Mah Sing to launch M Luna early next year

The project sales gallery to open on Wednesday

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KUALA LUMPUR: Mah Sing Group Bhd's latest affordable development, M Luna, is set to be launched early next year.

Potential buyers will be able to check out the layouts of the M Luna units when the developer launches its sales gallery in Taman Wahyu here on Wednesday.

Designed with the "luxury you can afford" concept, the serviced apartment is targeted at young professionals, young couples and buyers looking to start a family, especially those in their late 20s, who are buying their first house.

The project is located behind Mont Kiara 2, beside the Kepong Metropolitan Park. It is also close to the Forest Research Institute Malaysia.

Units facing the north will enjoy the scenic view of the Bukit Lagong Forest Reserve and Genting Highlands while units facing south will be facing the majestic skyline of Kuala Lumpur, with skyscrapers such as the Petronas Twin Towers, Kuala Lumpur Tower, the Exchange 106 and the Merdeka 118 Tower.

Chief operating officer Yeoh Chee Beng said M Luna would consist of two towers of 860 units and 812 units respectively, both 57 stories high.

He added that there are over 35 facilities that were specially crafted for the home buyers which ensure quality living.

"The property is going to be north-south facing, which is the eco-facing directions with less heat, shielded from direct sunlight and at the same time, residents get to enjoy natural skylight," he said.

While M Luna is not a Green Building Index certified development, Yeoh said Mah Sing played its role as a responsible developer to be nature-friendly, with facilities such as electric vehicle charging stations.

Even the bathrooms for each unit are designed to be naturally ventilated, including the corridors of the apartment.

There will also be a rainwater harvesting feature which will be used for the landscaping in the development so that it is self-sustaining.

"We feel that it's our duty to be able to design things that are friendly to the environment. We will also bring upon the stream pneumatic waste management centralised garbage disposal system

"With this system, there is minimum noise, 90% less smell and definitely cleaner," he said.

The system extracts the waste into a central garbage collection area away from the residence when a certain weight is accumulated.

For security, there will be a QR code system in place to register visitors or contractors.

In terms of accessibility, Yeoh said M Luna is in the middle, with a 20-minute drive to the Kuala Lumpur city centre and Bukit Bintang and 10 minutes to 1Utama and Mutiara Damansara.

Affordable luxury: Yeoh showing an artist's impression of the entrance to the M Luna project. Yeoh says Mah Sing is playing its role as a nature-friendly responsible developer.

As for public transport, Mah Sing will also provide free shuttle services for its M Luna residents for the last mile connectivity to the nearest MRT and KTM stations.

The Metro Prima MRT station is 3.3km away, the Kepong Baru MRT station is 3.5km away while the Taman Wahyu KTM station is 4km away.

Among other facilities in M Luna are a seven-lane Olympic-sized infinity pool, a gym with Technogym equipment and six lifts serving each block.

Asked on how the M Luna would fare in light of the current overhang in the property market, Yeoh said Mah Sing is confident that M Luna would attract a good take-up rate.

"The property market may not be as vibrant as before but what we put in place today, any new developments that come up so far, 75% of what we have in hand are all in the affordable range.

"So far we have done successfully well. We are confident that we will be able to do equally well despite our current market situation," he said.

There will be three built-up sizes for M Luna – 700 sq ft (two bedrooms), 850 sq ft (three bedrooms) and 1,000 sq ft (four bedrooms), with an indicative selling price from RM385,000.

The project is expected to be completed by 2023.

The developer has received more than 2,500 registrations from potential home buyers indicating their interests.

Can the wheels of recession be stopped?

Plain speaking
YAP LENG KUEN

THE risk of recession may be receding but business confidence is not yet fully-restored as US-China political and trade undercurrents remain.

In fact, there are questions as to whether the global damage from the trade fights can be repaired, and how much of the 10-year cycle of boom and bust can be prolonged.

This is all in the midst of talk of a reborn bull market, spurred by monetary stimulus from the Federal Reserve which had stepped in before to save markets from toppling.

In addition to the fourth straight decline in manufacturing data from the Institute of Supply Management, retail sales for November grew less than expected.

US retail sales for November rose 0.2% against a forecast in a *Reuters* poll for 0.5%: excluding automobiles, gasoline, building materials and food services, retail sales notched 0.1% following a gain of 0.4% in October.

This further scales back earlier upbeat data that would have pointed to an improved forecast for the fourth quarter US economic outlook.

The jobs scene is giving mixed signals. No doubt US jobs growth for November came in strong at 266,000, which was the highest in 10 months, unemployment claims for the week ended Dec 7 rose to a two-year high of 252,000.

Conflicting sets of data have led to wild swings in expectations of recession.

From a 50% chance of recession in May, bond king Jeff Gundlach had increased that to 65% by the following month.

By August, that risk had had shot up to 75%, and within the next four months, had dropped to 35%.

Besides jobs growth and monetary boost, some optimism could also stem from the agreement on a partial US-China trade deal which seems to focus on massive buying of US agricultural products.

While there is no indication on the success of future deals, the nod for this partial phase from these two indicates their commitment and perhaps willingness to compromise.

That should add some comfort to markets which will need further assurance that they can agree on stickier points pertaining to China's industrial policy and advancement.

With economic indicators dropping, this slow and potentially grinding process of negotiations may not do much to lift the global economy from its current slowdown.

Whether the truce can last is another question as tariffs can be reimposed if the United States is not satisfied with the commitments from the Chinese.

Under this phase one agreement, China will buy an additional US$200bil from the United States, on top of its purchases in 2017 when it bought US$130bil in US products and US$56bil in services, said Reuters.

Can this initial phase of the complicated trade deal together with Fed support help avert any recession?

"The wheels of recession have already been set in motion," said Inter-Pacific Securities head of research, Pong Teng Siew.

"While the terms of the deal remain unpublished, it has come too late to prevent a recession from emerging."

The latest weekly jobs claims of 252,000 against expectations in a *Reuters* poll for an increase of 213,000, was a surprise.

There were no hurricanes or snowstorms to have caused such a huge spike which some attributed to "seasonal volatility."

For the previous week, claims had dropped to a seven-month low of 203,000.

One cannot read too much into the strong November jobs data which was askew due to 41,300 workers from General Motors returning to work from a strike.

Fears of recession, which had been stoked by an earlier inversion of the yield curve as yields on long term bonds went below those of short dated ones, have abated following a reversal of this inversion.

Yield curve inversion had historically preceded a recession; even it returns to normal, the track record shows that a recession can occur two years later.

Inversion rattles investors as bank lending can freeze when their profits get crushed; in yield curve inversion, short term rates at which they borrow to fund long term loans, go higher.

Investment decisions can be affected as investors turn cautious although this time, the Fed's rate cuts may help to prop up this tired bull.

The Fed began cutting rates just a few months following inversion, unlike in 2006 (prior to the recession in December 2007), it took almost a year for the Fed to lower rates.

Nevertheless, anxiety remains on the decelerating US economy as trade and manufacturing decline amidst some hopeful signs in jobs growth, corporate profits and the initial trade deal.

But "global indicators have yet to show a convincing expansion of growth amidst some stabilization in the magnitude of contraction," said Socio Economic Research Centre executive director Lee Heng Guie.

Columnist Yap Leng Kuen notes the unstable environment.

FoundPac plans to produce auto parts

By DAVID TAN
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GEORGE TOWN: FoundPac Group Bhd plans to produce parts for the automotive industry next year.

Group managing director Ong Cheng Hoon said the group had installed a new production line to manufacture critical automotive parts.

"We are in the process of applying for the IATF 16949 certification that will qualify the group as a first and second-tier producer of critical automotive parts.

"We expect to get the certification in the first half of 2020 and start commercial production in the second half. We have also the automotive part manufacturing licence from the Malaysian Investment Development Authority. These are parts used in, for example, the gear-box of an automobile.

"We are talking now with European and Asian carmakers and expect to conclude the negotiations in 2020 that would establish the group as a key supplier of critical automotive components. FoundPac has vast experience in manufacturing precision machining parts," he told *StarBiz*.

According to Ong, the group is financially well-positioned to venture into new business projects, as the group had a net cash position of RM38mil as of Sept 30.

The automotive sector is experiencing a downturn.

"According to Moody's Investors Service, the global automotive manufacturing industry will contract over the next 12 to 18 months. The forecast is that global sales will fall 3.8% in 2019 and 0.9% in 2020. Moody's expected Chinese auto sales to swing back to modest growth in 2019. However, Chinese sales continued to slide during the first half of the year, affected by the ongoing US-Chinese trade talks," said Ong.