



# Daily Newswatch

## Market Review

The FBM KLCI closed lower for the second straight session to 1,635.3 (-0.5), on selling in selected blue-chip stocks. Among the index constituents, 20 counters finished lower while only eight chalked up gains. The top underperforming stocks include MRDIY (-4.2%), YTLPOWR (-2.9%), and YTL (-2.6%). Meanwhile, sectors that performed the worst include Utilities (-0.7%), Plantation (-0.5%), and REIT (-0.3%). Overall, the broader market breadth continued to remain negative, with 573 losers outpacing 508 gainers.

## Economics

- Malaysia:** Govt looking at rationalising petrol, sugar subsidies after diesel — PMO
- Malaysia:** Seven states surpass national manufacturing capacity utilisation rate in 2Q24
- Malaysia:** Anwar supports more India-Malaysia trade using national currencies
- Japan:** July exports growth lags expectations, volumes fall again
- Thailand:** Economy is nearly in crisis, caretaker finmin says
- Malaysia:** Potential trade worth RM8bn secured during trip to India

## Companies

- Ranhill:** Founder Hamdan Mohamad vacates CEO post
- Powerwell:** Bags contract to supply electrical low-voltage switchboards for data centre
- Tuju Setia:** Bags RM248m construction job
- Property:** Ministry mulling up to RM30,000 home purchase deposit for B40, M40 first-time buyers
- YTL Corp:** Ends FY2024 on positive footing, pays 4.5 sen dividend
- YTL Power:** FY2024 net profit up 71%, pays four sen dividend
- Maxis:** Posts 8% rise in 2Q net profit, declares four sen dividend

### 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	1,635.3	(0.5)	12.4
Dow Jones	40,890.5	0.1	8.5
Nasdaq CI	17,919.0	0.6	19.4
S&P 500	5,620.9	0.4	17.8
FTSE 100	8,283.4	0.1	7.1
Nikkei 225	37,951.8	(0.3)	13.4
Shanghai CI	2,856.6	(0.4)	(4.0)
HSI	17,391.0	(0.7)	2.0
STI	3,373.8	0.1	4.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,279.2	(21.9)
Value traded (RM m)	2,900.8	(36.3)
Gainers	508	
Losers	573	
Unchanged	502	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CEB	0.425	6.3	222.0
MYEG	0.920	1.7	113.4
WENTEL	0.330	(1.5)	38.7
YTLPOWR	3.750	(2.8)	37.9
TOPGLOV	0.995	(0.5)	37.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
PBBANK	4.630	(0.9)	169.5
CIMB	7.890	0.5	147.7
YTLPOWR	3.750	(2.8)	144.0
MYEG	0.920	1.7	106.1
GAMUDA	7.550	2.0	104.6

Currencies	Last Close	% Chg
USD/MYR	4.379	0.1
USD/JPY	145.1	0.1
EUR/USD	1.1153	0.0
USD/CNY	7.1314	(0.0)
US Dollar Index	101.04	(0.4)

Commodities	Last Close	% Chg
Brent (USD/barrel)	76.1	(1.5)
Gold (USD/troy oz)	2,513	0.0
CPO (MYR/metric t)	3,900	0.3
Bitcoin (USD/BTC)	61,361	0.2

## Economics

### Malaysia: Govt looking at rationalising petrol, sugar subsidies after diesel – PMO

The government is looking to rationalise subsidies on petrol and sugar following recent cuts in diesel subsidies, said Nurhisham Hussein, the Senior Director of Economics and Finance at the Prime Minister's Office (PMO). Malaysia has recently removed a blanket subsidy on diesel, and the rationalisation for RON95, the most widely used petrol variant currently capped at RM2.05 per litre, is also expected to follow suit. Several other items are up for review, including electricity tariffs for July to December 2024, the ceiling price of local white rice by October, and other essential items such as sugar. (*The Edge*)

### Malaysia: Seven states surpass national manufacturing capacity utilisation rate in 2Q24

The nation's manufacturing industry capacity utilisation increased by 3.8 percentage points year-on-year (y-o-y) to 82.1% during the said quarter from 78.3% in 2Q2023. According to the Statistics Department Malaysia (DOSM), the seven states which surpassed the overall national average are Labuan (94.3%), Terengganu (84.8%), Pahang (84.7%), Selangor (84.6%), Negeri Sembilan (84.4%), Melaka (83.5%), and Johor (83.3%). In a statement on Wednesday, chief statistician Datuk Seri Dr Mohd Uzir Mahidin said in 2Q24 all sub-sectors posted capacity utilisation of above 80%. He said the capacity utilisation in the export-oriented industries increased by 3.9 percentage points y-o-y to 81.3% in 2Q24 from 77.4% in 2Q2023, while the capacity utilisation in the domestic-oriented industries also expanded by 3.4 percentage points y-o-y to 83.7% in 2Q24. "The higher capacity utilisation rate was also reflected in the expansion of the industrial production index for the manufacturing industry (4.9% y-o-y)," he said. (*Bernama*)

### Malaysia: Anwar supports more India-Malaysia trade using national currencies

Prime Minister Datuk Seri Anwar Ibrahim said on Tuesday that he supports the idea of more Malaysia-India trade exchange using national currencies. The prime minister said BNM has agreed to expand the usage of the rupee and ringgit to grow bilateral trade with India. This is similar to what has been done successfully with the ringgit in Malaysia's trade with China, Thailand and Indonesia. (*The Edge*)

### Japan: July exports growth lags expectations, volumes fall again

Japanese exports rose 10.3% year-on-year in July, up for an eighth straight month, data from the Ministry of Finance showed, less than a median market forecast for an 11.4% increase. The sales were boosted by a weaker yen and compared with a rise of 5.4% in June. Overall shipment volumes, however, fell 5.2% last month from the year-ago period, the sixth consecutive month of declines. The downturn in volumes suggested the weaker yen was masking underlying softness in global demand, said Takeshi Minami, chief economist at Norinchukin Research Institute. The trade balance stood at a deficit of ¥621.8bn (RM18.7bn), compared with a forecast deficit of ¥330.7bn. (*Reuters*)

### Thailand: Economy is nearly in crisis, caretaker Finance Minister says

Thailand's economy is nearly in crisis due to declining exports and uncompetitive manufacturing, the country's caretaker finance minister said on Wednesday. Exports account for 70% of the economy but the manufacturing sector can't meet market demand, Pichai Chunhavajira told a business seminar. Southeast Asia's second-largest economy grew 2.3% in the April-June quarter from a year earlier, accelerating from the 1.6% growth in the prior quarter. But quarter-on-quarter growth slowed to 0.8% in the second quarter from the 1.2% expansion in the previous three months. (*Reuters*)

### Malaysia: Potential trade worth RM8bn secured during trip to India

Malaysia has obtained potential trade worth RM8bn in the palm oil and palm oil-based products, chemicals and chemical products, oil and gas, as well as aircraft spare part sectors, said Prime Minister Datuk Seri Anwar Ibrahim. On Malaysia's application to join BRICS, Anwar said Modi has agreed to support Malaysia's decision to join the group. (*Bernama*)

## Companies

### **Ranhill: Founder Hamdan Mohamad vacates CEO post**

Tan Sri Hamdan Mohamad, who resigned as Ranhill Utilities Bhd's executive chairman and director on August 2, has now vacated the group chief executive officer position as well. Ranhill has not announced a successor for the CEO and chairman positions. *(The Edge)*

### **Powerwell: Bags contract to supply electrical low-voltage switchboards for data centre**

Powerwell Holdings Bhd said it had secured an RM14.8m contract to supply electrical low-voltage switchboards from "a leading international contractor" for a data centre in Malaysia. "The supply contract is expected to be fulfilled by the third quarter of calendar year 2024," said Powerwell, adding that the contract is expected to contribute positively to its earnings and net assets for the financial year ending March 31, 2025 (FY2025). *(The Edge)*

### **Tuju Setia: Bags RM248m construction job from Sime Darby Property**

Tuju Setia Bhd (TJSETIA) has bagged an RM248m contract from Sime Darby Property Bhd to construct two blocks of service apartments with a gross development value (GDV) of RM597.2m in USJ 7, Subang Jaya, Selangor. The Hype Residences project spans 33 months and is expected to commence from Aug 22. *(The Edge)*

### **Property: Ministry mulling up to RM30,000 home purchase deposit for B40, M40 first-time buyers**

The Housing and Local Government Ministry (KPKT) said it is looking into a plan to provide up to RM30,000 in deposit assistance for first-time homebuyers. Minister Nga Kor Ming said the plan, dubbed the Madani Deposit initiative, is aimed at alleviating the monthly payment burden of the first-time purchasers, especially youth buyers in the B40 and M40 income groups. The Madani Deposit initiative is one of 33 proposals put forward by KPKT to the Finance Ministry for Budget 2025. Other proposed initiatives include the creation of 100 Madani recreational parks, the transformation of retention ponds and the introduction of electronic property sale agreements with e-stamping. *(The Edge)*

### **YTL Corp: Ends FY2024 on positive footing, pays 4.5 sen dividend**

YTL Corp Bhd's (YTL) net profit for its fourth financial quarter ended June 30, 2024 (4QFY2024) slipped 2.5% to RM534.5m from RM548m a year earlier on lower revenue. Revenue for the quarter also fell 10.2% to RM8.3bn from RM9.2bn in 4QFY2023. In a filing with Bursa Malaysia on Wednesday, YTL Corp said its construction segment recorded lower revenue in 4QFY2024 due to decrease in work done in respect of construction projects secured from external parties. The group also saw a decrease in revenue from its cement and building materials segment due to lower sales recorded by its domestic quarry and overseas cement divisions. Additionally, revenue from its property investment and development division was lower primarily due to the absence of a one-off project revenue in 4QFY2024. Nevertheless, the group declared an interim dividend of 4.5 sen per share for the financial year ended June 30, 2024 (FY2024), payable November 29. *(The Edge)*

### **YTL Power: FY2024 net profit up 71%, pays four sen dividend**

YTL Power International Bhd saw its net profit fall 5.6% to RM1.07bn in its fourth financial quarter ended June 30, 2024 (4QFY2024) from RM1.14bn a year earlier, on lower contribution from its power generation and investment holding activities business segments. YTL Power declared a second interim dividend of four sen per share for the financial year ended June 30, 2024 (FY2024), payable on Nov 29. Nevertheless, the group managed to end FY2024 on a positive footing, posting a net profit of RM3.5bn, a 70.8% increase from RM2bn in the previous year, on better performance in the power generation segment, which saw better margins, lower interest expenses following loan repayments, and strengthening of Singapore dollar against the Ringgit. *(The Edge)*



**Maxis: Posts 8% rise in 2Q net profit, declares four sen dividend**

Maxis Bhd, Malaysia's second-largest mobile network operator by subscribers, posted a 7.9% rise in its second-quarter net profit thanks to higher consumer service revenue and the enterprise business. Net profit for the three months ended June 30, 2024 (2QFY2024) was RM356m, compared with RM330m a year earlier, as revenue rose 4.7% to RM2.6bn from RM2.5bn. Maxis declared a second interim single-tier tax-exempt dividend of four sen per share, to be paid on Sept 23. The company also reaffirmed its FY2024 guidance, projecting low single-digit growth in service revenue, marginal to low single-digit growth in EBITDA. Maxis is also planning to keep capital expenditure under RM1bn, before any potential impact from 5G. (*The Edge*)



## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
KIP REIT	REIT	0.90	0.08	8.49
Sentral REIT	REIT	0.79	0.07	8.48
Bermaz Auto	Consumer	2.46	0.21	8.41
Hektar REITS	REIT	0.53	0.04	7.36
YTL Hospital REIT	REIT	1.18	0.09	7.29
Amway (M)	Consumer	7.00	0.50	7.10
British American Tobacco (M)	Consumer	7.72	0.54	7.06
RHB Bank	Finance	5.90	0.40	6.85
Pavilion REIT	REIT	1.38	0.09	6.81
CapitaLand Malaysia Trust	REIT	0.65	0.04	6.67
Gas Malaysia	Utilities	3.66	0.23	6.42
Ta Ann Holdings	Plantation	3.82	0.25	6.41
Paramount Corporation	Property	1.05	0.07	6.38
UOA REITS	REIT	1.02	0.06	6.27
Datasonic Group	Technology	0.48	0.03	6.25

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
<a href="#">99 Speed Mart Retail Holdings Bhd</a>	Main Market	1.65	400.0	1,028.0	23 Aug	9 Sept

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