

### **The Week Ahead: Serba Dinamik and Rosmah court cases, US inflation data in the spotlight**

It will be a quiet week for Malaysia on the economic and corporate front, with the unveiling of the Industrial Production Index (IPI) for the month of November kicking off the week.

In October, the IPI expanded 5.5% from the previous year, on account of higher manufacturing and electricity output as mining sector production fell. Growth in the index was driven by the manufacturing component, which increased a total of 8%.

It is worth noting that the IPI expanded 7.3% over the period of January to October 2021, which was contributed by increases across all components of the industrial output gauge.

Significantly, the expansion of the IPI of 5.5% from a year ago exceeded consensus estimates, which had projected a lower expansion of 3.7%.

According to a Dec 13 report by Kenanga Research, IPI expansion was expected to continue in November and December 2021, supported by a sustained rise in domestic demand and external trade activity.

The Malaysia manufacturing Purchasing Managers' Index (PMI), which rose to 52.3 in November, serves as an early indicator of the expansion.

"However, downside risks have heightened due to the emergence of the Omicron variant, which could lead to the reinstatement of movement restriction measures should it trigger a new wave of Covid-19 infections," it added.

On the same day, the **Department of Statistics Malaysia** will be releasing the November data for manufacturing sales value. In October, manufacturing sales grew 15.3% year on year (y-o-y) to RM140.7 billion, driven by petroleum, chemical, rubber & plastic products, electrical & electronics products and food, beverage and tobacco products.

At the courts, two cases are of particular interest, one being Bursa Malaysia Securities Bhd's lawsuit against Serba Dinamik Holdings Bhd, the hearing of which will continue on Jan 11 (Tuesday).

Bursa Securities is seeking a court order to compel Serba Dinamik to disclose the factual findings update (FFU) of the Special Independent Review (SIR) dated Sept 30, 2021, conducted by Ernst & Young Consulting Sdn Bhd (EY Consulting) on its financial accounts.

Legal action was taken because of Serba Dinamik's "failure to comply" with the stock exchange's directive on Oct 22, 2021, in relation to the disclosure.

Serba Dinamik also has a suit against Bursa Securities to nullify the SIR, as it contends that the directives by the stock exchange to appoint EY Consulting for the SIR was in excess of its power, among others.

Written submission filed by Bursa Securities' counsel Datuk Loh Siew Cheang, disputes Serba Dinamik's claim that the FFU is hearsay documentary evidence which is not admissible.

The other ongoing court case of interest is Datin Seri Rosmah Mansor's solar hybrid project graft trial on Jan 10 and 11 as her husband, former prime minister Datuk Seri Najib Razak, is scheduled to take the stand in her defence.

Rosmah, 70, is on trial at the High Court on three charges in relation to the RM1.25 billion project to equip 369 schools in rural Sarawak with solar hybrid power.

She faces a charge of soliciting RM187.5 million and two charges of receiving bribes totalling RM6.5 million from former Jepak Holdings Sdn Bhd managing director Saidi Abang Samsudin through her former assistant Datuk Rizal Mansor in return for her assistance in securing the project.

Elsewhere in Asia, China and India will be announcing inflation data.

China's December Producer Price Index is estimated by economists to come in at 11.3% y-o-y from 12.9% in November. As for its Consumer Price Index (CPI) for December, Bloomberg estimates peg it at 1.7% y-o-y from 2.3% in November.

India's December CPI will be released on Jan 12, and economists project a rise to 5.8% y-o-y from 4.91% in November.

In the US, key events of interest are the two hearings by the US Senate Banking Committee to consider the re-nomination of Jerome Powell as Federal Reserve chair on Jan 11 and the nomination of Fed governor Lael Brainard for the vice chair, which will take place on Jan 13.

The US will also be unveiling its December headline CPI on Jan 12, with economists projecting a 7.1% rise y-o-y from 6.8% in November, and December core CPI at 5.4% y-o-y from 4.9% in November.

<https://www.theedgemarkets.com/article/week-ahead-serba-dinamik-and-rosmah-court-cases-us-inflation-data-spotlight>