



Daily Newswatch

Market Review

The FBMKLCI snapped three consecutive days of losses to end higher today (0.7%) on bargain-hunting, in line with the upbeat performance of regional markets as investors raised bets on the US Fed interest rate cut in September. Top gainers among the index constituents include PMETAL (+2.3%), AXIATA (+2.1%) and PPB (-1.4%). Meanwhile, the top-performing sectors include Property (+1.9%), Technology (+1.1%), and Construction (+0.8%). The broader market breadth turns positive with 626 gainers against 455 losers.

Economics

- **Malaysia:** PPI up 1.6% y-o-y in June
- **Malaysia:** Terengganu committed to becoming leading CCUS hub
- **Indonesia:** Trade Ministry plans to revise palm oil domestic market rules
- **Japan:** Top council urges govt, BOJ to guide policy with eye on weak yen

Companies

- **Dialog:** Adds 150,000 cubic metres of renewable fuel storage
- **Datasonic:** Bags RM21m govt contract
- **Kelington Group:** Acquire remaining stake in Ace Gases
- **George Kent:** Names Leong as director for new ventures beyond traditional industries
- **Tune Protect:** Appoints How Kim Lian as its new GCEO
- **MUI Properties:** Gets UMA query
- **BHIC:** Finance chief resigns to pursue other opportunities

Upcoming key economic data releases

Date

US – Jul 2024 Consumer Confidence	30 Jul
EU – Jun 2024 Unemployment Rate	1 Aug

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,624.6	0.7	11.7
Dow Jones	40,539.9	(0.1)	7.6
Nasdaq CI	17,370.2	0.1	15.7
S&P 500	5,463.5	0.1	14.5
FTSE 100	8,292.4	0.1	7.2
Nikkei 225	38,468.6	2.1	15.0
Shanghai CI	2,891.8	0.0	(2.8)
HSI	17,238.3	1.3	1.1
STI	3,444.2	0.5	6.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,226.5	10.4
Value traded (RM m)	2,891.1	7.1
Gainers	626	
Losers	455	
Unchanged	531	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
OCR	0.085	(10.5)	119.1
VELOCITY	0.080	33.3	116.1
EKOVEST	0.445	(4.3)	96.2
VELESTO	0.225	(4.3)	62.9
MUIIND	0.105	10.5	58.8

Top 5 Turnover	Last Close	Daily chg %	Value (RM m)
CIMB	7.240	1.0	115.7
TENAGA	14.100	0.6	89.8
PBBANK	4.240	0.7	78.7
YTLPOWR	4.750	0.6	74.2
SUNWAY	4.360	2.6	72.3

Currencies	Last Close	% Chg
USD/MYR	4.6363	0.5
USD/JPY	153.87	0.1
EUR/USD	1.082	(0.0)
USD/CNY	7.2603	(0.1)
US Dollar Index	104.56	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	79.8	(1.7)
Gold (USD/troy oz)	2,381	(0.1)
CPO (MYR/metric t)	4,023	0.0
Bitcoin (USD/BTC)	66,831	(0.8)

Economics

Malaysia: PPI up 1.6% y-o-y in June

Malaysia's Producer Price Index (PPI) rose by 1.6% year-on-year (y-o-y) in June 2024, from 1.4% in the previous month, according to the Department of Statistics Malaysia (DOSM). The mining sector rose by 4.6%, compared with 6.6% in May, contributed by the extraction of natural gas (up 4.6%) and crude petroleum (4.5% higher). The manufacturing sector edged up by 1.1% from 1.0% in May, driven by the manufacture of computer, electronic and optical products index (9.2%). Meanwhile, for the utility sector, the water supply index jumped 7.8% in June, versus 8.7% in May, while the electricity and gas supply index increased by 1.0%, compared with 1.5% in the preceding month. On a month-on-month basis, chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the PPI for local production slipped by 0.1% in June, against -0.9% in May, due to a drop in the mining sector of 3.4% (May: -5.5%), attributed to the extraction of natural gas (-3.7%) and extraction of crude petroleum (-3.3%). (*Bernama*)

Malaysia: Terengganu committed to becoming leading CCUS hub, says MB

The Terengganu government is committed to establishing the state as a central hub for Malaysia's carbon capture, utilisation, and storage (CCUS) industry, said Menteri Besar Datuk Seri Dr Ahmad Samsuri Mokhtar. He added that the state government is in discussions with the federal government and Petronas, the operator, to facilitate the direct involvement of government-linked companies (GLCs) in implementing the CCUS initiative. Recently, Economy Minister Mohd Rafizi Ramli, speaking after an engagement session with the Terengganu government on the CCUS initiative, said that the government had identified four states, which are Terengganu, Pahang, Sabah, and Sarawak, as potential leaders in the industry. He said that Terengganu is among the selected states due to its offshore oil wells and existing terminal facilities in Kerteh. (*Bernama*)

Indonesia: Trade Ministry plans to revise palm oil domestic market rules

Indonesia's Trade Ministry is planning to revise the domestic market obligation rules for palm oil to potentially change the prices for the portion and types of products sold to the local market, director Bambang Wisnubroto said on Monday. Under the 'domestic market obligation' (DMO), palm oil producers have to sell a portion of their output to the local market at a capped price to gain export permits, to ensure the supply of affordable cooking oil for Indonesians. Bambang did not provide further details but said the ministry aims to issue a revision to this rule this week. Export quotas are currently set at four times the volume of palm oil that companies have supplied locally under the DMO scheme, with extra allotments given to companies that sell in smaller household-friendly sizes instead of bulk. (*Reuters*)

Japan: Top council urges govt, BOJ to guide policy with eye on weak yen

Japan's government and central bank must guide policy by taking into careful consideration the recent yen weakness that is hurting consumption, the government's top economic council said on Monday. Achieving a recovery in consumption, which shrank for four straight quarters, is key to the government's near-term economic policy, the council said in a statement that laid out guidelines for crafting next year's state budget. Statements presented at its meeting on Monday underscore concerns policymakers share on the economic fallout from the weak yen, which has hit consumption by pushing up the cost of fuel and food imports. The government, for its part, will seek to raise the minimum wage and take steps to cushion the blow from rising prices, such as payouts to low-income households and temporary subsidies to curb utility bills, the council said. (*Reuters*)

Companies

Dialog: Adds 150,000 cubic metres of renewable fuel storage at Tanjung Langsat

Dialog Group Bhd (DIALOG) said it is adding 150,000 cubic metres of storage for renewable and petroleum products at its Terminal Langsat 3 (DTL3) in Tanjung Langsat, Johor. Some 100,000 cubic metres will be dedicated to EcoCeres Ltd under a take-or-pay agreement, while the remaining 50,000 cubic metres are expected to be leased to third-party customers such as multinational companies and trading houses, said Dialog in a filing with Bursa Malaysia on Monday. *(The Edge)*

Datasonic: Bags RM21m govt contract to rent out vending machines

Datasonic Group Bhd (DSONIC) said it had secured a two-year government contract worth over RM21m to rent out 818 vending machines to implement the People's Income Initiative (IPR) programme. Under the Food Entrepreneur Initiative (Insan) category, the IPR programme enables poor Malaysians to generate income from selling cooked food through government-sponsored vending machines. *(The Edge)*

Kelington Group: Acquire remaining stake in Ace Gases for RM35.69m

Kelington Group Bhd has entered into a conditional share sale agreement (SSA) to acquire 2.5m ordinary shares in Ace Gases Sdn Bhd for RM35.7m. In a Bursa Malaysia filing Monday, Kelington said the acquisition represents the remaining 9.3% equity interest and will allow it to fully control Ace Gases. "Given Ace Gases' financial performance in recent years and its diverse geographical market coverage, Kelington may have the potential to pursue additional growth opportunities within the industrial gas industry," it said. Kelington said the proposed acquisition is expected to be completed in the second half of 2024. *(The Edge)*

Tune Protect: Appoints How Kim Lian as its new GCEO effective Monday

Tune Protect Group Bhd has appointed How Kim Lian as its new group chief executive officer (GCEO) effective Monday succeeding Rohit Nambiar, who stepped down in May 2024. The insurance company said How's new role will involve deepening Tune Protect's penetration into the lifestyle ecosystem and engaging with key regional players to establish the company as a leading regional insurance provider in the travel sector. Before joining Tune Protect, he was the group deputy chief financial officer at AirAsia. *(The Edge)*

MUI Properties: Gets UMA query after shares hit near four-year high

MUI Properties Bhd (MUIPROP) was slapped with an unusual market activity (UMA) query by Bursa Malaysia on Monday, after the stock shot up to a near four-year high. The shares jumped as much as 11.5 sen or 46% to a high of 36.5 sen during the afternoon trading session on Monday, the highest since Aug 28, 2020. Its trading volume of 41.3m was also the highest in nearly four years. The counter then pared its gains to settle at 35 sen, still up 10.5 sen or 42.9%, giving it a market capitalisation of RM262.1m. *(The Edge)*

BHIC: Finance chief resigns to pursue other opportunities

Boustead Heavy Industries Corp Bhd (BHIC), in which the Armed Forces Fund Board (LTAT) owns a 72.4% stake via Boustead Holdings Bhd, has announced the resignation of its chief financial officer Ahmad Fazril Mohd Fauzi, effective Monday. Ahmad Fazril, 41, is resigning to pursue other interests, according to a filing on Bursa Malaysia. He has served the shipbuilding company for nearly three years since his appointment on Aug 1, 2021. *(The Edge)*



Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.81	0.07	8.70
Bermaz Auto	Consumer	2.42	0.21	8.51
KIP REIT	REIT	0.91	0.08	8.35
YTL Hospital REIT	REIT	1.23	0.10	7.89
Amway (M)	Consumer	6.98	0.50	7.12
RHB Bank	Finance	5.70	0.40	7.09
Hektar REITS	REIT	0.58	0.04	6.78
Pavilion REIT	REIT	1.39	0.09	6.76
MBM Resources	Consumer	5.30	0.35	6.66
British American Tobacco (M)	Consumer	8.33	0.54	6.54
CapitaLand Malaysia Trust	REIT	0.67	0.04	6.42
Gas Malaysia	Utilities	3.58	0.22	6.28
Ta Ann Holdings	Plantation	3.98	0.25	6.26
Malayan Banking	Finance	10.20	0.62	6.10
Sunway REIT	REIT	1.63	0.10	6.07

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		
EPB Group Berhad	ACE Market	0.56	71.6	40.0	31 Jul	23 Aug
Sik Cheong Berhad	ACE Market	0.27	66.0	20.0	30 Jul	13 Aug

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