



Daily Newswatch

Market Review

Yesterday, the FBMKLCI slid into the red, dropping to 1611.9 (-0.8%) as investors remained cautious while awaiting interest rate decisions from major central bank meetings later this week. Top losers among the index constituents include YTL (-4.2%), NESTLE (-3.6%) and YTLPOWR (-3.0%). Among the sectors, the sectors that underperformed include Health Care (-2.1%), Utilities (-1.7%), and Transportation & Logistics (-0.9%). Likewise, the broader market breadth turns bearish with 814 losers outpacing 346 gainers.

Economics

- Malaysia:** Govt approves additional RM100m for upgrading northern border security facilities
- Malaysia:** MOF sets three short-term priorities for Budget 2025
- Russia:** Races to legalise crypto as sanctions weigh on companies
- EU:** Economy grows but outlook far from rosy

Companies

- Affin Bank:** Sarawak to finalise agreement on Affin Bank stake soon
- MAHB:** Airport maintenance cost to rise 34% in 2024
- ITMax System:** Operate smart parking in Kulai
- Advancecon Holdings:** Wins RM38.3m earthworks project
- Awantec:** Inks MoU with Nacsa
- Enra Group:** Sell vessel to fund capex, future investments

Upcoming key economic data releases

	Date
EU – Jun 2024 Unemployment Rate	1 Aug
US – Fed Interest Rate Decision	1 Aug
US – Jul 2024 Nonfarm Payrolls	2 Aug
US – Jul 2024 Unemployment Rate	2 Aug
Malaysia – Jun 2024 Unemployment Rate	9 Aug
US – Jul 2024 PPI	13 Aug
US – Jul 2024 CPI	14 Aug
Malaysia – Q2 GDP	16 Aug
Malaysia – Jul 2024 CPI	22 Aug
Malaysia – Jul 2024 PPI	28 Aug
US – Jul 2024 PCE	30 Aug
EU – Jul 2024 Unemployment Rate	30 Aug

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,611.9	(0.8)	10.8
Dow Jones	40,743.3	0.5	8.1
Nasdaq CI	17,147.4	(1.3)	14.2
S&P 500	5,436.4	(0.5)	14.0
FTSE 100	8,274.4	(0.2)	7.0
Nikkei 225	38,526.0	0.1	15.1
Shanghai CI	2,879.3	(0.4)	(3.2)
HSI	17,002.9	(1.4)	(0.3)
STI	3,441.8	(0.1)	6.2

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,186.7	(0.9)
Value traded (RM m)	3,108.1	7.5
Gainers	346	
Losers	814	
Unchanged	457	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VELOCITY	0.075	(6.3)	303.4
OCR	0.070	(17.6)	102.0
HUBLINE	0.125	(3.8)	63.9
TOPGLOV	1.090	(6.0)	55.1
VELESTO	0.220	(2.2)	45.7

Top 5 Turnover	Last Close	Daily chg %	Value (RM m)
CIMB	7.210	(0.4)	181.7
MAYBANK	10.080	(1.2)	143.2
TENAGA	14.100	0.0	127.0
PBBANK	4.180	(1.4)	70.9
TM	6.970	(0.9)	65.6

Currencies	Last Close	% Chg
USD/MYR	4.6217	0.3
USD/JPY	154.92	(0.6)
EUR/USD	1.0822	0.0
USD/CNY	7.2514	0.1
US Dollar Index	104.63	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	79.1	(0.9)
Gold (USD/troy oz)	2,387	0.1
CPO (MYR/metric t)	4,040	0.5
Bitcoin (USD/BTC)	66,553	(1.2)

Economics

Malaysia: Govt approves additional RM100m for upgrading northern border security facilities

Prime Minister Datuk Seri Anwar Ibrahim announced on Tuesday, an additional allocation of RM100m for upgrading security facilities at the northern border of Peninsular Malaysia, involving Kedah, Perlis and Kelantan. On another matter, Anwar said the development of basic infrastructure at the Sarawak-Kalimantan border following the development of Indonesia's new capital city, Nusantara, needs to be prioritised and action plans should not be delayed. *(Bernama)*

Malaysia: MOF sets three short-term priorities for Budget 2025

In its Pre-Budget Statement (PBS) for Budget 2025, the Ministry of Finance (MOF) said the three goals are: 1) raising the ceiling in terms of restructuring the economy towards greater competitiveness and higher value-added activities; 2) raising the floor in terms of improving quality of life and inclusiveness of opportunities; and 3) strengthening governance and public delivery. Finance Minister II Datuk Seri Amir Hamzah Azizan affirmed the ministry's dedication to advancing fiscal reforms in Budget 2025, aligning with the Fiscal Responsibility Act's medium-term goals to reduce deficits and manage debt sustainably. *(Bernama)*

Russia: Races to legalise crypto as sanctions weigh on companies

Russia is moving to regulate the use of cryptocurrencies, as companies wrestle with increasing difficulties in foreign payments under the threat of US sanctions over the war in Ukraine. Lawmakers in the lower house of Parliament, the State Duma, will consider a cryptocurrency bill in the second and third readings on Tuesday, as well as separate legislation regulating crypto mining. The draft laws are also expected to gain quick approval from senators in the Federation Council before being signed into law by President Vladimir Putin to take effect on Sept 1, according to Anatoly Aksakov, the head of the Duma's financial market committee. According to the law, the Bank of Russia will be the regulator of cryptocurrency issues. At the same time, the Federal Financial Monitoring Service, the Federal Tax Service, the Federal Security Service and the Federal Property Management Agency will have roles in controlling crypto turnover. *(Bloomberg)*

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

The euro zone's economy grew slightly more than expected in the three months to June, data showed on Tuesday, but a mixed underlying picture and a string of pessimistic surveys cloud the outlook for the rest of the year. Among large economies, France and Spain did better than expected. Italy held its ground while German output unexpectedly contracted, strengthening fears about a lengthy crisis in a country that was Europe's powerhouse for a decade. Consumer confidence also remained negative in July, adding to several weak surveys in recent days. The Italian economy grew by 0.2% as inventories more than compensated for a drop in net exports. In comparison, Spain notched up a much stronger-than-expected 0.8%, partly attributed to public investments. Germany lagged, with output falling by 0.1% due to lower investments in equipment and buildings in Europe's largest economy. Inflation rose in several German states in July, regional figures showed on Tuesday, indicating that a national reading due later in the day was unlikely to come below last month's 2.5%. *(Reuters)*

Companies

Affin Bank: Sarawak to finalise agreement on Affin Bank stake soon

The Sarawak state government is expected to finalise its sale and purchase agreement (SPA) with the Armed Forces Fund Board (LTAT) to increase its stake in Affin Bank within a month, said Sarawak Premier Tan Sri Abang Johari Tun Openg. "Bank Negara Malaysia has already given its conditional approval, and the deal is expected to be finalised within a month. "It is a very minor technical process, and we have to adhere to regulatory requirements," said Abang Johari. *(Bernama)*

MAHB: Airport maintenance cost to rise 34% in 2024

"The maintenance allocation has increased to RM27.1m in 2024, which is a 41.9% rise compared to 2023," the ministry said in Parliament on Tuesday, in response to Senator Pele Peter Tinggom, who said the country's airports, especially Sarawak's, need to be upgraded, repaired and maintained effectively. The ministry explained that MAHB had, until 2024, identified eight airports that need upgrading. The cost of upgrading works will be financed by the government via a development allocation, or by MAHB on a competitive basis. The government continues to grant MAHB the right to operate, manage, maintain and develop 39 airports and airstrips in Malaysia until 2069 via two operational agreements signed on March 18 this year. *(Bernama)*

ITMax System: Operate smart parking in Kulai

The Kulai Municipal Council has appointed ITMax System Bhd's (ITMAX) 65%-owned subsidiary, Southmax Sdn Bhd, the operator of smart parking. In a filing with Bursa Malaysia, the network systems operator said the contract will commence on Aug 1, 2024, and last 15 years to July 31, 2029. Under the terms of the agreement, there will be 70:30 revenue split between Southmax and the Kulai Municipal Council. *(The Star)*

Advancecon Holdings: Wins RM38.3m earthworks project from Sime Darby Property

Advancecon Holdings Bhd's wholly-owned subsidiary, Advancecon Infra Sdn Bhd, has secured a RM38.3m contract from Sime Darby Property Bhd, marking its eighth earthworks contract for the Bandar Bukit Raja township. In a statement, Advancecon said the contract encompasses the construction and completion of earthworks and ancillary works for Phase 4B (i17) of Stage 3 of the Bandar Bukit Raja township in Klang, Selangor. "The 18-month contract is set to commence upon site possession in August 2024," said the company. *(The Star)*

Awantec: Inks MOU with Nacsa to develop cybersecurity technologies

AwanBiru Technology Bhd signed a two-year memorandum of understanding (MOU) on Tuesday with the National Cyber Security Agency (Nacsa), Awantec said in a filing with Bursa Malaysia. The MOU, which expires on July 29, 2026, could be extended for another year if both parties agree. Under the MOU, Awantec and Nacsa will also collaborate on new cybersecurity projects focusing on training, upskilling and addressing industry needs, particularly in providing online learning and job platforms. *(The Edge)*

Enra Group: Sell vessel to fund capital expenditure, future investments

Enra Group Bhd (ENRA) plans to sell its Ratu Enra ship for an indicative US\$15m (RM70.1m), to capitalise on rising market value due to high demand in the industry. Enra will seek shareholders' approval for the disposal of the chemical tanker to an external buyer to be identified, for at least 85% of its market value, the company said in a bourse exchange filing. More than half of the proceeds from the planned sale have been earmarked for capital expenditure and future investments, Enra said. The rest will go towards meeting working capital, repayment of borrowings, and covering the estimated disposal expenses. *(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
RHB Bank	Finance	5.66	0.40	7.14
Amway (M)	Consumer	6.97	0.50	7.13
Pavilion REIT	REIT	1.35	0.09	6.96
Hektar REITS	REIT	0.57	0.04	6.84
MBM Resources	Consumer	5.31	0.35	6.65
British American Tobacco (M)	Consumer	8.29	0.55	6.57
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.52
Gas Malaysia	Utilities	3.57	0.22	6.30
Ta Ann Holdings	Plantation	3.96	0.25	6.29
Malayan Banking	Finance	10.08	0.63	6.20
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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