



# Daily Newswatch

## Market Review

The FBM KLCI continued its uptrend momentum today, rising to 1,606.7 (+0.6) amid the improving global market sentiment. Among the index constituents, the top-performing stocks include MAXIS (+3.5%), CDB (+3.3%), and MRDIY (+2.9%). Sectors that led the gains include Utilities (+2.8%), Construction (+1.4%) and Telecommunications & Media (+1.1%). Overall, in the broader market, gainers outnumbered losers by 646 to 406.

## Economics

- Malaysia:** Malaysia, Palestine to ink MOU on trade alliance
- Malaysia:** Palm oil exports up 39.9% to 1.7m tonnes in July 2024
- Malaysia:** June natural rubber production up 16.8%
- Malaysia:** Construction sector grew over 20% in 2Q
- China:** Regulators Tell Some Rural Banks to Renege on Bond Trades

## Companies

- Maxis:** Maxis, Huawei Malaysia collaborate on 5G-advanced joint innovation centre
- Pekati:** Wins RM21.8m lightning protection job for data centre
- MMAG Holdings:** MJets Air, All Nippon Airways enter strategic interline partnership
- SMRT Holdings:** EPF emerges as substantial shareholder for first time
- Kitacon:** Bags RM111.2m contract to build factories in Klang
- Mikro MSC:** Buy Singapore signage firm TES Productions

### 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	1,606.7	0.7	10.4
Dow Jones	39,357.0	(0.4)	4.4
Nasdaq CI	16,780.6	0.2	11.8
S&P 500	5,344.4	0.0	12.0
FTSE 100	8,210.3	0.5	6.2
Nikkei 225	35,025.0	0.6	4.7
Shanghai CI	2,858.2	(0.1)	(3.9)
HSI	17,111.7	0.1	0.4
STI	3,235.4	(0.8)	(0.2)

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,014.7	(4.3)
Value traded (RM m)	2,917.9	(0.6)
Gainers	646	
Losers	406	
Unchanged	522	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CEB	0.505	(2.9)	186.3
BARAKAH	0.075	50.0	141.9
VELESTO	0.210	(2.3)	98.5
HUBLINE	0.085	0.0	86.3
MYEG	0.915	0.0	61.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.360	0.8	137.8
GAMUDA	7.690	1.7	98.6
TENAGA	13.940	0.0	97.0
CEB	0.505	(2.9)	96.6
MAYBANK	10.200	0.4	86.2

Currencies	Last Close	% Chg
USD/MYR	4.4565	(0.7)
USD/JPY	147.31	(0.5)
EUR/USD	1.0922	0.0
USD/CNY	7.1806	(0.2)
US Dollar Index	103.21	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	80.1	0.5
Gold (USD/troy oz)	2,443	0.5
CPO (MYR/metric t)	3,825	(0.4)
Bitcoin (USD/BTC)	58,565	0.1

## Economics

### Malaysia: Malaysia, Palestine to ink MOU on trade alliance, set up joint business council

The Cabinet has agreed for Malaysia to sign a memorandum of understanding (MOU) on trade and economic cooperation with Palestine, said Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz. Zafrul said the value of bilateral trade between Malaysia and Palestine in 2023 recorded a growth of 52.1% or RM20.8m as compared to 2022. *(Bernama)*

### Malaysia: Palm oil exports up 39.9% to 1.7m tonnes in July 2024

Malaysia's palm oil exports surged 39.9% to 1.7m tonnes in July 2024 from 1.2m tonnes in June 2024, according to the Malaysian Palm Oil Board (MPOB). Oleochemical exports also rose by 24.9% month-on-month (m-o-m) to 270,073 tonnes in July. "Palm kernel oil export went up 18.9% m-o-m to 109,908 tonnes," Palm kernel oil imports surged 101.6% m-o-m to 22,611 tonnes. "However, biodiesel exports were down by 28.9% m-o-m to 10,345 tonnes in July," it said. At the same time, CPO production rose by 13.97% m-o-m to 1.8m tonnes, from 1.6m tonnes in June, while palm kernel output was up by 16.2% m-o-m to 427,342 tonnes. *(Bernama)*

### Malaysia: June natural rubber production up 16.8%

Malaysia's June natural rubber (NR) production rose by 16.8% month-on-month to 29,914 tonnes, according to the Department of Statistics Malaysia (DOSM). Year-on-year, it increased by 0.2% from 29,867 tonnes in June 2023. "Production of NR in June 2024 was mainly contributed by smallholders (87.6%) versus the estates sector (12.4%)," chief statistician Datuk Seri Dr Mohd Uzir Mahidin said in a statement on Monday. NR exports fell 21.6% to 39,800 tonnes in June 2024. "China remained the main destination for NR exports, accounting for 35.7% of June's total exports, followed by Germany (11.8%), India (11%), the United Arab Emirates (6.6%) and the US (6.2%)." *(Bernama)*

### Malaysia: Construction sector grew over 20% in 2Q

The construction sector recorded a 20.2% surge in work done value to RM38.9bn in the second quarter of 2024 (2Q2024), spearheaded by the buoyant performance of the civil engineering and residential buildings sub-sectors. The Department of Statistics Malaysia (DOSM) said substantial double-digit growth was posted by the civil engineering (25.2%) and residential buildings sub-sectors (19.7%). "Additionally, the growth of this sector was further bolstered by a robust 44.9% expansion in the special trade activities sub-sector (1Q2024: 11.8%). According to the statement, the private sector remained the primary driver of construction sector growth, contributing RM23.6bn or 60.8% of total value." *(Bernama)*

### China: Regulators Tell Some Rural Banks to Renege on Bond Trades

Regulators told commercial banks in China's Jiangxi province not to settle their purchases of government bonds, taking some of the most extreme measures yet to cool a market rally that has alarmed Beijing. Several rural banks failed to settle their transactions on Monday after regulator guidance to halt purchases late on Friday, said people familiar with the matter, asking not to be named discussing private information. Bond yields in China have been hitting new lows for months amid economic pessimism and bets on interest rate cuts, prompting the government to resort to a slew of administrative steps to guide markets. China's rural lenders have been among the most aggressive buyers of government bonds this year. *(Bloomberg)*

## Companies

### **Maxis: Maxis, Huawei Malaysia collaborate on 5G-advanced joint innovation centre**

Maxis has partnered Huawei Technologies (Malaysia) Sdn Bhd on a joint innovation centre focused on the development of 5G-advanced technology. Under the terms of the collaboration, Maxis and Huawei Malaysia will explore innovations in gigabit capacity to support mobile network expansions and 5G/5G-Advanced technologies such as mobile edge computing, network slicing, end-to-end network orchestration, RedCap and Passive-IoT. Additionally, Maxis and Huawei Malaysia will also explore the usage of digitalisation, artificial intelligence (AI) and machine learning (ML) to optimise network operating efficiencies. *(The Star)*

### **Pekat: Wins RM21.8m lightning protection job for data centre**

Pekat Group Bhd said on Monday it had been awarded a contract worth RM21.8m to install earthing and lightning protection for a data centre facility from Gamuda Engineering Sdn Bhd. The contract was awarded to its wholly owned subsidiary Pekat E & LP Sdn Bhd. The subcontract is expected to be completed by Sept 30, 2025, while the main contract's "substantial completion" would be by Feb 27, 2026, Pekat noted. *(The Edge)*

### **MMAG Holdings: MJets Air, All Nippon Airways enter into strategic interline partnership**

MJets Air Sdn Bhd, a subsidiary company of MMAG Holdings Bhd (MMAG), has formalised a bilateral interline traffic agreement with Japan's All Nippon Airways Co Ltd (ANA). In a filing with Bursa Malaysia today, MMAG said the strategic partnership will capitalise on the combined strengths and networks of both airlines to optimise cargo operations, streamline processes, and enhance overall efficiency. Under the terms of the agreement, MJets Air and ANA will transport each other's shipments on designated routes, with charges and other terms to be determined based on actual cargo transported during the agreement's validity period. MMAG added that the agreement is effective from Aug 10, 2024, and will remain in full force until terminated by either party. *(The Star)*

### **SMRT Holdings: EPF emerges as substantial shareholder in SMRT Holdings for first time**

The Employees Provident Fund (EPF) has emerged as a substantial shareholder in SMRT Holdings Bhd (SMRT) for the first time, after raising its direct stake in the technology company to 5.0% comprising 22.7m shares. *(The Star)*

### **Kitacon: Bags RM111.2m contract to build factories in Klang**

Kumpulan Kitacon Bhd has secured a contract worth RM111.2m for the construction of factories and industrial facilities in Klang, Selangor. In a filing with the bourse, the construction firm said that its wholly owned subsidiary, Kitacon Sdn Bhd, had accepted a Letter of Award from Sime Darby Property (Bukit Raja) Sdn Bhd for the proposed work. The project is scheduled to commence on Sept 2 and is expected to be completed within 23 months, according to the company. With the latest contract win, Kitacon has secured five contracts since the beginning of the year, with a total value of RM446.9m. *(The Edge)*

### **Mikro MSC: Buy Singapore signage firm TES Productions for RM30m in shares**

Mikro MSC Bhd plans to acquire TES Productions & Projects Pte Ltd, a Singapore-based firm specialising in manufacturing signs and advertising displays, for RM30m in shares. The stake acquisition will be paid through the issuance of 134.8m new shares in Mikro at an issue price of 22.25 sen apiece. This price reflects a 9.99% discount compared to the five-day volume-weighted average of Mikro shares of 24.72 sen last Friday. Mikro also proposed to diversify its existing businesses to include design, manufacture and installation of signs and advertising displays, as well as provision of interior fit-out services. *(The Edge)*



## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.82	0.07	8.22
Bermaz Auto	Consumer	2.42	0.21	8.55
KIP REIT	REIT	0.89	0.08	8.54
Hektar REITS	REIT	0.52	0.04	7.50
Amway (M)	Consumer	7.00	0.50	7.10
YTL Hospital REIT	REIT	1.21	0.09	7.11
RHB Bank	Finance	5.65	0.40	7.15
Pavilion REIT	REIT	1.39	0.09	6.76
CapitaLand Malaysia Trust	REIT	0.67	0.04	6.47
British American Tobacco (M)	Consumer	8.00	0.55	6.81
MBM Resources	Consumer	5.46	0.35	6.37
Paramount Corporation	Property	1.04	0.07	6.44
Ta Ann Holdings	Plantation	3.85	0.25	6.47
Datasonic Group	Technology	0.48	0.03	6.32
Gas Malaysia	Utilities	3.58	0.22	6.28

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		
<a href="#">EPB Group Berhad</a>	ACE Market	0.56	71.6	40.0	31 Jul	23 Aug
<a href="#">Sik Cheong Berhad</a>	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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MERCURY SECURITIES SDN BHD  
Registration No. 198401000672 (113193-W)  
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,  
50480 Kuala Lumpur  
Telephone: (603) - 6203 7227  
Website: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my)  
Email: mercurykl@mersec.com.my