

Daily Newswatch

Market Review

The FBMKLCI recovered from its earlier loss and closed unchanged yesterday (+0.0%), prompted by an escalation of profit-taking activities after reaching a fresh 3-year high the previous day. Among the index constituents, the key laggards include PMETAL (-8.2%), YTLPOWR (-3.0%) and SUNWAY (-1.2%). Sectors that ended in negative territory include Industrial Products & Services (-2.0%), Technology (-1.8%) and Utilities (-0.2%). The broader market breadth was negative with 727 losers against 499 gainers.

Economics

- US:** Weekly jobless claims increase more than expected
- UK:** Bank of England stuck with questionable job figures for now
- EU:** ECB holds rates steady with more data needed for next cut
- UK:** Pay growth slows but remains high for Bank of England
- China:** Xi's big economic meeting shows party bracing for slower growth

Companies

- Haily:** Bags RM76m construction job in JB
- T7 Global:** High Court sides with T7 Global's unit in dispute with consortium partner
- AmanahRaya REIT:** Signs Alfa International College as new tenant for Subang Jaya property
- Gamuda:** JV gets A\$1.6bn train signalling and control system upgrade contract in Australia
- Samaiden:** launches RM1.5bn Islamic financing programmes

Date

Upcoming key economic data releases

Malaysia – Jun 2024 CPI	24 Jul
US – Q2 GDP	25 Jul
Malaysia – Jun 2024 PPI	29 Jul
US – Jul 2024 Consumer Confidence	30 Jul
EU – Jun 2024 Unemployment Rate	1 Aug

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,633.8	0.0	12.3
Dow Jones	40,665.0	(1.3)	7.9
Nasdaq CI	17,871.2	(0.7)	19.1
S&P 500	5,544.6	(0.8)	16.2
FTSE 100	8,204.9	0.2	6.1
Nikkei 225	40,126.4	(2.4)	19.9
Shanghai CI	2,977.1	0.5	0.1
HSI	17,778.4	0.2	4.3
STI	3,471.2	(0.5)	7.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	5,486.7	3.8
Value traded (RM m)	4,222.6	8.9
Gainers	499	
Losers	727	
Unchanged	503	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
HUBLINE	0.100	25.0	315.0
MYEG	1.000	(4.8)	116.8
JAKS	0.190	8.6	91.8
EKOVEST	0.575	3.6	87.8
SNS	0.910	(1.1)	63.7

Top 5 Turnover	Last Close	Daily chg %	Value (RM m)
GAMUDA	8.280	0.4	197.4
PBBANK	4.250	1.9	180.2
PMETAL	5.500	(8.2)	169.8
YTLPOWR	4.800	(3.0)	148.4
IJM	3.630	(1.6)	130.2

Currencies	Last Close	% Chg
USD/MYR	4.6695	(0.1)
USD/JPY	157.17	0.1
EUR/USD	1.0901	0.0
USD/CNY	7.2621	0.0
US Dollar Index	104.17	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	85.1	0.0
Gold (USD/troy oz)	2,444	(0.0)
CPO (MYR/metric t)	3,983	(0.1)
Bitcoin (USD/BTC)	64,034	0.3

Economics

US: Weekly jobless claims increase more than expected

The number of Americans filing new applications for unemployment benefits rose more than expected last week, but there has been no material shift in the labour market and the data is typically noisy in July because of summer breaks and temporary factory closures. Initial claims for state unemployment benefits increased 20,000 to a seasonally adjusted 243,000 for the week ended July 13, the Labor Department said on Thursday. *(Reuters)*

UK: Bank of England stuck with questionable job figures for now

Bank of England policymakers will have to operate with sub-standard jobs market data until next year after the Office for National Statistics (ONS) uncovered problems with the new “transformed” survey that will replace the flawed existing release. The ONS had planned to introduce the revamped Labour Force Survey, a comprehensive online report, in September but will now continue testing it for another six months and report back in the first quarter of next year. The delay will leave the BOE half-sighted on the labour market at a critical juncture for monetary policy. Rate-cut decisions hinge on whether the market is loosening but the lack of reliable data has left policymakers flying partially blind. *(Bloomberg)*

EU: ECB holds rates steady with more data needed for next cut

The European Central Bank left interest rates unchanged after last month’s landmark cut. The deposit rate was kept at 3.75% on Thursday. The ECB reiterated that borrowing costs will remain “sufficiently restrictive for as long as necessary” to ensure inflation returns to 2%. The ECB said it isn’t “pre-committing to a particular rate path,” while reiterating its “data-dependent and meeting-by-meeting approach.” President Christine Lagarde has said officials need data to provide more certainty, and that Europe’s labour market means they can bide their time. *(Bloomberg)*

UK: Pay growth slows but remains high for Bank of England

A day after official data showed stubbornly high inflation pressure, Britain's statistics office said earnings excluding bonuses grew by an annual 5.7% in the three months to May. While that is good news for many households after years of stagnant incomes, it could deny the new government of Prime Minister Keir Starmer the boost of an interest rate cut as soon as next month. *(Reuters)*

China: Xi’s big economic meeting shows party bracing for slower growth

The ruling Communist Party signalled China will stay on course with President Xi Jinping’s plan to use advanced manufacturing to generate growth, in a vaguely worded statement Thursday marking the close of a twice-decade conclave that’s often-heralded major policy shifts. “High-quality development is the top mission of building a modern socialist country,” the official Xinhua News Agency said, emphasising on Xi’s ambitions to move up the value chain through tech innovation and become more resilient against US trade curbs. *(Bloomberg)*

Companies

Haily: Bags RM76m construction job in JB

Builder Haily Group Bhd's wholly-owned subsidiary, Haily Construction Sdn Bhd has secured a RM76.7m contract to construct 171 units of link houses in Kempas Baru, Johor Bahru. The project will be executed in two phases. The first phase, commencing on July 16, is expected to be completed by October 15, 2025. The second phase will start within nine months from the commencement date of the first phase and is expected to be completed within 22 months. *(The Edge)*

T7 Global: High Court sides with T7 Global's unit in dispute with consortium partner

T7 Global Bhd's said the High Court has ruled in favour of its wholly-owned unit Tanjung Offshore Services Sdn Bhd in its dispute with consortium partner VME Process Systems Malaysia Sdn Bhd. The High Court ruled that the joint settlement agreement and the intellectual property protection agreement signed by both parties on Sept 23, 2020, were null and void, T7 said in an exchange filing. VME was also ordered to refund the RM22.9m or US\$5.5m as per the statement of claim, to Tanjung Offshore. Further, VME has to pay costs of RM150,000 to Tanjung Offshore. VME has also been ordered to publish a full apology for the defamatory statements made against to Tanjung Offshore in three daily newspapers no later than 30 days from the date of the judgment. *(The Edge)*

AmanahRaya REIT: Signs Alfa International College as new tenant for Subang Jaya property

AmanahRaya Real Estate Investment Trust said on Thursday that it has signed a long-term tenancy agreement with Alfa International College Sdn Bhd for its property in Subang Jaya. The tenancy agreement with Alfa coincides with the expiry of the tenancy agreement with SEGi College on Feb 28, and it spans a lease term of 18 years on a triple net lease arrangement. The college is expected to begin operations by the fourth quarter of the year, said the trust in a statement. *(The Edge)*

Gamuda: JV gets A\$1.6bn train signalling and control system upgrade contract in Australia

Gamuda Bhd said on Thursday that its joint venture (JV) with French rail engineer Alstom SA in Australia had secured a contract worth A\$1.6bn (RM5.0bn). The Metronet High-Capacity Signalling Project was awarded by the Public Transport Authority of Western Australia to an alliance comprising Gamuda's wholly-owned subsidiary in Australia, DT Infrastructure Pty Ltd, and Alstom Transport Australia Pty Ltd, which is a wholly-owned subsidiary of Paris Stock Exchange-listed Alstom. *(The Edge)*

Samaiden: launches RM1.5bn Islamic financing programmes

Samaiden Group Bhd has announced the establishment of an RM1.0bn Islamic medium-term notes (IMTN) programme and an RM500m Islamic commercial papers (ICP) programme, both under the shariah principle of Wakalah bi al-Istithmar. "These instruments will support capital expenditures, working capital, corporate purposes, project investments, asset acquisitions, refinancing of shariah-compliant financings and related expenses," it said in a statement today. *(The Star)*

Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.80	0.07	8.75
YTL Hospital REIT	REIT	1.22	0.10	7.95
KIP REIT	REIT	0.90	0.07	7.82
Bermaz Auto	Consumer	2.66	0.21	7.74
British American Tobacco (M)	Consumer	8.31	0.61	7.38
RHB Bank	Finance	5.68	0.40	7.11
Amway (M)	Consumer	7.05	0.50	7.05
CapitaLand Malaysia Trust	REIT	0.66	0.05	7.02
Hektar REITS	REIT	0.59	0.04	6.67
MBM Resources	Consumer	5.31	0.35	6.65
UOA REITS	REIT	1.11	0.07	6.49
Pavilion REIT	REIT	1.41	0.09	6.45
Ta Ann Holdings	Plantation	3.91	0.25	6.37
Gas Malaysia	Utilities	3.62	0.23	6.22
Malayan Banking	Finance	10.08	0.62	6.17

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		
BWYS Group Berhad	ACE Market	0.22	256.3	100.0	5 Jul	22 Jul
Well Chip Group Berhad	Main Market	1.15	150.0	-	10 Jul	23 Jul
Kucingko Berhad	ACE Market	0.30	100.0	100.0	12 Jul	26 Jul
EPB Group Berhad	ACE Market	0.56	71.6	40.0	31 Jul	23 Aug

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