



Daily Newswatch

Market Review

The FBM KLCI inched up again yesterday to 1,612.4 (+0.2%), amid positive market sentiment with gains seen among the energy and utilities index stocks. Among the index constituents, the top-performing stocks include PETDAG (+6.2%), SIME (+2.8%), and PMETAL (+2.2%). The top-performing sectors include Energy (+1.1%), Utilities (+1.0%) and Industrial Products & Services (+0.8%). Overall, broader market breadth turned positive with 574 gainers against 439 losers.

Economics

- US:** Consumer prices increase as expected in July
- New Zealand:** Cuts rates as slumping economy slows inflation
- Malaysia:** Total jobs in economic sector up 1.5% in 2Q2024
- Japan:** Kishida's exit clears path for higher BOJ rates
- US:** Fed's Bostic says more data needed

Companies

- VS Industry:** Sees RM1.5bn revenue contribution over two years from new orders in Philippines
- Solarvest:** Solarvest, NCT kick-start first phase of solar-ready industrial park
- VSTECs:** Gets sole rights to distribute Google Pixel 9 smartphones in Malaysia
- Paragon Globe:** Undertake RM1.5bn GDV serviced apartment project in JB
- Unique Fire:** Collaborate with Shanghai Mosafe on fire sprinkler business

Upcoming key economic data releases

| | Date |
|---------------------------------|--------|
| 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 | 1,612.4 | 0.2 | 10.8 |
| Dow Jones | 40,008.4 | 0.6 | 6.2 |
| Nasdaq CI | 17,192.6 | 0.0 | 14.5 |
| S&P 500 | 5,455.2 | 0.4 | 14.4 |
| FTSE 100 | 8,281.1 | 0.6 | 7.1 |
| Nikkei 225 | 36,442.4 | 0.6 | 8.9 |
| Shanghai CI | 2,850.7 | (0.6) | (4.2) |
| HSI | 17,113.4 | (0.4) | 0.4 |
| STI | 3,286.3 | 0.9 | 1.4 |

| Market Activities | Last Close | % Chg |
|-----------------------|------------|-------|
| Vol traded (m shares) | 3,572.3 | 4.5 |
| Value traded (RM m) | 2,514.3 | 0.6 |
| Gainers | 574 | |
| Losers | 439 | |
| Unchanged | 531 | |

| Top 5 Volume | Last Close | Daily chg % | Vol (m) |
|--------------|------------|-------------|---------|
| TWL | 0.030 | 0.0 | 135.4 |
| CEB | 0.460 | 1.1 | 83.9 |
| MYEG | 0.905 | 0.0 | 41.1 |
| HIAPTEK | 0.355 | (4.1) | 38.5 |
| TOPGLOV | 0.920 | 1.7 | 37.0 |

| Top 5 Turnover | Last Close | Daily chg % | Val (RM m) |
|----------------|------------|-------------|------------|
| MAYBANK | 10.200 | 0.0 | 90.1 |
| PBBANK | 4.220 | (0.9) | 76.7 |
| SUNWAY | 4.190 | 0.0 | 73.7 |
| TENAGA | 13.840 | (0.4) | 68.7 |
| YTLPOWR | 4.430 | 1.6 | 68.2 |

| Currencies | Last Close | % Chg |
|-----------------|------------|-------|
| USD/MYR | 4.4215 | 0.6 |
| USD/JPY | 147.06 | (0.1) |
| EUR/USD | 1.1028 | 0.3 |
| USD/CNY | 7.1438 | 0.2 |
| US Dollar Index | 102.44 | (0.1) |

| Commodities | Last Close | % Chg |
|--------------------|------------|-------|
| Brent (USD/barrel) | 81.2 | 0.6 |
| Gold (USD/troy oz) | 2,473 | 0.3 |
| CPO (MYR/metric t) | 3,860 | 0.5 |
| Bitcoin (USD/BTC) | 60,867 | 0.5 |

Economics

US: Consumer prices increase as expected in July

U.S. consumer prices rebounded as expected in July, but the trend remained consistent with subsiding inflation and did not change expectations that the Federal Reserve will cut interest rates next month. The consumer price index increased 0.2% last month after falling 0.1% in June, the Labor Department's Bureau of Labor Statistics said on Wednesday. In the 12 months through July, the CPI increased 2.9% after advancing 3.0% in June. Excluding the volatile food and energy components, the CPI rose 0.2% in July after rising 0.1% in June. *(Reuters)*

New Zealand: Cuts rates as slumping economy slows inflation

New Zealand's central bank cut interest rates, embarking on an easing cycle much sooner than previously indicated as the economy slumps and inflation slows. The local dollar plunged. The Reserve Bank of New Zealand's (RBNZ) Monetary Policy Committee lowered the official cash rate (OCR) by a quarter percentage point to 5.25% on Wednesday in Wellington. *(Bloomberg)*

Malaysia: Total jobs in economic sector up 1.5% in 2Q2024

The number of jobs in the economic sector increased by 1.5% to 8.96m in the second quarter of 2024, according to Employment Statistics released by the Department of Statistics Malaysia (DOSM) on Wednesday. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the manufacturing sector contributed 33.9% to job creation, adding some 10,800 new jobs predominantly in the electrical, electronic and optical products sub-sector, while the construction sector contributed 11.6%, equivalent to some 3,700 jobs created. *(Bernama)*

Japan: Kishida's exit clears path for higher BOJ rates, strategists say

Japanese Prime Minister Fumio Kishida's decision to not run for a second term may clear the way for a new leader who is supportive of the central bank's efforts to normalise policy, according to market strategists. Among top contenders for leadership in the election for the presidency of the ruling Liberal Democratic Party (LDP) in September are former defence minister Shigeru Ishiba, Minister for Digital Transformation Taro Kono, party heavyweight Toshimitsu Motegi, and Minister for Economic Security Sanae Takaichi. *(Bloomberg)*

US: Fed's Bostic says more data needed, rate cut likely by year end

Federal Reserve (Fed) Bank of Atlanta president Raphael Bostic said he is looking for "a little more data" before supporting a reduction in interest rates, emphasising he wants to be sure the US central bank will not have to change course once it begins cutting. Bostic noted he was "definitely concerned" by the rise in joblessness, but he added much of that increase was due to a larger supply of workers rather than a slump in demand. That is a "good problem to have", Bostic said. *(Reuters)*



Companies

VS Industry: Sees RM1.5bn revenue contribution over two years from new orders in Philippines

VS Industry Bhd said its Philippine unit has secured orders from a key customer to manufacture consumer electronics products on a box-build assembly basis, with an expected revenue contribution of RM1.5bn over two years. "The estimated capital expenditure for these orders is RM100m, to be funded through internally generated funds," VS Industry said in a bourse filing on Wednesday. VS Industry said VSIB has also entered into a five-year agreement to lease a factory from Logis Artico Inc to fulfil the new orders, with an option to renew the agreement for a further five years. *(The Edge)*

Solarvest: Solarvest, NCT kick-start first phase of solar-ready industrial park

Solarvest Holdings Bhd and NCT Group of Companies have commenced phase one of their solar-ready industrial park project at the NCT Smart Industrial Park (NSIP) in Sepang. Phase one of the development project will consist of over 270 factories, and it will be the first solar-ready industrial park in the region, the two firms said in a joint statement. *(The Edge)*

VSTECS: Gets sole rights to distribute Google Pixel 9 smartphones in Malaysia

VSTECS Bhd announced on Wednesday that it had secured the sole rights to distribute the Google Pixel 9 range of smartphones in Malaysia. *(The Edge)*

Paragon Globe: Undertake RM1.5bn GDV serviced apartment project in JB

Paragon Globe Bhd said it has entered into a deal to undertake its first serviced apartment project in Johor Bahru, with an estimated gross development value (GDV) of RM1.5bn. The group expects to realise a profit of about RM334.5m from the project, which will consist of four towers, each comprising 36 floors with 2,552 serviced apartments. The expected gross development cost is about RM1.2bn, Paragon Globe said in a statement on Wednesday. *(The Edge)*

Unique Fire: Collaborate with Shanghai Mosafe on fire sprinkler business

Unique Fire Holdings Bhd has entered into a joint venture agreement with Shanghai Mosafe Equipment Sdn Bhd and its Singaporean unit, Mosafe Protection Pte Ltd, with regards to the establishment of a joint venture company. "This collaboration allows the parties to gather their respective resources, skills and expertise to carry on the business of the JV company, which will primarily be the manufacture, distribution, sale and supply of fire sprinklers across the globe (by the JV Company itself or through authorised representatives/third parties)," said Unique Fire in a bourse filing. Under the terms of the agreement, Unique Fire shall hold 60% equity in the partnership while Singapore Mosafe will own the remaining 40%. *(The Star)*



Stock Selection Based on Dividend Yield

| Company | Sector | Price (RM) | Dividend/Share (RM) | Dividend Yield (%) |
|------------------------------|------------|------------|---------------------|--------------------|
| Bermaz Auto | Consumer | 2.39 | 0.21 | 8.66 |
| KIP REIT | REIT | 0.90 | 0.08 | 8.44 |
| Sentral REIT | REIT | 0.82 | 0.07 | 8.22 |
| Hektar REITS | REIT | 0.53 | 0.04 | 7.43 |
| YTL Hospital REIT | REIT | 1.20 | 0.09 | 7.17 |
| RHB Bank | Finance | 5.69 | 0.40 | 7.10 |
| Amway (M) | Consumer | 7.03 | 0.50 | 7.07 |
| British American Tobacco (M) | Consumer | 7.97 | 0.54 | 6.84 |
| Pavilion REIT | REIT | 1.38 | 0.09 | 6.81 |
| Ta Ann Holdings | Plantation | 3.73 | 0.25 | 6.68 |
| Paramount Corporation | Property | 1.04 | 0.07 | 6.44 |
| Datasonic Group | Technology | 0.47 | 0.03 | 6.38 |
| CapitaLand Malaysia Trust | REIT | 0.68 | 0.04 | 6.37 |
| MBM Resources | Consumer | 5.49 | 0.35 | 6.34 |
| Sports Toto | Consumer | 1.58 | 0.10 | 6.27 |

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 |
| 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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