



Daily Newswatch

Market Review

The FBM KLCI posted lower gains of +0.4% last Friday to 1,596.1, with buyers remained dominant in line with the overall positive sentiment in regional markets. Among the index constituents, the top-performing stocks include SUNWAY (+3.6%), YTLP (+2.8%), and PMAH (+2.0%). Sectors that bounce back the most include Technology (+3.4%), Construction (+2.6%) and Property (+2.3%) posted gains. Overall, in the broader market, gainers outnumbered losers by 1,103 to 218.

Economics

- **Malaysia:** Jobless rate stable at 3.3% in June
- **Malaysia:** Manufacturing sales for June up 5.9%
- **US:** Harris says Fed is independent, never interfere in its decisions
- **US:** Fed's Bowman sees upside inflation risk, caution on cuts
- **India:** Keeps benchmark rate steady as inflation risks persist

Companies

- **Asteel:** Bags RM61m Elmina data centre cladding deal
- **Mirajaya:** Wins RM152m construction contract
- **Sunreit:** Acquire Kluang Mall for RM158m
- **OSK:** Launches insurance protection plan for its homebuyers
- **MN Holdings:** Eye TNB's small-scale solar project in Pulau Tioman
- **Ranhill:** Appoints five new directors after takeover by YTL Power

Upcoming key economic data releases

	Date
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	1,596.1	0.4	9.7
Dow Jones	39,497.5	0.1	4.8
Nasdaq CI	16,745.3	0.5	11.6
S&P 500	5,344.2	0.5	12.0
FTSE 100	8,168.1	0.3	5.6
Nikkei 225	35,025.0	0.6	4.7
Shanghai CI	2,862.2	(0.3)	(3.8)
HSI	17,090.2	1.2	0.3
STI	3,261.8	0.4	0.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,195.9	(2.9)
Value traded (RM m)	2,934.2	(5.3)
Gainers	1,103	
Losers	218	
Unchanged	357	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CAPE EMS	0.520	9.5	269.7
MYEG	0.915	3.4	78.8
TECHNA-X	0.170	25.9	74.3
VELESTO	0.215	0.0	60.2
EKOVEST	0.405	3.8	48.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CAPE EMS	0.520	9.5	135.8
CIMB	7.300	0.0	135.3
MAYBANK	10.160	0.2	90.1
TENAGA	13.940	(0.4)	76.6
YTL POWER	4.350	2.8	75.3

Currencies	Last Close	% Chg
USD/MYR	4.473	0.6
USD/JPY	147.62	(0.3)
EUR/USD	1.0915	(0.0)
USD/CNY	7.1762	0.0
US Dollar Index	103.21	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	79.2	1.1
Gold (USD/troy oz)	2,423	(0.2)
CPO (MYR/metric t)	3,807	0.2
Bitcoin (USD/BTC)	61,753	3.7

Economics

Malaysia: Jobless rate stable at 3.3% in June

Malaysia's labour market remained robust in June 2024, with the unemployment rate steady at 3.3%, the Department of Statistics Malaysia (DOSM) said on Friday. The number of unemployed individuals declined slightly to 565.3 thousand, continuing a positive trend amid expanding economic activity. The labour force participation rate rose to 70.4%, with 16.6m employed, particularly in the Services, Manufacturing, Construction, Mining, and Agriculture sectors. While youth unemployment remains a concern at 10.5%, overall joblessness decreased, and the labour market showed resilience, supported by strong economic activities and growth across key sectors. (*The Star*)

Malaysia: Manufacturing sales for June up 5.9%

The manufacturing sector has maintained its positive momentum since January, with sales value increasing by 5.9% to RM156.1bn in June 2024, the Department of Statistics Malaysia (DOSM) said Friday. This growth, up from 5.5% in May, was primarily driven by the electrical and electronics (E&E) products sub-sector, which expanded by 7.1%, and further supported by an 8.6% increase in the Food, Beverages & Tobacco sub-sector and an 11.1% rise in Non-metallic mineral products, basic metal & fabricated metal products. The sector employed 2.4m people with salaries and wages rising by 1.8% to RM8.2bn. In the second quarter of 2024, the sector achieved RM464.2bn in sales, reflecting a 5.7% growth. (*The Star*)

US: Harris says US Fed is independent, would never interfere in its decisions

US Vice President Kamala Harris stated on Saturday that the Federal Reserve is an independent entity, and she would not interfere with its decisions if she wins the November 5 presidential election. Speaking in Phoenix, Arizona, Harris emphasised her respect for the Fed's autonomy, contrasting her stance with that of Republican nominee Donald Trump, who recently asserted that US presidents should have a say in the Federal Reserve's decisions. Harris, who was recently named the Democratic Party's presidential nominee, plans to unveil her economic policy positions next week, focusing on lowering costs and strengthening the economy. (*Bloomberg*)

US: US Fed's Bowman sees upside inflation risk, signals caution on cuts

Federal Reserve governor Michelle Bowman said on Friday that she might not support an interest rate decrease when US central bankers meet in September, citing ongoing inflation and a strong labour market. In a speech to the Kansas Bankers Association, Bowman acknowledged that while inflation has improved, it remains above the Fed's 2% target. She cautioned about adjusting the policy stance, highlighting potential upward pressures from fiscal policy, housing market issues, and geopolitical risks. Despite recent weaker job data, Bowman noted that the rise in unemployment to 4.3% may not fully reflect labour market conditions, as lay-offs remain low and job search times have lengthened. She emphasised that new data will be reviewed before the September meeting, which could influence decisions on rate cuts. (*Bloomberg*)

India: Keeps benchmark rate steady as inflation risks persist

India's central bank maintained its benchmark repurchase rate at 6.5% for the ninth consecutive meeting as inflation persists above its 4% target. With four of the six monetary policy committee members voting to keep the rate unchanged, the decision aligns with forecasts by most economists. Inflation, driven by rising food prices, climbed to 5.1% in June, complicating the prospects for rate cuts. Governor Shaktikanta Das emphasised that high growth cannot be sustained without price stability, prompting the RBI to retain its "withdrawal of accommodation" stance. (*Bloomberg*)

Companies

Asteel: Bags RM61m Elmina data centre cladding deal

Asteel Group Bhd via its wholly-owned subsidiary Asteel (Sarawak) Sdn Bhd (ASWK), has jointly secured a RM61.2m contract for roof and wall cladding of the EBP1A Hyperscale Data Centre at the Elmina Business Park, Selangor. In a filing on Friday, Asteel said the contract was awarded by Gamuda Engineering Sdn Bhd to a consortium comprising ASWK and Sarnatec Sdn Bhd. The consortium will be responsible for the roofing and wall cladding work, with the project scheduled to run for 15 months from Aug 12. "Each party will hold a 50% equity interest in consortium, profits and losses shared in proportion to their respective interests. "Sarnatec will act as the lead partner, overseeing overall coordination, management and execution of the project, subject to consortium decisions," Asteel said. (*The Edge*)

Mitrajaya: Wins RM152m construction contract

Construction firm Mitrajaya Holdings Bhd said on Friday it had won a job worth RM152m from the Northern Corridor Implementation Authority. The contract involves construction of Phase 2A of Kedah Science and Technology Park in Bukit Kayu Hitam, the company said in an exchange filing. The contract was awarded to its wholly owned subsidiary Pembinaan Mitrajaya Sdn Bhd. The contract spans 24 months and is expected to commence by Aug 20, 2024, Mitrajaya said. (*The Edge*)

Sunreit: Acquire Kluang Mall for RM158m

Sunway Real Estate Investment Trust has agreed to acquire Kluang Mall in Johor from Tenaga Nusantara Sdn Bhd for RM158m. The mall, which serves over 320,000 residents and a broader market in central Johor, is a four-story complex with a 99% occupancy rate, housing over 130 tenants. This acquisition, expected to be completed by Q4 2024, will increase Sunway-REIT's assets under management to RM9.8bn, solidifying its position as Malaysia's second-largest listed REIT. Sunway-REIT anticipates a net property income yield of 6.8% from this property. (*The Edge*)

OSK: Launches insurance protection plan for its homebuyers

OSK Holdings Bhd has partnered with Dindings Corporate Insurance Agency and RHB Insurance Bhd to introduce Assure+, a comprehensive insurance protection plan for OSK Property homebuyers. In a media statement on Friday, the developer said the insurance scheme comes with a two-year complimentary protection package that includes home content coverage of up to RM50,000, and personal accident coverage of up to RM100,000. Homebuyers are also provided with the flexibility to extend the personal accident coverage to the additional names in the sale and purchase agreement (SPA) for a nominal sum, and the protection plan is aligned with the two-year defects liability period, it added. (*The Star*)

MN Holdings: Eye TNB's small-scale solar project in Pulau Tioman

MN Holdings Bhd and a 51%-owned unit of Reservoir Link Energy Bhd are forming a joint venture (JV) to bid for a solar project on Pulau Tioman, initiated by Tenaga Nasional Bhd (TNB). The JV, with an 80:20 split between Founder Energy Sdn Bhd (51% owned by Reservoir Link) and MN Power Transmission Sdn Bhd, aims to supply and install interconnection photovoltaic systems and other related works. Pulau Tioman is part of the Pulau Tenaga Hijau programme, which seeks to achieve 100% renewable energy on selected islands. (*The Star*)

Ranhill: Appoints five new directors after takeover by YTL Power

Ranhill Utilities Bhd has appointed five new directors following its takeover by YTL Power International Bhd and its subsidiary, SIPP Power Sdn Bhd, which now hold a 53.2% controlling stake in the company. The new directors include Yeoh Keong Yeen, Yeoh Keong Yuan, Faiz Ishak, Annuar Ahmed, and Datuk Seri Yusof Ismail. The takeover was triggered by a mandatory general offer after SIPP acquired a significant stake from Ranhill's founder, Tan Sri Hamdan Mohamad, who has since resigned. (*The Edge*)



Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
KIP REIT	REIT	0.89	0.08	8.54
Bermaz Auto	Consumer	2.42	0.21	8.51
Sentral REIT	REIT	0.81	0.07	8.27
Hektar REITS	REIT	0.54	0.04	7.22
RHB Bank	Finance	5.65	0.40	7.15
YTL Hospital REIT	REIT	1.21	0.09	7.11
Amway (M)	Consumer	7.00	0.50	7.10
British American Tobacco (M)	Consumer	8.00	0.55	6.81
Pavilion REIT	REIT	1.39	0.09	6.76
MBM Resources	Consumer	5.35	0.35	6.50
Ta Ann Holdings	Plantation	3.85	0.25	6.47
CapitaLand Malaysia Trust	REIT	0.67	0.04	6.47
Paramount Corporation	Property	1.04	0.07	6.44
Datasonic Group	Technology	0.48	0.03	6.32
Gas Malaysia	Utilities	3.57	0.22	6.30

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
Elridge Energy Holdings Bhd	ACE Market	0.29	350.0	350.0	12 Aug	22 Aug
Vetece Holdings Berhad	ACE Market	0.25	98.0	39.2	14 Aug	28 Aug

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