malaysia's energy generation, would help secure coal supply for the power plant going forward, the company said in a statement yesterday.

It was also in line with the growing trend among utilities to use blended coal to match power demand with the availability of coal supply, TNB said.

The Sultan Azlan Shah Power Station, which has a generation capacity of 4,100 MW, consumes 15 million tonnes of sub-bituminous coal per annum.

The power station took delivery of its first blended coal shipment on Dec 31, 2018, at the neighbouring Lekir Bulk Terminal, which is owned by TNB's wholly-owned subsidiary Integrax Bhd. — Bernama

Source : StarBiz
Date : 24 January 2019 (Thursday)

Golden Investments fails to win bid for Stanmore Coal

MELBOURNE: Singapore's Golden Investments said it will seek a board position at Australia's Stanmore Coal Ltd as its biggest shareholder, despite the failure of a A$240mil (US$171mil) takeover bid.

Golden Investments, which bought a 19.9% stake in Stanmore Coal in November and launched a full takeover bid at 95 Australian cents a share, said it held 25.5% of the Australian firm following the closure of its bid on Tuesday.

The company, majority owned by Golden Energy and Resources, was attracted by Stanmore's Australian jurisdiction, high grade coking coal deposits and existing infrastructure, but its bid fell well short of an independent expert's valuation.

"Their offer was just too low," said Matthew Keane of broker Argonaut Securities in Perth.

Stanmore Coal operates the Isaac Plains complex, which produces semi-soft coking coal and thermal coal. It has several extension projects with higher quality coal, as well as a portfolio of other greenfield coking and thermal coal assets.

The independent expert valued the company at A$1.48 to A$1.90 a share. The shares were trading at 96 Australian cents yesterday afternoon.

"We look forward to meeting soon with the chairman and board of Stanmore Coal and will seek board representation," Golden Investments director Mark Zhou said in a statement.

Golden Investments is 51% owned by resources investor Golden Energy and Resources. — Reuters

Part 4:

GENERAL

Source : StarBiz
Date : 09 January 2019 (Wednesday)

German industrial output records broad-based slump

Investors increasingly pessimistic about economic prospects in eurozone

FRANKFURT: German industrial production unexpectedly dropped in November, underlining the subdued pace of expansion in Europe's largest economy during the final quarter of 2018.

Output fell 1.9% from the previous month, missing economist estimates for a 0.3% gain. The decline was broad-based across all categories and led by consumer goods and energy. Production was down 4.7% in annual terms.

While data on industrial performance is typically volatile, a number of indicators have signalled continued weakness in the fourth quarter. Bad weather took a toll on deliveries, global-trade tensions damped exports and business confidence is waning.

Still, the Bundesbank has held on to its prediction that the economy probably saw "fairly strong" growth at the end of last year.

Consumer goods output declined 4.1%, while energy was down 3.1%.

The Economy Ministry said the slump was exacerbated by calendar effects as workers took extra time off around public holidays close to the weekend.

Germany's automakers continued to struggle to adjust to new emissions-test procedures, the ministry said. A bigger-than-expected drop in factory orders reported on Monday was worsened by a jump in aircraft commissions the previous month, though euro-area demand was weak across all categories.

Investors are increasingly pessimistic about the economic situation and prospects in the 19-nation eurozone, and more than half of Germany's small and medium-sized enterprises think Europe's biggest economy could contract this year.

Trade data for Germany is due at 8am today. Economists predict November saw a monthly drop in exports and stagnating imports. — Bloomberg

Lower IPI: A file picture showing a worker at a furnace of a German steel company in Salzgitter. German industrial production fell 1.9% from the previous month, missing economist estimates for a 0.3% gain in November. — Reuters

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