

PRESS CUTTINGS

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Brokerage keeps 'buy' call on Cahya Mata Sarawak

Higher earnings seen on the back on new contract win

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PETALING JAYA: Poised to benefit from Sarawak's RM9bil development expenditure

Xavier: No bauxite activities until conditions are met

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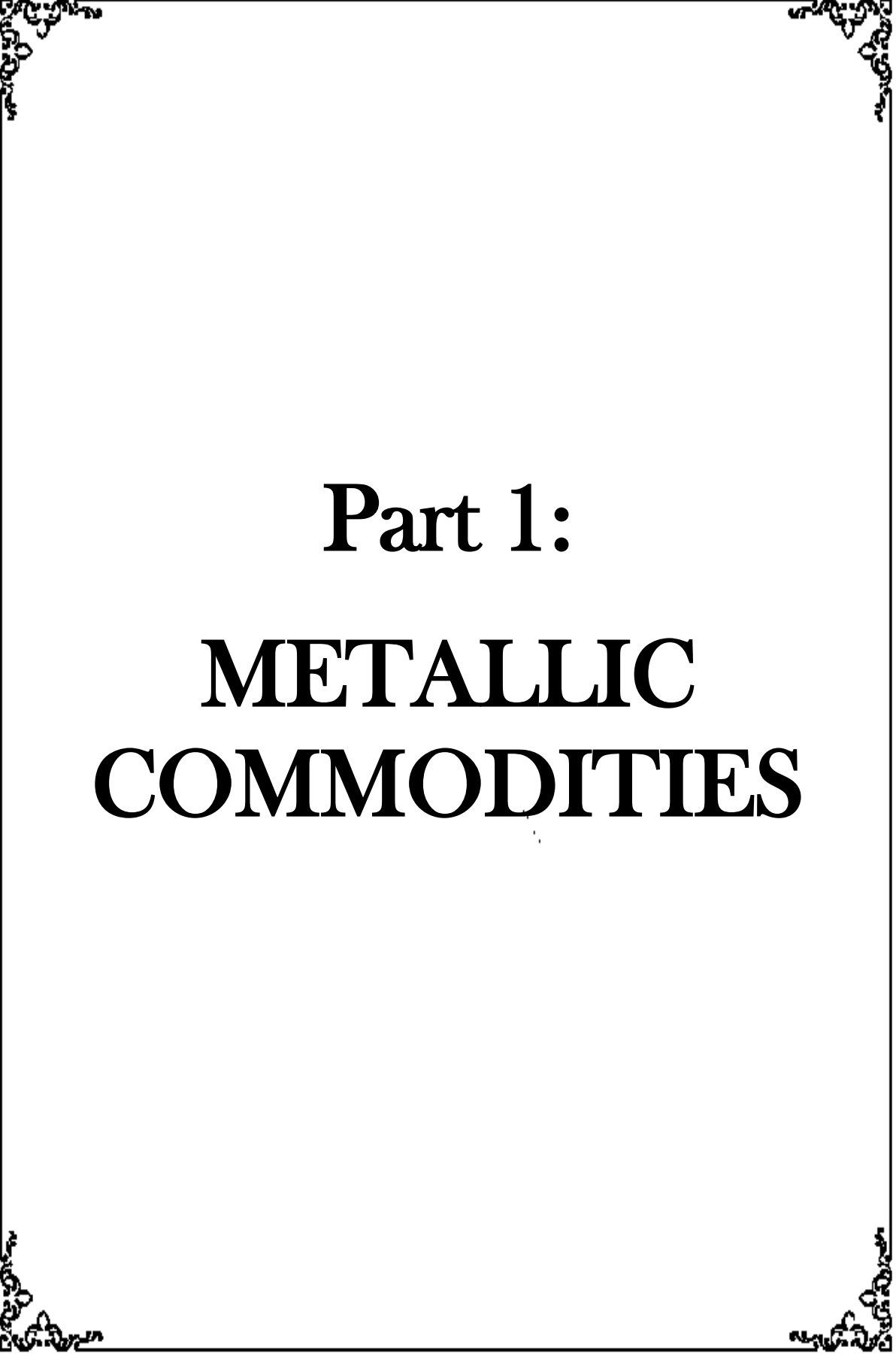
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Part 1:

**METALLIC
COMMODITIES**

Xavier: No bauxite activities until conditions are met

KUALA LUMPUR: Bauxite mining and export activities will not be allowed in Pahang despite the end of the moratorium on March 31, said Water, Land and Natural Resources Minister Dr Xavier Jayakumar.

“I wish to stress that the stop-work order on mining activities will be withdrawn after all relevant parties are ready to implement and enforce the standard operating procedures (SOP) for mining and exporting of bauxite in Pahang.

“It will be carried out in a sus-

tainable manner,” he told a press conference at Parliament lobby.

He said his ministry would be issuing strict SOP to cover the entire chain of activities related to pre- and post-mining activities.

Xavier said this included rehabilitation, logistic management and stockpile at the port.

The Mineral and Geoscience Department would not approve the operational mining scheme (OMS) to any holders of lease or mining licences until everything is fulfilled, in particular the approval of the mandatory environmen-

tal impact assessment, he said.

The ministry, he added, would have engagement sessions with local residents and environmental non-governmental organisations (NGO) on April 14.

Xavier also noted that the public could access and view the SOP on the ministry’s website by March 31.

Kuantan MP Fuziah Salleh had reportedly said local residents had expressed concerns over the recent announcement on the lifting of the moratorium on bauxite mining.

“The announcement of the lifting of the moratorium in absence of proper SOP has given rise to concerns,” she said.

To address this issue, Fuziah added that she requested the parliamentary caucus to monitor Lynas Advanced Materials Plant in Pahang to extend its scope to include bauxite mining.

Watch the video
thestartv.com



Source : StarBiz
Date : 15 March 2019 (Friday)

Gold prices dip on dollar recovery and Brexit

BENGALURU: Gold fell yesterday as the US dollar regained some ground and uncertainty over Brexit eased, but the metal held close to a two-week high hit in the previous session as tepid US inflation data cemented expectations that the Federal Reserve would hold rates.

Spot gold was down 0.5% at US\$1,302.90 per ounce, after touching its highest since March 1 at US\$1,311.07 on Wednesday. US gold futures also dipped 0.5%, to US\$1,302.40 an ounce.

“The dollar is playing a main role in driving gold prices down during Asia trading hours. The dollar has been falling for the last four sessions and we are seeing a small rebound today,” said Margaret Yang, a market analyst with CMC Markets, Singapore.

Yang said the safe-haven demand for the metal, as a hedge against Brexit uncertainty, declined after British lawmakers rejected leaving the European Union without a deal.

“The markets are assessing the landscape in Europe and UK after the vote. If we do see the deadline pushed out, there wouldn’t be a huge impact (in gold prices), but the reaction will be great if we see some sort of deal agreed to in the UK parliament,” ANZ analyst Daniel Hynes said.

The dollar was 0.1% higher against major currencies, after falling the most in two weeks in the previous session on soft US economic data.

US producer prices barely rose last month, resulting in the smallest annual increase in more than 1½ years, reinforcing views that the Federal Reserve would be patient on future rate hikes.

Gold prices have gained about 2% so far this year on expectations of a patient approach by the Fed to raise interest rates, and escalating worries over global economic slowdown.

Data released earlier in the day showed China’s industrial output grew 5.3% in the first two months of this year, the slowest pace of expansion in 17 years.

Market participants will now focus on the Bank of Japan’s (BoJ) monetary policy meeting.

“At the moment global central banks are leaning towards the dovish side and if BoJ is strongly dovish that could lead the yen to fall against the dollar and gold prices could go down,” CMC Markets’ Yang said.

Among other precious metals, palladium was down 0.5% at 1,548.48 per ounce, while platinum also dipped 0.5% to \$833.29 per ounce. — Reuters

Source : StarBiz
Date : 20 March 2019 (Wednesday)

JAG in MoU for bauxite mining

PETALING JAYA: JAG Bhd has entered into a memorandum of understanding (MoU) with Empire Mining Sdn Bhd to look into a possibility of setting up a joint venture.

Both parties will look at the possibility for JAG or its nominated subsidiary to enter into a joint venture with Empire Mining to extract, process and produce bauxite in Pulau Langkawi. Empire Mining is a private company principally involved in bauxite mining.

JAG told Bursa Malaysia both parties have agreed to negotiate exclusively with each other during a period of three months from the date of the MoU and a further extension period of three months or such later date as may be agreed for the transaction agreement.

Global iron ore market faces deficit, Forrest warns

SINGAPORE: The global iron ore market is likely to have a shortfall following the dam spill and mine curtailments at top supplier Vale SA, according to Fortescue Metals Group Ltd founder Andrew Forrest, who cautioned that other producers face constraints in boosting output.

“We do have to face the reality of a potential deficit,” Forrest said in a Bloomberg Television interview at the Boao Forum in Hainan province.

While the Australian miner is “looking very hard” at how it can help customers, it can’t guarantee it’ll be able to help fill the deficit, according to Forrest.

Iron ore is heading for the biggest quarterly advance since late 2017 as investors seek to gauge the consequences of the disruption in Brazil, with Citigroup Inc warning the

market has yet to see the full impact of the disaster as a looming mid-year crunch will spur a rally to US\$100 a tonne.

The comments from Fortescue come during a busy week for the market, with Vale set to report earnings after turning in production data on Tuesday.

In the near term Fortescue can’t easily “turn up the dial” in response, Forrest said, echoing recent comments from executives at Australian shippers Rio Tinto Group and BHP Group that they are not in a position to add substantial tonnes swiftly.

Still, Fortescue’s Chief Operating Officer Greg Lilleyman signaled last week that the company may boost supply from a mine being developed in Australia should the aftershocks of the Brazilian disaster persist.

Benchmark spot ore was at

US\$85.10 a tonne on Tuesday, 17% higher since the start of the year, according to Mysteel.com.

In the weeks immediately after Vale’s spill, the price rallied to US\$91.50 in early February, the highest level since March 2017. Futures fell for a third day in Singapore yesterday.

Banks including Credit Suisse Group AG and Morgan Stanley have flagged a deficit, and top exporter Australia raised its price forecast. Vale – which opted not to provide revised 2019 guidance on Tuesday as it detailed output – has shuttered operations at facilities that produce almost 93 million tonnes a year.

The disaster at Vale has “left a hole in the seaborne market,” Morgan Stanley said in a note this week, estimating the miner’s output will slump 34 million tonnes this year.

While shipments from Brazil were stable in the initial weeks after the accident, there’s been a slowdown since mid-March, the bank said.

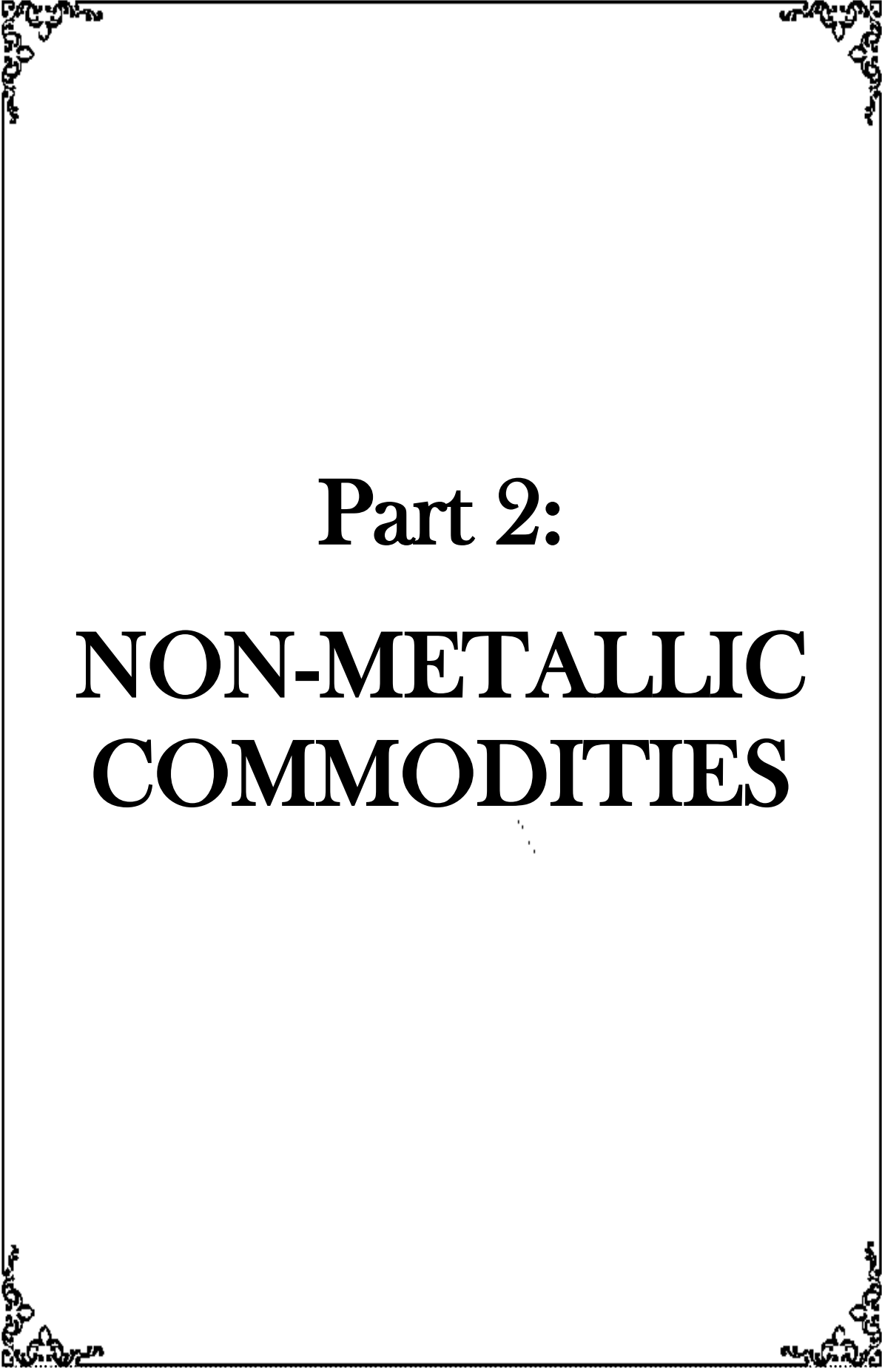
Cleveland-Cliffs Inc., the top U.S. producer, has also warned on the outlook.

The market has “totally underappreciated” the disaster’s impact, chief executive officer Lourenco Goncalves said this month.

“I have been receiving inquiries from companies that are served by Vale, but we’re sold out.”

Fortescue’s Forrest said that the type of dam that failed in Brazil will likely be abandoned.

“Upstream tailings dam will probably become a thing of the past,” he said. “They work theoretically in engineering terms. But as you can see, they haven’t worked practically.” — Bloomberg.



Part 2:

**NON-METALLIC
COMMODITIES**

Brokerage keeps 'buy' call on Cahya Mata Sarawak

Higher earnings seen on the back on new contract win

By P. ARUNA
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PETALING JAYA: Poised to benefit from Sarawak's RM9bil development expenditure budget and with its subsidiary having secured a new RM466.7mil contract, Cahya Mata Sarawak Bhd (CMSB) remains a "buy" for RHB Research.

The research house also raised its forecasts for the group's earnings for financial year 2018 (FY19) to FY21 by 1%, 2% and 1%, respectively, in view of the new contract running for four years until April 2023.

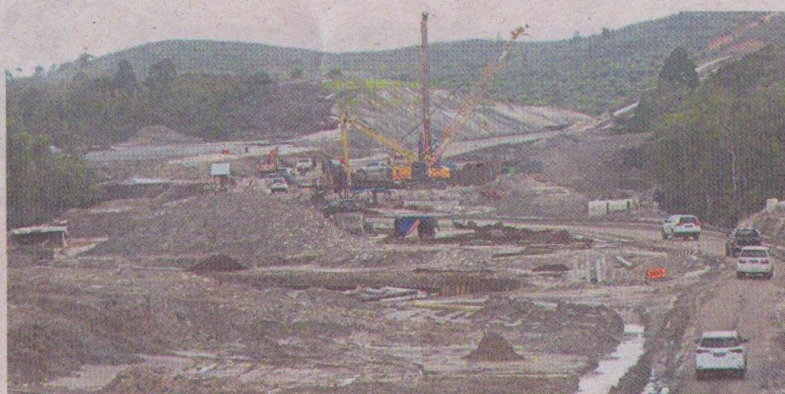
CMSB is the sole supplier of cement in Sarawak with a total capacity of 2.75 million tonnes per annum. It currently runs at 60% of full capacity.

RHB Research noted that cement demand was expected to rise further on the back of the Pan-Borneo Highway Sarawak project, of which progress stands at about 35%.

"The commencement of the Sarawak Highway and Second Trunk Road projects as well as the new Baleh Dam in 2020-2021 also bodes well for the group," it said in a note.

The brokerage has maintained its target price of RM4.15 for the counter, which offers a 22% upside, and a 3% 2019 yield.

The group announced yesterday that a joint venture of PPES Works (Sarawak) Sdn Bhd and China Communications Construction Co (M) Sdn Bhd - PPES Works CCCC JV Sdn Bhd - had received and accepted a letter of acceptance from the Sarawak government for the proposed construction and comple-



Spillover effect: Cement demand is expected to rise further on the back of the Pan-Borneo Highway Sarawak project. — Bernama

tion of the Bintulu-Jepak Bridge crossing Kuala Kemena for RM466.68mil.

PPES Works is a 51%-owned subsidiary of CMSB, with the remaining 49% equity interest being held by the Sarawak Economic Development Corp. The contract runs 48 months from April 3, 2019 to April 2, 2023.

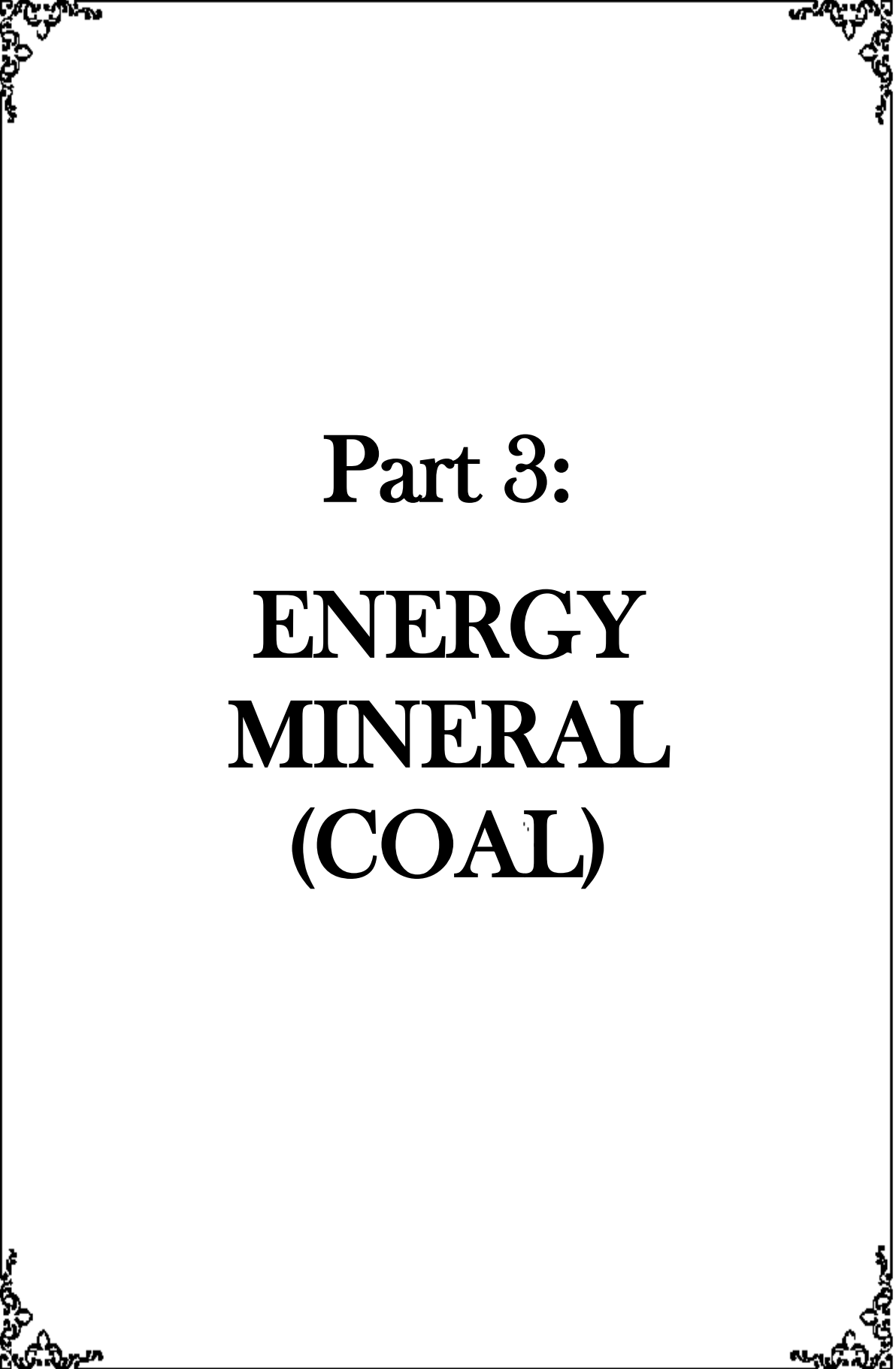
The scope of work includes the construction and completion of the proposed Bintulu-Jepak bridge crossing Kuala Kemena.

The double carriageway cable-stayed bridge will come with a flyover over the Jalan Tun Ahmad Zaidi-Jalan Tun Razak-Jalan

Abang Galau traffic junction, with a connecting road spanning about 4km.

CMSB group chief executive officer of operations, Goh Chii Bing, in a statement, said the partnership with CCCC, given its distinguished portfolio and past achievements, would be of great value to PPES Works.

RHB Research, in the note yesterday, said key downside risks to its "buy" call on the counter were the fluctuation of ferrosilicon and manganese prices as well as any delay or cancellation of the Pan Borneo Highway (Sarawak) project.



Part 3:

**ENERGY
MINERAL
(COAL)**

Vietnam to increase coal-fired electricity

HANOI: Though Vietnam plans to enhance its renewable energy capacity, the country is forecast to expand coal-powered generation as this cheap source remains the most feasible option to meet its rapidly rising electricity demand, daily newspaper *Vietnam News* quoted local and foreign experts as saying.

Tran Viet Ngai, chairman of the Vietnam Energy Association, said coal-fired power would still play a key role in the country's electricity industry next year.

According to the association, coal-fired power output per capita in Vietnam currently stands at 793 kWh, much lower than the world's average level of 1,290 kWh.

According to experts of London-based macroeconomic research firm Fitch Solutions Macro Research, Vietnam's coal-powered generation is likely to grow rapidly over the next decade and dominate the country's power sector expansion, mainly because hydropower potential has already been almost fully exploited, and depleting domestic gas reserves will not sustain a substantial ramp-up in gas-fired generation over the longer term. — Xinhua

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