

The Week Ahead: Spotlight on Capital Market Masterplan 3, IGB Commercial REIT listing, US tapering announcement

The Securities Commission Malaysia (SC) will unveil the third Capital Market Masterplan (CMP3) on Tuesday to set the strategy positioning and future direction of the capital market, following the completion of CMP2 (2011-2020). The blueprint is expected to articulate the developmental and regulatory approach and initiatives for the next five years.

On Monday, IGB Commercial REIT will make its debut on the Main Market of Bursa Malaysia. Initially scheduled to be listed on July 30, the company delayed the listing date to allow more time for the book-building process. It also slashed the institutional offering to a minimum of 130 million units from 282 million units amid the weak market sentiment for office space, which in turn has hit its share sale.

The price of IGB Commercial REIT's institutional offering was fixed at 71 sen during the book-building exercise. Investors' tepid interest was also evident in another aspect: the restricted offer for sale for IGB's shareholders that came with distributions in specie was undersubscribed by 21.28%.

Even so, upon listing, IGB Commercial REIT is set to become the largest standalone office REIT by market capitalisation in the country.

The Department of Statistics Malaysia is scheduled to announce inflation data for August on Friday. The Consumer Price Index (CPI) grew 2.2% year on year in July because of the low base effect. On the same day, economic indicators — leading, coincident and lagging indices for July — will also be released.

Bank Negara Malaysia will announce its international reserves figures as at Sept 15 on Thursday. International reserves stood at US\$116.3 billion on Aug 30, up US\$5 billion from US\$111.3 billion recorded on Aug 13.

Regionally, it will be a short work week in North Asia as several economies, including China, South Korea, Taiwan and Hong Kong, will be celebrating the mid-autumn holidays.

Three major Asia-Pacific central banks are scheduled to announce monetary policy decisions this week — Bank Indonesia, Bangko Sentral ng Pilipinas (the Philippines) and the Central Bank of the Republic of China (Taiwan). All three are expected to stay pat on rates.

"Policymakers are likely to be eager to seek more clarification on growth and inflation trajectories after the Delta wave fades, keeping all options open in the meantime," IHS Markit noted.

Key Asian data this week include Hong Kong's August CPI, Taiwan's August unemployment rate and export orders, the first 20-day September trade data from South Korea, Australia's preliminary manufacturing and services Purchasing Managers' Index surveys for September, Thailand's August custom trade data and New Zealand's August trade.

Following the European Central Bank's "recalibration" of its asset purchases, IHS Markit said the September Federal Open Market Committee meeting is widely expected to give an update on the timing of the US Federal Reserve's asset purchase tapering.

"A taper announcement is expected following the meeting conclusion with inflation running well above 2%. Our US economic team sees November being the potential start date for tapering that will run for several months, extending well into 2022," it added.

UOB Research, however, opined that the first taper action will only be in December 2021, as this would give the Fed enough time to see how US politicians resolve the ongoing debt-ceiling standoff.

On the corporate front, companies set to hold their annual general meetings this week include Ajinomoto (Malaysia) Bhd on Sept 20, Genting Malaysia Bhd and QL Resources Bhd on Sept 22, Genting Bhd and RCE Capital Bhd on Sept 23 and Pegasus Heights Bhd on Sept 24.

Meanwhile, the High Court has fixed Sept 24 to deliver its decision on Datin Seri Rosmah Mansor's application to nullify her graft trial and to disqualify former Federal Court judge Datuk Seri Gopal Sri Ram from continuing as prosecutor in her case.

Rosmah is charged with receiving a total of RM6.5 million from Jepak Holdings Sdn Bhd managing director Saidi Abang Samsudin between Dec 20, 2016, and Sept 7, 2017. She is also charged with soliciting a RM187.5 million bribe from a RM1.25 billion project awarded to Saidi, through her aide Datuk Rizal Mansor.

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