

Malaysia's Westports rises after China rejects shipping alliance
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Shares of Malaysia's Westports Holdings Bhd rose as much as 3.7% after China rejected the formation of a global shipping alliance, removing the likelihood of one of the port's major client's throughput diverted to other port.

Shares of the port operator, backed by Asia's richest man Li Ka-Shing, were up 2.23% at RM2.75 by 0639 GMT, outperforming the broader index's 0.07% drop.

China's Ministry of Commerce yesterday rejected the proposed global shipping alliance, or P3, on the grounds that it will restrict competition.

P3 would have brought together three of the world's largest container carriers - Denmark's AP Moller-Maersk, Swiss firm Mediterranean Shipping Co and France's CMA CGM.

CMA CGM is Westport's single largest customer.

"If implemented, it would have resulted in a revision in port calls, and potentially cause CMA's throughput to be diverted to Pelabuhan Tanjung Pelepas," RHB Research said in a note today.

The Kuala Lumpur-based stock broker raised its target price on Westports to RM3.23 from RM2.91. – Reuters, June 18, 2014.

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