

PRESS CUTTINGS

September 2019
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'Stop encroaching
into quarry sites
at Gunung Lanno'

'Bauxite permit application will be thoroughly screened'

**MINERAL ECONOMICS SECTION
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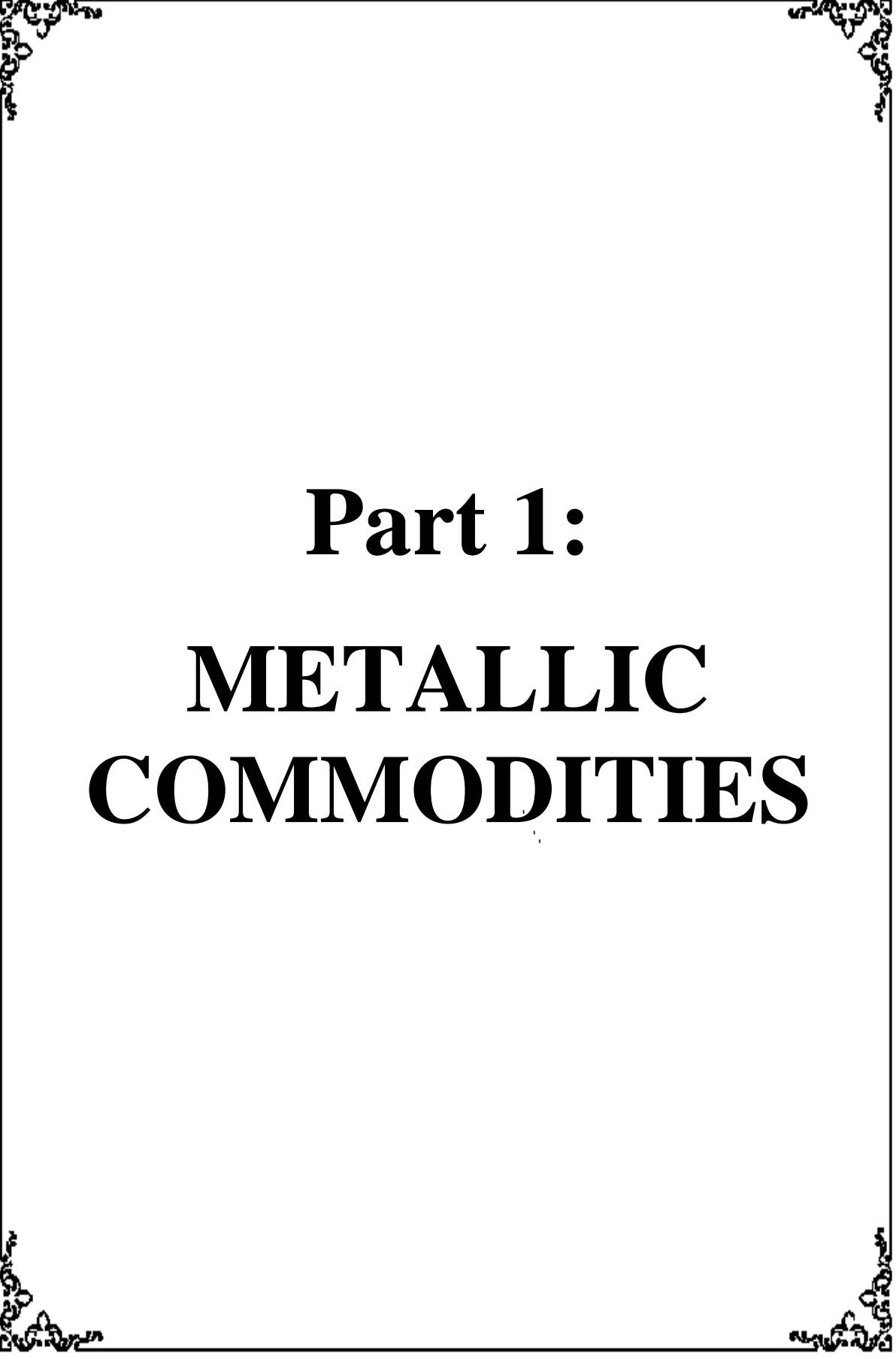
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Part 1:

**METALLIC
COMMODITIES**

Investors rush into gold

SINGAPORE: Investors are going for gold in a big way. Inflows into bullion-backed exchange-traded funds topped 100 tonnes in August to hit the highest since February 2013 as the trade war worsened, risk assets took a knock, and central banks signalled looser monetary policy.

Holdings rose 101.9 tonnes, bringing total known assets to 2,453.4 tonnes as of last Friday, according to data compiled by *Bloomberg*. It was the third straight monthly increase after the addition of a combined 154.1 tonnes in June and July.

Bullion's been on a tear, gaining 19% this year, as the global outlook worsened on the stand-off between the US and China. Central bank-buying has provided another layer of support, and Goldman Sachs Group Inc said prices are likely to advance further as official purchases continue and demand for exchange-traded funds rises.

Spot gold traded at US\$1,526.34 an ounce yesterday, according to *Bloomberg* generic pricing. The metal hit US\$1,555.07 on Aug 26, the highest since 2013. — *Bloomberg*



On the rise: Gold bars and coins are stacked in the safe deposit boxes room of Pro Aurum gold house in Munich. Goldman Sachs Group Inc says gold prices are likely to advance further as official purchases continue and demand for exchange-traded funds rises. — Reuters

Source : Starbiz
Date : 10 September 2019 (Tuesday)

China's gold-buying spree nears 100 tonnes as trade war drags

SINGAPORE: China has added almost 100 tonnes of gold to its reserves since it resumed buying in December, with the consistent run of accumulation coming amid a rally in prices and the drag of the trade war with Washington.

The People's Bank of China raised bullion holdings to 62.45 million ounces in August from 62.26 million a month earlier, according to data on its website at the weekend. In tonnage terms, August's inflow was 5.91 tonnes, following the addition of about 94 tonnes in

the previous eight months.

Bullion is near a six-year high as central banks including the Federal Reserve cut interest rates as signs of a slowdown mount amid the US-China trade war.

Central-bank purchases have been another key support for prices as authorities from China to Russia accumulate significant quantities of bullion to help diversify their reserves.

That buying spree likely to persist in the coming years, according to Australia & New

Zealand Banking Group Ltd.

Trade war restrictions, in the case of China, or sanctions, as with Russia, give "an incentive for these central banks to diversify," John Sharma, an economist at National Australia Bank Ltd, said in an email.

"Also, with increasing political and economic uncertainty prevailing, gold provides an ideal hedge, and will therefore be sought after by central banks globally."

China has previously gone long periods without revealing increases in gold holdings.

When the central bank announced a 57% jump in reserves to 53.3 million ounces in mid-2015, it was the first update in six years.

Spot gold rose 0.2% to US\$1,510.27 an ounce yesterday.

Prices, which capped a fourth straight monthly gains in August, have risen 18% this year.

Goldman Sachs Group Inc and BNP Paribas SA are among banks that expect the metal to challenge US\$1,600 an ounce within the coming months. — Bloomberg

Source : Starbiz

Date : 13 September 2019 (Friday)

Iron ore glory days seen numbered as China demand rolls over

SINGAPORE: Iron ore faces a long, slow slide over the coming half-decade. Prices are poised to decline over the long term as the impact of weakening demand in biggest buyer China will more than offset gains in consumption seen in other emerging markets including India, according to Citigroup Inc.

"Steel demand is no longer going to be what it was," Ed Morse, global head of commodity research, said in an interview. "No combination of India, Brazil and any other emerging-market country, no matter how big, is going to replace what China did alone," he said, referring to spike in demand from the nation's "fixed-asset investment extravaganza", between the 1990s to 2010.

Iron ore's fortunes – and those of the top miners in Australia and Brazil, including Vale SA and Fortescue Metals Group Ltd – largely turn on the strength and trajectory of demand in China, which buys about 70% of seaborne cargoes. As Asia's top economy slows and the government steers growth away from infrastructure and heavy industry to consumers, steel demand is expected to flatten, then ease, although there's no consensus on the timing of the shift.

"We have been long-term bearish iron ore," Morse said in Singapore. "It's a combination of unbelievably cheap, new raw material from

Australia and Brazil, and a dampening of demand at the same time."

Benchmark prices will end this year at the mid-US\$90s a tonne, before falling to US\$75 at the end of 2020, he said. Five years out, they are seen at US\$55 a tonne – a level that's still well above current costs of production at the largest miners. Spot ore was last at US\$94.10 a tonne, up 30% in 2019, according to Mysteel Global.

At present, China dominates the global steel industry, even as output in India has been expanding at a rapid clip. In July, mainland mills pumped out 85.2 million tonnes of crude steel, or 54% of the worldwide total. Second-placed India made 9.2 million tonnes, or 5.9%. Brazil placed ninth, making 2.4 million.

BHP Group, the world's largest miner, said last month its base case is that Chinese steel production "has entered a plateau phase, with the literal peak to occur no later than the middle of next decade".

In its latest quarterly outlook, the Australian government said China's steel output is expected to decline gradually, hurt by moderating consumption, more stringent environmental curbs and reductions in mill capacity. Production will ease to 926 million tons in 2021 from 940 million this year, it said. — Bloomberg



Those were the days: An auto vehicle driving along a road collecting iron ore at Australia's Fortescue Metals Group mine in the Pilbara region in Western Australia. The glory days of iron ore appears to be gone, according to experts. — Reuters

Source : Starbiz

Date : 26 September 2019 (Thursday)

Gold gets another boost on US political tensions

SINGAPORE: Gold steadied after posting its longest rally in three months as investors weighed growing political tensions in the United States, which reinforced demand for havens that have already benefited from central bank easing, slowing growth and the trade war. Palladium notched a fresh record.

The traditional haven was supported as Speaker Nancy Pelosi said the House opened a formal impeachment inquiry into President Donald Trump following revelations he pushed Ukraine's government to investigate Joe Biden.

Adding to tensions is the uncertainty surrounding planned high-level US-China trade talks in October after Trump laid into Beijing in a speech at the United Nations.

Bullion is heading for a fifth monthly advance as the Federal Reserve and central banks globally cut interest rates to prop up economies hurt by the prolonged trade war.

Weakening US consumer confidence also dented sentiment. The possibility Trump will face impeachment is adding to the raft of concerns weighing on markets, even as he said he would release a transcript on Wednesday of his phone call with the Ukrainian leader.

"The move in gold looks convincing enough to warrant some attention as it's unlikely the political storm clouds over Washington are



Longest rally: Bullion is heading for a fifth monthly advance as the Fed and central banks globally cut interest rates to prop up economies hurt by the trade war. — Reuters

about to dissipate any time soon," Stephen Innes, Asia-Pacific market strategist at AxiTrader, said in a note. This "might continue to weigh on equity market sentiment, possibly send US yields lower and could undermine confidence in the US dollar."

Spot gold fell 0.1% to US\$1,529.73 an ounce. Prices capped four days of gains on Tuesday, the longest run since June 25, and the pre-

vious metal is 19% higher this year. Spot palladium rose to an all-time high of US\$1,677.45 an ounce, before retreating.

Worldwide holdings in exchange-traded funds backed by gold inched up to register a fresh six-year high. Total known assets stood at 2,494.3 tonnes as of Tuesday, heading for the biggest quarterly rise since the three-month period to June 2016. — Bloomberg

Source : The Star
Date : 27 September 2019 (Friday)

Lynas Malaysia operating in line with rules, says report

KUALA LUMPUR: As part of its 2025 growth plan, the Lynas Advanced Materials Plant in Pahang is to relocate the first stage of its operations – cracking and leaching – to Western Australia as announced on May 21 this year.

According to the Lynas Sustainability Report 2019, the relocation is required to be completed within four years under Lynas Malaysia's new licence.

"Once the transition to Western Australia is complete, the water leached purification (WLP) residue will no longer be produced in Malaysia," the report said.

The report said Lynas Malaysia commis-

sioned numerous studies by independent researchers that demonstrate that WLP residue, neutralisation underflow residue (NUF), and filler material, can be used in a soil conditioner product known as Condisoil, which it said is safe and commercially beneficial.

However, as part of the renewal of Lynas Malaysia's operating licence announced on Aug 15, Lynas will no longer pursue commercial reuse of the material and will instead build a permanent deposit facility for WLP residue, it said.

A long-term plan has been agreed for NUF residue, including commercialisation and permanent storage options, it added.

"In line with our commitment to ensure that our effluent discharge is safe for the environment and does not affect human health, we comply with the Department of Environment's stringent regulatory standards," the report said.

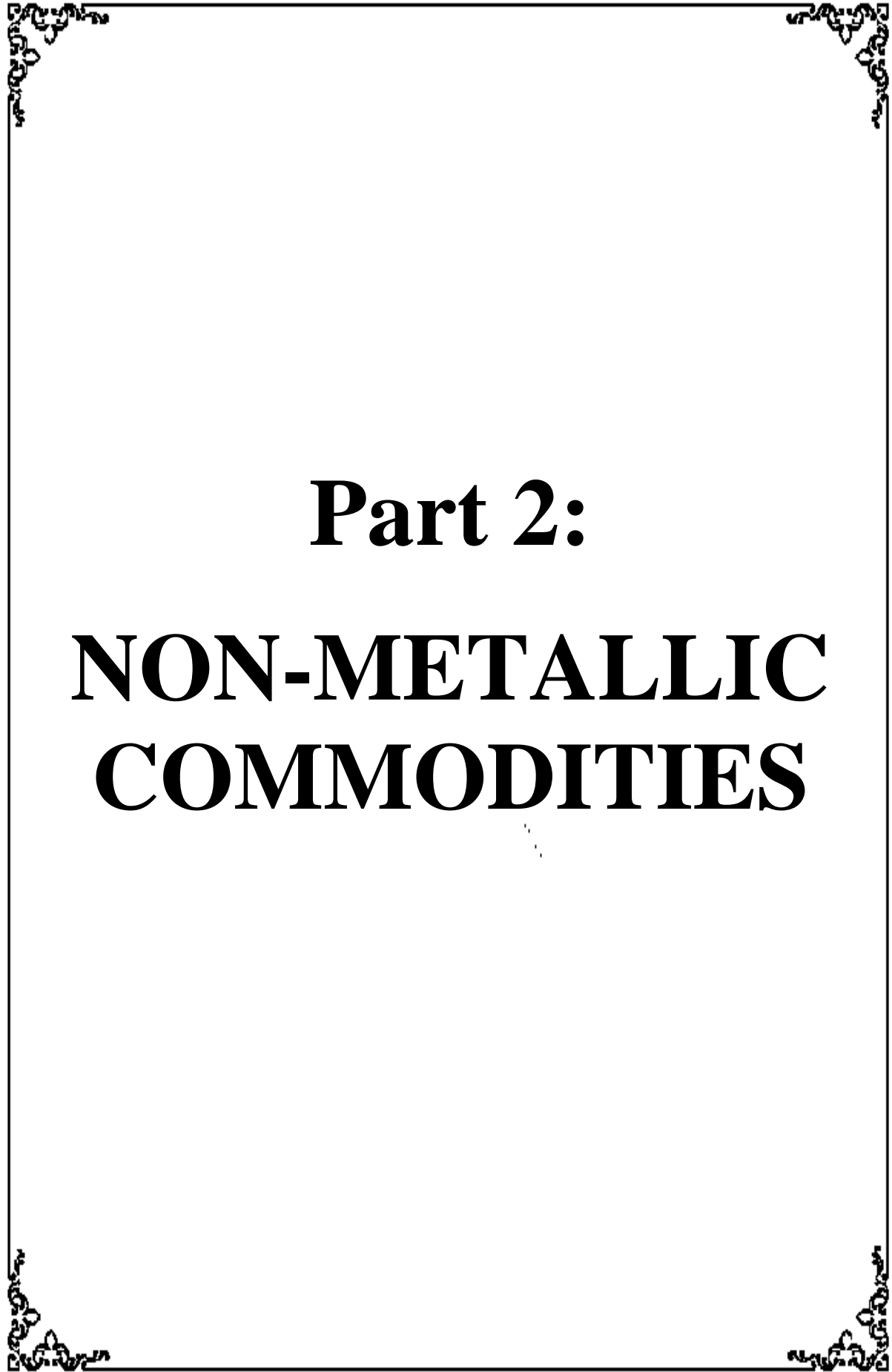
The report also added that Lynas Malaysia continually strives to minimise water usage in its operations and throughout its supply chain in order to protect the environment, reduce costs and ensure its future resilience.

It said that following intermittent water supply issues last year, a larger, third water storage pond was constructed and became operational in March 2019.

"A dedicated water flow meter has been installed to process the incoming (treated) water, enabling us to precisely monitor water consumption.

"Lynas Malaysia has two process water ponds, with a capacity of 6,000 cubic metres, which supply water to the plant as needed at a rate of approximately 400 cubic metres per hour," the report said.

It also said that the Lynas Malaysia plant has lodged a decommissioning plan with the Atomic Energy Licensing Board, setting out its plans for decommissioning, rehabilitation and closure of the Lynas Malaysia plant at the end of its operating life. — Bernama



Part 2:

**NON-METALLIC
COMMODITIES**

Source : The Star
Date : 16 September 2019 (Tuesday)

'Bauxite permit application will be thoroughly screened'

LIPIS: Careful screening of bauxite mining permit applications will be conducted to prevent incidents of environmental pollution from recurring in the state, said Menteri Besar Datuk Seri Wan Rosdy Wan Ismail.

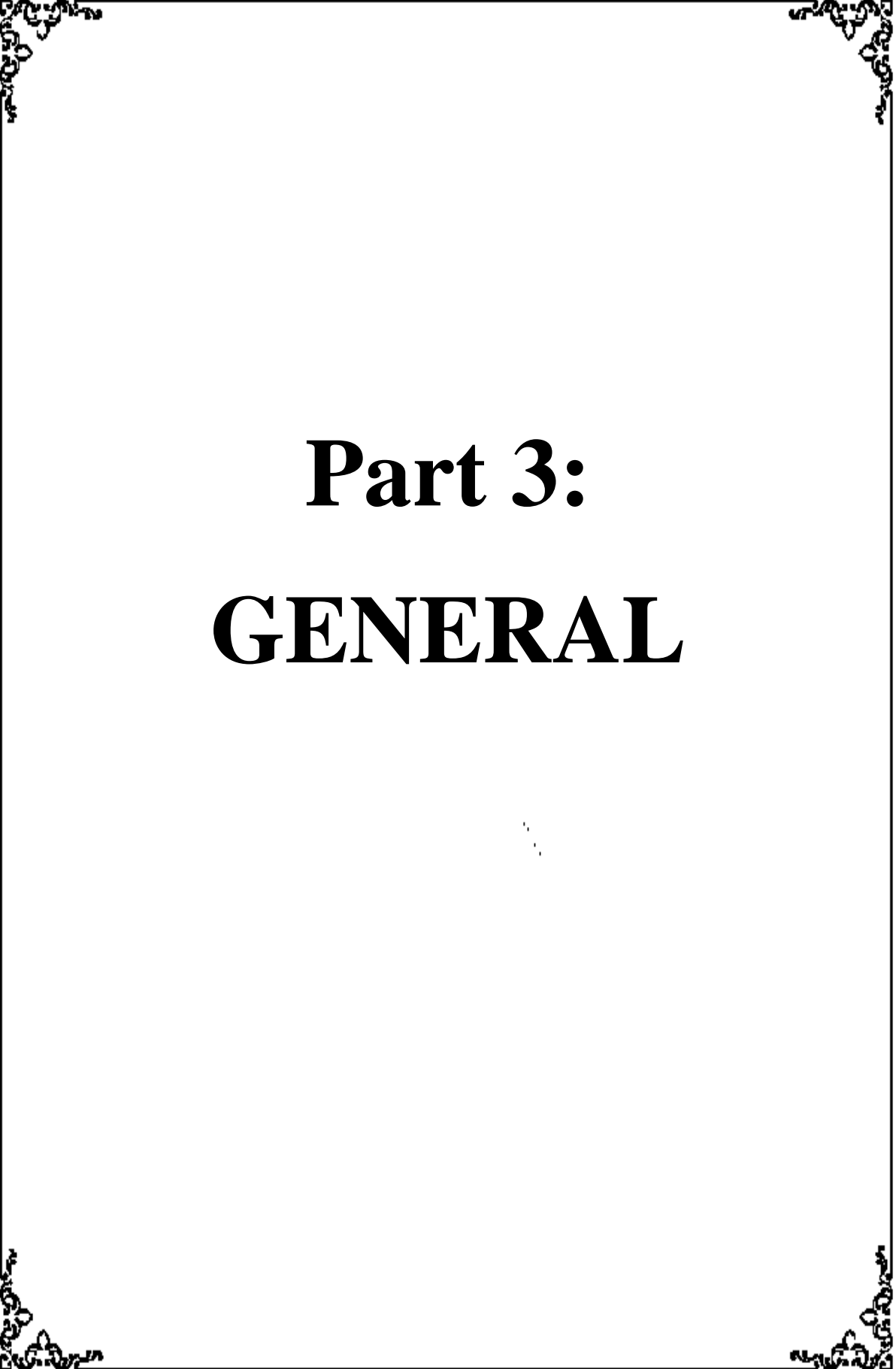
He said the stringent measure was important to ensure that those granted permits for bauxite mining operations and export licences meet the new standard operating procedure (SOP) criteria.

"We have agreed to use the new

SOP set by the Water, Land and Natural Resources Ministry and to ensure its effectiveness. Careful screening of the applications will be undertaken before the state government can issue the permit and mining activities can begin," he said

after launching the Tanjung Gahai Makmur Housing Project yesterday.

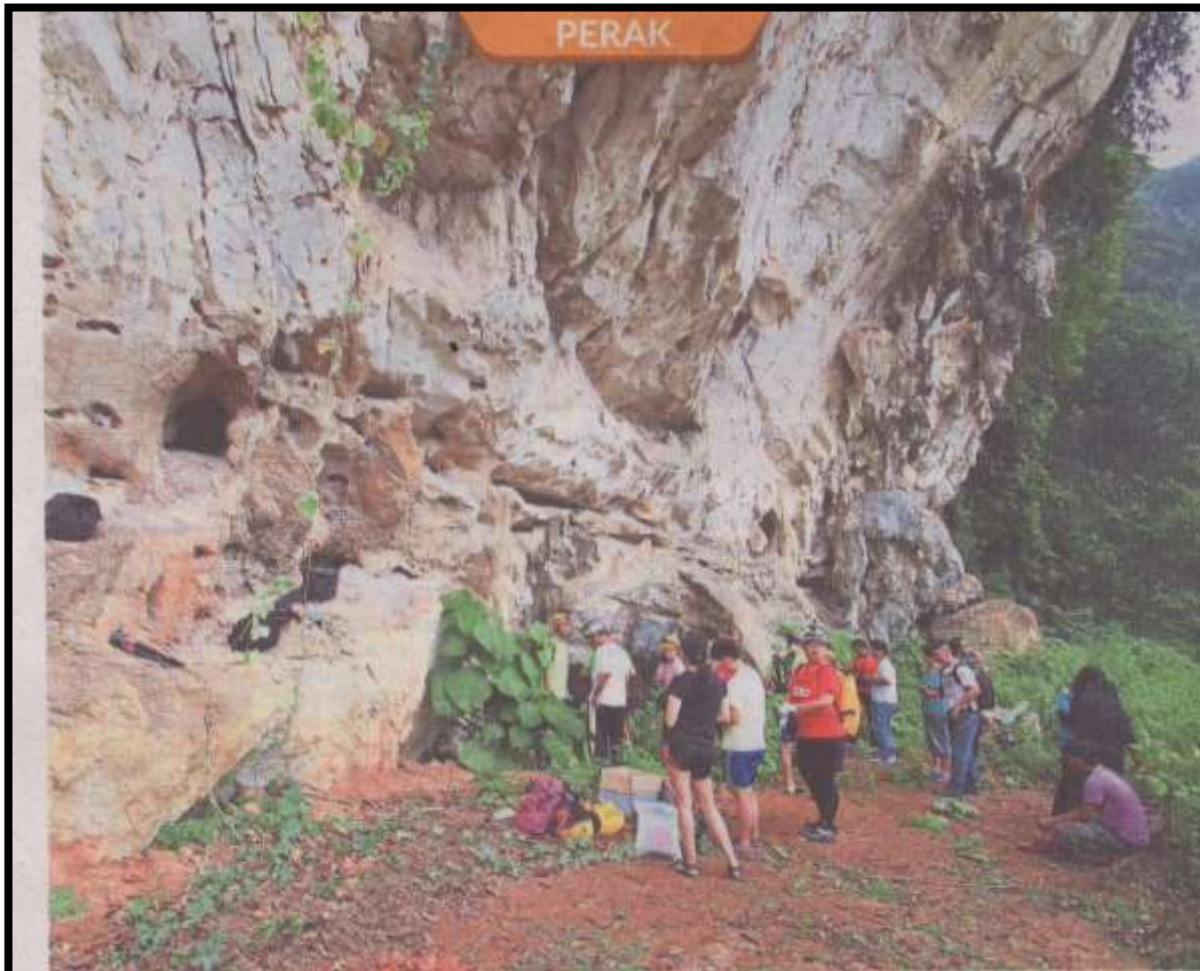
Wan Rosdy also said stern action, including the revocation of the permits, would be taken against the operators who failed to follow the SOP. — Bernama



Part 3:

GENERAL

Source : The Star
Date : 26 September 2019 (Thursday)



Caves at Gunung Lanno are still a popular draw for caving enthusiasts.

'Stop encroaching into quarry sites at Gunung Lanno'

By IVAN LOH
ivanloh@thestar.com.my

CAVING enthusiasts have been advised to stop going to quarry sites at Gunung Lanno, Simpang Pulai, as it is dangerous.

Perak Quarry Association president SK Chong said rock blasting activities could make the caves unsafe.

"It has come to our attention that some individuals are encroaching into caves at Gunung Lanno.

"These are private properties gazetted as quarry zones," said Chong in a statement.

"We would like to urge all parties involved to cease cave exploration activities around Simpang Pulai, especially Gunung Lanno for their own safety," he added.

Chong said it was regrettable that certain parties have been inviting the public to take part in caving activities at Gunung Lanno

and surrounding areas.

"We are duty-bound to make it known that cave exploration activities in and around Gunung Lanno are no longer safe or suitable for leisure activities.

"We strongly support the eco-tourism industry in Perak and urge the relevant parties to fully utilise and develop areas outside of the designated quarry zone," he added.

Caving enthusiasts have been holding activities near quarry sites at Gunung Lanno. It was reported that there are about 30 quarry sites and 36 caves at Gunung Lanno.

Enthusiasts have found fossils and remnants from the tin mining era and urged the state government to protect the caves.

Perak tourism committee chairman Tan Kar Hing said a task force, chaired by the state secretary, had been set up earlier this month to look into the matter.

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