



# Daily Newswatch

## Market Review

The FBM KLCI climbed to a four-year high of 1,648.7 (+1.5%) on Monday, driven by last week's strong 2Q GDP and trade data. Among the index constituents, the top-performing stocks include PBBANK (+5.8%), CIMB (+4.1%), and HLBANK (+3.5%). Not surprisingly, the Financial Services Sector surged the most yesterday at +3.7%. Overall, the broader market breadth is slightly positive, with 606 gainers outpacing 546 losers.

## Economics

- **China, US:** Team up on contact group to handle 'financial stress'
- **Malaysia:** Govt has no plans introduce carbon tax in Budget 2025
- **Malaysia:** Exports surge 12.3% in July
- **Malaysia:** Govt aims for 70% Bumiputera in high-skilled jobs, 30% equity ownership by 2035

## Companies

- **CTOS:** Ups its dividend policy payout
- **IJM Corp:** Bags RM561m contracts
- **Kerjaya Prospek:** Secures RM275m construction contract
- **EcoFirst:** Acquire 4.5-acre land in Kajang for RM35m
- **Technology:** Malaysia aims to draw in RM300bn of green investment by 2030

### Upcoming key economic data releases

	Date
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	1,648.7	1.5	13.3
Dow Jones	40,896.5	0.6	8.5
Nasdaq CI	17,876.8	1.4	19.1
S&P 500	5,608.3	1.0	17.6
FTSE 100	8,356.9	0.5	8.1
Nikkei 225	37,388.6	(1.8)	11.7
Shanghai CI	2,893.7	0.5	(2.7)
HSI	17,569.6	0.8	3.1
STI	3,355.6	0.1	3.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,896.4	20.7
Value traded (RM m)	4,303.7	56.1
Gainers	606	
Losers	546	
Unchanged	463	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TOPGLOV	0.990	4.2	132.6
PBBANK	4.540	5.8	130.7
VELOCITY	0.065	8.3	78.9
CEB	0.420	0.0	76.9
MYEG	0.930	1.6	73.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
PBBANK	4.540	5.8	587.7
CIMB	7.970	4.0	322.8
MAYBANK	10.600	3.3	235.8
RHBBANK	5.920	3.1	193.4
TOPGLOV	0.990	4.2	131.8

Currencies	Last Close	% Chg
USD/MYR	4.3828	1.1
USD/JPY	146.76	(0.1)
EUR/USD	1.1085	0.0
USD/CNY	7.1395	0.3
US Dollar Index	101.89	(0.6)

Commodities	Last Close	% Chg
Brent (USD/barrel)	77.7	(2.5)
Gold (USD/troy oz)	2,504	(0.0)
CPO (MYR/metric t)	3,915	(0.2)
Bitcoin (USD/BTC)	59,144	0.1

## Economics

### **China, US: Team up on contact group to handle 'financial stress'**

China's central bank said a meeting in Shanghai produced an agreement with the US Treasury to appoint contact people to deal with any future "financial stress events," a rare example of the world's two biggest economies seeking common ground. "The People's Bank of China and the US Treasury Department signed an exchange of notes on strengthening China-US financial stability cooperation," according to the readout from the PBOC about the meetings on August 15-16. It said the countries also "exchanged lists of financial stability contacts." The agreements will "enable the financial management departments of both sides to maintain timely and smooth communication channels and reduce uncertainty when financial stress events and financial institutions' operational risks occur." (*Bloomberg*)

### **Malaysia: Govt has no plans to introduce carbon tax in Budget 2025**

The government would not introduce carbon tax in the upcoming Budget 2025, said Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Tengku Abdul Aziz. The Ministry of Finance as well as the Ministry of Energy Transition and Water Transformation are still in the process of discussing the mechanism to implement the tax, Tengku Zafrul said. Carbon tax measures would require at least one year of preparation, he said. (*The Edge*)

### **Malaysia: Exports surge 12.3% in July, fastest pace in nearly two years, official data show**

Exports in July 2024 surged to RM131.2bn, a 12.3% increase when compared to the same month of 2023, the Investment, Trade and Industry Ministry (Miti) said in a statement. Shipments of electrical and electronic products, which account for more than one-third of gross exports, rose 2.6% year-on-year in July. Exports of petroleum products climbed 15.6% while that of palm were 36.3% higher. Gross imports in July were up 25.4% to RM124.7bn. On a month-on-month basis, exports were up 7.6% while imports were 11.6% higher. Trade surplus, however, narrowed 55.1%. (*The Edge*)

### **Malaysia: Govt aims for 70% Bumiputera in high-skilled jobs, 30% equity ownership by 2035**

Prime Minister Datuk Seri Anwar Ibrahim, who launched PUTERA 35 on Monday, outlined the government's goal to boost Bumiputera participation in high-skilled jobs from 61% in 2022 to 70% by 2035. The plan also seeks to raise Bumiputera equity ownership, both by individuals and through Bumiputera-mandated agencies, from 18.4% in 2020 to 30% by 2035. The transformation plan also calls for contributions from government-linked companies (GLCs), government-linked investment companies (GLICs), and private companies to achieve its goals. (*The Edge*)

## Companies

### **CTOS: Ups its dividend policy payout**

CTOS Digital Bhd has upped its dividend policy payout, starting from the financial year ending Dec 31, 2024. In a filing with Bursa Malaysia, the credit reporting firm said it targets to pay dividends in the range of 60% to 70% (from 60% previously) of its profit attributable to the owners of the company for each financial year on a consolidated basis after considering working capital, maintenance capital and committed capital requirements of the company and its subsidiaries. *(The Star)*

### **IJM Corp: Bags RM561m contracts to build data centres and industrial manufacturing facility**

IJM Corp Bhd has secured two contracts with a combined value of RM561m for the construction of data centres in Johor and an industrial manufacturing facility in Penang. The project was secured through a 50:50 joint venture between IJM Corp's construction unit, IJM Construction Sdn Bhd, and Woh Hup Malaysia Sdn Bhd. This means IJM Corp's share of the contract is valued at RM254m. Separately, IJM Construction has independently secured an RM307m contract for the construction of a new electrical and electronics (E&E) manufacturing and warehousing facility in Batu Kawan, Penang. *(The Edge)*

### **Kerjaya Prospek: Secures RM275m construction contract in Pulau Pinang**

Kerjaya Prospek Group Bhd said on Monday that it had secured an RM275.3m contract for the construction and completion of a building in Bandar Tanjung Pinang, Pulau Pinang. The contract, deemed as a current related party transaction, was awarded to Kerjaya Prospek's wholly owned subsidiary, Kerjaya Prospek (M) Sdn Bhd, from Persada Mentari Sdn Bhd, the group showed in a bourse filing. The project is scheduled for completion within 38 months. *(The Edge)*

### **EcoFirst: Acquire 4.5-acre land in Kajang for RM35m for mixed development**

EcoFirst Consolidated Bhd said it is acquiring a 4.51-acre piece of freehold land in Kajang for RM35m to undertake a mixed development. The development will include serviced apartments, small office home office, small office virtual office, and shop offices, the property developer said in a bourse filing on Monday. The project is estimated to have a gross development value of RM380.9m. EcoFirst said it is purchasing the land from Soils & Foundations Sdn Bhd by using internally generated funds and bank borrowings. *(The Edge)*

### **Technology: Malaysia aims to draw in RM300bn of green investment by 2030**

Malaysia is targeting to attract up to RM300bn of green investment by 2030, said the Ministry of Investment, Trade and Industry (Miti) on Monday. "It is important to achieve the investment of RM300bn by 2030, so that we can get to net zero by 2050," Zafrul said at a press conference on green investment strategy. He added that RE accounted for about 60% of green investment up to 2019, while EVs contributed 58% from 2020 to 2023. *(The Edge)*



## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.43	0.21	8.52
KIP REIT	REIT	0.90	0.08	8.49
Sentral REIT	REIT	0.82	0.07	8.22
Hektar REITS	REIT	0.54	0.04	7.29
YTL Hospital REIT	REIT	1.18	0.09	7.29
Amway (M)	Consumer	7.00	0.50	7.10
British American Tobacco (M)	Consumer	7.74	0.55	7.04
RHB Bank	Finance	5.92	0.40	6.82
Pavilion REIT	REIT	1.38	0.09	6.81
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.56
Ta Ann Holdings	Plantation	3.81	0.25	6.54
Gas Malaysia	Utilities	3.67	0.24	6.40
Datasonic Group	Technology	0.47	0.03	6.38
Paramount Corporation	Property	1.06	0.07	6.32
UOA REITS	REIT	1.03	0.06	6.21

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 Bhd</a>	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
<a href="#">Vetece Holdings Bhd</a>	ACE Market	0.25	98.0	39.2	14 Aug	28 Aug
Steel Hawk Bhd	ACE Market	0.15	90.0	44.7	23 Aug	5 Sept
99 Speed Mart Retail Holdings Bhd	Main Market	1.65	400.0	1,028.0	23 Aug	9 Sept

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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)



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**Malaysia Securities Bhd.)**

**MARKET WATCH**  
**Tuesday, August 20, 2024**  
**Research Team**  
**research@mersec.com.my**

Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)