



Daily Newswatch

Market Review

FBMKLCI experienced a bloodbath on Monday with a decline of 4.6% to 1,536.48, as the fears of a potential US economic recession sent investors to shy away from risky assets. Among the index constituents, stocks that underperformed the most include YTLPOWER (-11.4%), SUNWAY (-10.2%), YTL (-9.2%) and PCHEM (-7.3%). Sectors that dragged the most include Property (-9.7%), Technology (-9.1%), Construction (-9.0%), and Energy (8.2%). Overall, the broader market breadth was deeply negative, with 1,659 losers against a paltry 83 gainers.

Bursa Malaysia has also halted intraday short-selling for a number of stocks that fell more than the limit including MAHSING (-13.8%), VS (-13.8%), WCT (-12.5%), NATGATE (-13.1%) and DELEUM (-10.5%).

Economics

- China:** Asks large state financial institutions to drop auditor PwC
- Bangladesh:** PM Sheikh Hasina resigns, interim government to be formed
- Indonesia:** GDP growth holds just above 5% in Q2
- Russia:** Putin announces international seamless railway connection plans

Companies

- Berjaya Food:** Get rights to operate Starbucks in 3 Nordic countries
- Sasbadi:** Gets contracts from MoE totalling RM11.7m
- Plytec:** Bags contracts with a combined value of RM22.1m
- Datasonic:** Aims to provide more autogate lanes at checkpoints
- Talam Transform:** Disposes land to IJM Properties

Upcoming key economic data releases

	Date
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	1,536.5	(4.6)	5.6
Dow Jones	38,703.3	(2.6)	2.7
Nasdaq CI	16,200.1	(3.4)	7.9
S&P 500	5,186.3	(3.0)	8.7
FTSE 100	8,008.2	(2.0)	3.6
Nikkei 225	31,458.4	(12.4)	(6.0)
Shanghai CI	2,860.7	(1.5)	(3.8)
HSI	16,698.4	(1.5)	(2.0)
STI	3,243.7	(4.1)	0.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	9,262.6	79.2
Value traded (RM m)	7,971.0	100.3
Gainers	83	
Losers	1,659	
Unchanged	131	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MYEG	0.825	(14.9)	202.6
VELESTO	0.195	(9.3)	164.6
PHB	0.010	0.0	153.1
WCT	0.980	(12.5)	104.6
TOPGLOV	0.885	(9.7)	100.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	9.900	(3.3)	416.7
CIMB	7.010	(5.3)	406.0
TENAGA	13.160	(5.7)	341.8
GAMUDA	6.950	(9.0)	277.3
YTLPOWER	3.980	(11.4)	253.5

Currencies	Last Close	% Chg
USD/MYR	4.4272	1.6
USD/JPY	145.12	(0.6)
EUR/USD	1.0954	0.0
USD/CNY	7.1396	0.4
US Dollar Index	102.69	(0.5)

Commodities	Last Close	% Chg
Brent (USD/barrel)	76.3	(0.7)
Gold (USD/troy oz)	2,409	(0.1)
CPO (MYR/metric t)	3,930	(2.3)
Bitcoin (USD/BTC)	54,564	0.3

Economics

China: Asks large state financial institutions to drop auditor PwC

The China's Ministry of Finance have advised several large state-owned clients to drop PwC due to its work with troubled property developer Evergrande. Since at least April, unofficial verbal instructions, or "window guidance," have led more than 30 listed Chinese companies, including Bank of China, China Life Insurance, PICC, China Taiping Insurance, and China Cinda Asset Management, to cease using PwC as their auditor. This client exodus, coupled with PwC's involvement in Evergrande's USD78bn fraud investigation, has forced the firm to cut staff and reduce senior partner pay. Major state-owned enterprises like PetroChina, China Railway Group, and China Telecom have also dropped PwC. The MOF has emphasized caution in hiring auditors with recent regulatory penalties, further pressuring PwC, which was Evergrande's auditor for nearly 14 years until early 2023. *(Bloomberg)*

Bangladesh: PM Sheikh Hasina resigns, interim government to be formed

Bangladesh Prime Minister Sheikh Hasina resigned and fled the country amid severe violence. Army chief General Waker-Uz-Zaman announced her resignation and the formation of an interim government in a televised address. The resignation followed escalating protests that began with student demonstrations against government job quotas, leading to a campaign for Hasina's ouster. Approximately 250 people have died, and thousands have been injured. General Zaman, who recently became army chief, promised justice and urged the public to remain patient and non-violent. Thousands celebrated in Dhaka, storming Hasina's residence, with some taking away items from the property. *(Reuters)*

Indonesia: GDP growth holds just above 5% in Q2

In the second quarter of 2024, Indonesia's GDP grew by 5.05% year-on-year, slightly down from 5.11% in the first quarter and aligning with expectations. Falling commodity prices and high interest rates have impacted growth, prompting authorities to plan new measures to boost activity for the remainder of the year. Finance Minister Sri Mulyani Indrawati indicated that the government aims to sustain growth between 5.1% and 5.2% despite global economic challenges. Government spending growth slowed significantly to 1.42%, while household consumption grew at 4.93%, and investment increased by 4.43%. *(Reuters)*

Russia: Putin announces international seamless railway connection plans

Russian President Vladimir Putin has announced plans to develop international transport corridors, including a seamless railway network stretching from the Baltic and Barents Seas to the Persian Gulf and the Indian Ocean. Key projects include high-speed railways linked to Moscow's Central Transport Hub, new international logistics corridors, and improved routes from Azov to the Black Sea. Putin stressed the need for accelerated expansion and technological upgrades to ensure the railway infrastructure meets both current and future demands. *(Bloomberg)*

Companies

Berjaya Food: Get the rights to operate Starbucks in three Nordic countries

Berjaya Food Bhd's international arm, Berjaya Food International (BFI), has secured rights to operate Starbucks stores in Iceland, Denmark, and Finland, marking the first entry of a Malaysian public-listed food-and-beverage company into Nordic markets. This expansion will focus on local hiring and sourcing, leveraging BFI's culinary and operational expertise. BFI's portfolio includes Starbucks Coffee, Kenny Rogers Roasters, Krispy Kreme Doughnuts, and Paris Baguette, with significant recent expansions including operating Paris Baguette in Singapore and the Philippines. This move is supported by local partners, including Salling Group A/S in Denmark, to enhance Starbucks' presence and the local coffee community in the Nordic region. *(The Edge)*

Sasbadi: Gets contracts from MoE totalling RM11.7m

Sasbadi Holdings Berhad has accepted two letters of acceptance from the Education Ministry (MoE) totalling RM11.7m to supply reprinted textbooks. In a filing with Bursa Malaysia, Sasbadi said its wholly-owned subsidiary, Sasbadi Sdn Bhd (SSB), had accepted a letter of acceptance from the MoE worth RM6.89m to supply reprinted textbooks to schools under the MoE from Year 2024 - Package 15. Additionally, Sasbadi said its indirectly-owned subsidiary, The Malaya Press Sdn Bhd (TMP), had accepted a letter of acceptance from the MoE to supply reprinted textbooks to schools under the MoE from Year 2024 - Package 18, worth RM4.82m. They said "The contracts are for the period from Aug 5, 2024 to Aug 4, 2026." *(The Edge)*

Plytec: Bags contracts with a combined value of RM22.1m

Plytec Holding Bhd's wholly-owned subsidiaries PLYTEC Formwork System Industries Sdn Bhd and Sudut Swasta Sdn Bhd have secured multiple sales contracts with a combined value of RM22.1m. In a statement, the construction and building materials group said it had bagged a RM10m sales contract from Eng Han Engineering Sdn Bhd to supply the shoring system and aluminium formwork for the Mitraland warehouse project and Sky88 Residences Bundusan. It also received a RM3.8m sales contract from Neston Builders Sdn Bhd for the supply of a shoring system for construction of the Kuchai Sentral phase 2 mixed development project. A RM7.2m contract was accepted from Allied Engineering Construction Sdn Bhd and URC Engineering Sdn Bhd for the supply of the shoring system for two commercial projects and Bamboo Hills Residences. Finally, a RM1.1m sales contract was received from Alphazen Contract Sdn Bhd to supply the shoring system for the construction of Gamuda Land's first hotel project, ASAI Gamuda Cove. *(The Edge)*

Datasonic: Aims to provide more autogate lanes at checkpoints in Malaysia

Datasonic Technologies Sdn Bhd plans to provide more autogate lanes at various Malaysian checkpoints, with managing director Datuk Ab Hamid Mohamad Hanipah highlighting their management of over 150 autogates nationwide since 2017. The subsidiary of Datasonic Group Bhd has deployed solutions at major locations like KLIA 1 and 2, Bangunan Sultan Iskandar, Desaru, and Batam, Indonesia, introducing technologies like facial recognition and bidirectional gates. *(The Edge)*

Talam Transform: Disposes land to IJM Properties

Talam Transform Bhd's unit Talam Leisure Development Sdn Bhd has proposed to dispose of a piece of commercial leasehold land measuring 27.72 acres in Sepang to IJM Properties Sdn Bhd (IJMP). The land disposal price will be fulfilled by way of setting off a sum of RM66m of the indebtedness and RM18m interest waiver on what is owed by the Talam Transform Group to IJMP, it said in a Bursa Malaysia announcement. Apart from that, there will be a variable entitlement of the 30% of net profit of the project where RM10m will be payable to Talam Transform over a 24 months instalment, commencing from the first sales launch of the project, it said. *(The Edge)*



Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.78	0.07	8.97
Bermaz Auto	Consumer	2.33	0.21	8.84
KIP REIT	REIT	0.89	0.08	8.54
Pavilion REIT	REIT	1.27	0.09	7.40
Hektar REITS	REIT	0.53	0.04	7.36
Amway (M)	Consumer	6.80	0.50	7.31
YTL Hospital REIT	REIT	1.18	0.09	7.29
RHB Bank	Finance	5.62	0.40	7.19
CapitaLand Malaysia Trust	REIT	0.62	0.04	6.94
Paramount Corporation	Property	0.99	0.07	6.80
British American Tobacco (M)	Consumer	8.02	0.54	6.80
MBM Resources	Consumer	5.21	0.35	6.68
Ta Ann Holdings	Plantation	3.75	0.25	6.64
Datasonic Group	Technology	0.46	0.03	6.59
Gas Malaysia	Utilities	3.50	0.22	6.43

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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