

Daily Newswatch

Market Review

The FBMKLCI continued its momentum and closed higher (+0.5%) on Monday, buoyed by improved investor sentiment in the local market. Sectors that experienced the most gain include health care (+2.3%), utilities (+1.9%), and construction (+1.2%). Market breadth remained positive with 668 gainers compared to 438 losers. Key gainers among index constituents are YTL Power (+8.4%), YTL (+5.6%), and MRDIY (+2.0%).

Economics

- **China's** industrial profits fell in March, raising doubts about recovery.
- **Indonesia's** 1Q FDI up 15.5% on yearly basis
- **Agriculture** Wheat slips from four-month high as adverse weather threatens supply.

Companies

- **Malakoff (5264)** inks deal to expand operation and maintenance services to Bangladesh.
- **UOA Development (5200)** plans to launch two new projects worth an estimated RM2.7bn.
- **Tex Cycle (0089)** partners Evolusi Bersatu for Sabah's first integrated waste management facility.
- **Meta Bright (2097)** secures RM28m financing from AmBank.
- **TA Global (5158)** first to partner OpenMinds for its new property listing app.
- **Sime Darby Property (5288)** has achieved a 100% take-up rate for The Corak.
- **YTL REIT (5109)** to develop hotel in Japan for RM199m.
- **Energy** Saudi-based ACWA Power keen on investing over US\$10bn in Malaysia, in collaboration with Cypark.
- **Energy** TotalEnergies has stated commitment to boost investment in Malaysia's upstream O&G sector.

Upcoming key economic data releases

	<u>Date</u>
US - FOMC meeting	30 Apr
EU – GDP (flash)	30 Apr
US – Jobless Initial Claims	2 May
US - CPI	15 May
Malaysia - CPI	16 May
EU - CPI	17 May
Malaysia – External Trade	20 May
Malaysia – PPI	28 May
US - GDP	30 May

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,582.7	0.5	8.9
Dow Jones	38,386.1	0.4	1.8
Nasdaq CI	15,983.1	0.3	8.2
S&P 500	5,116.2	0.3	7.9
FTSE 100	8,147.0	0.1	5.5
Nikkei 225	37,934.8	0.8	14.0
Shanghai CI	3,113.0	0.8	5.1
HSI	17,746.9	0.5	5.7
STI	3,282.1	0.1	1.6

Market Activity	Last Close	Daily chg %
Vol traded (m shares)	4,241.7	3.5
Value traded (RM m)	3,480.6	7.3
Gainers	668	
Losers	438	
Unchanged	474	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MYEG	0.910	(0.5)	215.0
BPURI	0.075	0.0	98.7
TWL	0.030	0.0	93.6
TOPGLOV	0.885	6.6	68.1
CAPITALA	0.790	7.5	67.0

Top 5 Turnover	Last Close	Daily chg %	Value (RM m)
YTLPOWR	4.790	8.4	271.4
YTL	3.200	5.6	201.3
MYEG	0.910	(0.5)	195.6
CIMB	6.610	0.0	145.4
MAYBANK	9.750	(0.4)	112.0

Currencies	Last Close	% Chg
USD/MYR	4.7675	(0.0)
USD/JPY	156.25	(1.3)
EUR/USD	1.0719	0.3
USD/CNY	7.2290	(0.2)
US Dollar Index	105.58	(0.3)

Commodities	Last Close	% Chg
Brent (USD/barrel)	88.40	(1.2)
CPO (RM/metric t)	3,956.5	(2.6)
Gold (USD/troy oz)	2,335.2	(0.1)
Bitcoin (USD/BTC)	63,282.7	(1.6)

Economics

China: 1Q growth stirs doubts about recovery

In March, China's industrial profits dropped, leading to slower growth in the first quarter compared to the preceding two months, casting doubts on the strength of the country's economic recovery. Official data from the National Bureau of Statistics (NBS) showed a 4.3% year-on-year increase in industrial profits for the first quarter, down from a 10.2% rise in the first two months. March alone saw a 3.5% decrease in profits. Despite solid first-quarter GDP growth, indicators such as retail sales and industrial output suggest subdued domestic demand, prompting concerns about the economy's momentum. *(Reuters)*

Indonesia: FDI rose 15.5% on yearly basis

According to data from the investment ministry, foreign direct investment (FDI) in Indonesia increased by 15.5% in rupiah terms to 204.4 trillion rupiah in the first quarter compared to the previous year, marking a significant surge from the 5.3% growth recorded in the preceding quarter. It's important to note that this data does not include investment in the financial and oil and gas sectors. When considering both foreign and domestic sources, Indonesia attracted a total of 401.5 trillion rupiah in direct investment during the same period, resulting in the creation of over 540,000 jobs. The country has experienced heightened investment particularly in the mining and refining of metals following the ban on exports of nickel ore in 2020 and other metal ores in 2023. Key sectors benefiting from FDI in the January-March period include base metals, mining, transportation, warehousing, and telecommunications. Singapore, Hong Kong, and China emerged as the leading sources of FDI during this period. *(Reuters)*

Agriculture: Adverse weather threatens supply of wheat

Chicago wheat futures experienced a decline on Monday but remained close to four-month highs following a recent surge of approximately 10% driven by worries over adverse weather conditions in key wheat-producing regions like Russia, Europe, and the US. The Russian state weather forecaster warned of a persistent threat of drought in the eastern portion of the Southern Federal District throughout May, potentially impacting the country's grain harvest, which could drop to 132m metric tonnes in 2024 from 144.9m tonnes in 2023 according to Russia's agriculture ministry. Additionally, freezing conditions in parts of Europe, including France, the EU's leading wheat producer, have further fuelled concerns about wheat supply, with the European Commission reducing its forecast for the EU's main wheat crop in 2024/25 to a four-year low. *(Reuters)*

Companies

Malakoff (5264): Inks deal to expand operation and maintenance services to Bangladesh

Malakoff Corp Bhd has formed a partnership with China Northeast Electric Power Engineering & Services Co Ltd (NEPCS) to provide technical manpower for the operation and maintenance (O&M) of combined cycle power plant (CCPP) projects in Bangladesh. Through its subsidiary, Malakoff Technical Solutions Sdn Bhd (MTSSB), Malakoff has secured its first H-class O&M projects, allowing it to enhance its expertise in H-class technology and position itself for the growing demand for CCPP in Malaysia. Malakoff will supply services to three power plants in Bangladesh, totaling approximately 1,500 megawatts (MW), after accepting a letter of award from NEPCS. H-class technology represents the latest advancements in gas turbines, designed to reduce carbon emissions and meet the flexible power generation needs of modern times. *(The Edge)*

UOA Development (5200): Launching two projects worth RM2.7bn in June

UOA Development Bhd intends to unveil two new projects valued at approximately RM2.7bn in gross development value (GDV) this year. According to its annual report, the first project, Bamboo Hills Residences, comprising three blocks totaling 2,517 units along with a retail podium, is scheduled for launch in the first half of the year and is projected to be finished by 2028. Additionally, the company plans to introduce the Duo Tower office development, consisting of two blocks, by June, with completion anticipated by 2027. UOA emphasises its commitment to strategically timed launches in key locations that align with economic and market conditions. *(The Edge)*

Tex Cycle (0089): Partnering Evolusi Bersatu for Sabah's first integrated waste management facility

Tex Cycle Technology (M) Bhd's subsidiary, Tex Cycle Sdn Bhd (TCSB), has partnered with Evolusi Bersatu Sdn Bhd to launch Sabah's first integrated scheduled waste management facility. This collaboration aims to enhance waste management in Sabah by offering local treatment solutions, reducing costs and emissions, and ensuring legal compliance and environmental responsibility. The facility, operated by Tex Evolusi Waste Management Sdn Bhd, will cater to various industries, with a focus on the oil and gas sector. Construction is slated to begin in the second half of 2024, with full operations expected by the fourth quarter of 2025. *(The Edge)*

Meta Bright (2097): Secures RM28m financing from AmBank

Meta Bright Group Bhd's (MBGB) wholly-owned Australian subsidiary, Meta Bright Sdn Bhd, has obtained financing facilities totaling RM28m from AmBank (M) Bhd. This funding, as stated by MBGB, will support the expansion of its business operations and strengthen its partnership with the bank. The achievement underscores MBGB's ability to secure substantial banking support in a relatively short period, highlighting the company's successful turnaround and robust growth trajectory. The funds will be utilized to acquire high-value equipment for Meta Bright Australia Pty Ltd, which recently inked its third leasing contract with Mt Cuthbert Resources Pty Ltd (MCR). This move is expected to enhance MBGB's presence in the international market and ensure a consistent flow of recurring income, estimated at A\$222,950 per month. *(The Star)*

TA Global (5158): Partners with OpenMinds for new property listing app

TA Global Bhd has joined forces with OpenMinds Group to introduce a new property listing app called OpenHouse, as stated in a Monday statement. Through a memorandum of understanding (MOU) signed on April 27, the partnership aims to offer OpenHouse users access to an initial selection of 200 carefully curated listings. Users will also benefit from personalized recommendations tailored to their preferences via the OpenHouse mobile app. The listings encompass various property types, including pre-launch, launched, and completed properties. Notable features of the mobile app include color-coded icons for efficient filtering and location-based landmarks near desired home locations. Additionally, the app's AI function assists users by filtering and curating relevant news based on their home preferences. *(The Edge)*

Sime Darby Property (5288): Achieves 100% take-up for The Corak

According to a press statement released on Monday, Sime Darby Property Bhd has achieved a 100% take-up rate for The Corak, a freehold commercial hub located within the Serenia City township in Sepang. The Corak marks the township's inaugural commercial hub and boasts a gross development value of RM186m. Featuring 98 units of two-storey shop offices and one drive-through unit, The Corak offers built-up areas ranging from 3,358 to 5,233 square feet. The selling prices for these units range from RM1.7m to RM3.3m. The completion of this commercial hub is scheduled for 2027. *(The Edge)*

YTL REIT (5109): Developing hotel in Japan for RM199m

YTL Hospitality Real Estate Investment Trust (YTL REIT) plans to construct a hotel in Aza-Soga, Niseko-cho, Abuta-gun, Hokkaido, Japan, with an anticipated total development expenditure of approximately RM199m. As detailed in a submission to Bursa Malaysia, YTL REIT is embarking on the development of a five-storey hotel, along with a two-storey basement, under the Moxy brand name. Moxy is recognized as a segment of Marriott's brand catering to millennials, with the specific hotel in question being named Moxy Niseko. *(The Star)*

Energy: ACWA Power keen to invest over US\$10bn in Malaysia

ACWA Power, a renewable energy leader headquartered in Saudi Arabia, has expressed its intent to invest over US\$10bn (equivalent to RM47.64bn) in Malaysia within a span of 10 years, in partnership with Cypark Resources Bhd. ACWA Power's chairman, Mohammad A Abunayyan, conveyed this commitment during a meeting with Prime Minister Datuk Seri Anwar Ibrahim at the World Economic Forum (WEF) Special Meeting. According to Datuk Ami Moris, executive chair of Cypark, the collaboration in the renewable energy sector is nearing its finalisation and is expected to be concluded by the end of the year. *(The Edge)*

Energy: TotalEnergies committed to boost investment in Malaysia's upstream O&G sector

Prime Minister Datuk Seri Anwar held discussions with Patrick Pouyanne, the CEO and chairman of TotalEnergies, during a World Economic Forum (WEF) special meeting in Riyadh, Saudi Arabia. The prime minister is currently on a three-day working visit to Riyadh, where he is participating in the WEF special meeting. TotalEnergies, which was established in Malaysia in 1984, has investments across various sectors in the country, including renewable energy, electricity, oil, and carbon storage. Anwar, who also serves as finance minister, expressed hope that these investments would materialise swiftly, leading to increased prosperity for Malaysians by generating more job opportunities and facilitating knowledge sharing. *(Bernama)*

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.31	0.21	9.26
British American Tobacco (M)	Consumer	8.26	0.70	8.51
Sentral REIT	REIT	0.80	0.07	8.38
YTL Hospital REIT	REIT	1.20	0.09	7.83
KIP REIT	REIT	0.91	0.07	7.73
UOA REITS	REIT	1.12	0.08	7.41
RHB Bank	Finance	5.47	0.40	7.37
Taliworks Corporation	Utilities	0.81	0.06	7.20
Amway (M)	Consumer	7.23	0.51	7.01
MBM Resources	Consumer	4.90	0.34	6.96
Pavilion REIT	REIT	1.32	0.09	6.89
Sports Toto	Consumer	1.41	0.10	6.88
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.67
MAG Holdings	Consumer	1.13	0.07	6.64
Magnum	Consumer	1.13	0.07	6.64

Source: Bloomberg

User guide: Mercury Securities compiles a list of dividend-yielding stocks for conservative long-term passive investors looking for regular income whilst capping downside risk of their investment.

Methodology: The list above includes stocks that have a high dividend yield, estimated to be greater than 4% per annum. These stocks also have a history of paying dividends consistently, having paid dividends for the past 3 years.

IPO Tracker

Company	Listing Sought	Issue Price (RM/Share)	No. Of Shares (m)		Closing Date	Listing Date
			Public Issue	Offer for Sale		
MKH Oil Palm (East Kalimantan)	Main Market	0.62	220.0	30.7	16 Apr	30 Apr
Farm Price	ACE Market	0.26	102.0	33.0	30 Apr	14 May
Sin-Kung Logistics	ACE Market	0.13	200.0	103.5	2 May	15 May
Kawan Renergy	ACE Market	0.30	110.0	34.5	14 May	29 May

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Published & Printed By:

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