



Daily Newswatch

Market Review

Despite the cautious sentiment, the FBM KLCI closed higher today to 1,641.7 (+0.4%), led by strong buying interest in YTLPOWER (+12.0%) following the release of its earnings report. Besides that, other top-performing index constituents include PCHEM (+4.3%) and PETDAG (+3.0%). Overall, the sector performances were mixed, with gains seen in Plantation (+1.3%) and Telecommunication & Media (+0.7%), but losses in Energy (-1.6%). The broader market breadth continues to remain negative, with 615 losers against 446 gainers.

Economics

- **Malaysia:** Consumer prices up 2% in July
- **Malaysia:** BRICS supportive of Malaysia's wish to join group
- **US:** Fed minutes show several saw cases for cutting rates in July
- **US:** Payrolls revised down the most since 2009 in preliminary data
- **Malaysia:** Govt mulls 45 sen/kWh charge for RE plants to access national grid via TPA

Companies

- **Hextar Retail:** Introduce Hong Kong's Tam Jai noodle chain in Malaysia
- **PTT Synergy:** Inks deal with China's Siasun
- **Eupe Corp:** Sees Bangsar land yielding RM300m in GDV
- **Capital A:** Issue revenue bonds worth up to US\$443m
- **SunCon:** Sees 18% rise in 2Q net profit, pays 3.5 sen dividend
- **UEM Sunrise:** 2Q net profit down 24%
- **Sime Darby Property:** Raises sales target for 2024, 2Q net profit more than doubles

Upcoming key economic data releases	Date
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	1,641.7	0.4	12.9
Dow Jones	40,712.8	(0.4)	8.0
Nasdaq CI	17,619.4	(1.7)	17.4
S&P 500	5,570.6	(0.9)	16.8
FTSE 100	8,288.0	0.1	7.2
Nikkei 225	38,211.0	0.7	14.2
Shanghai CI	2,848.8	(0.3)	(4.2)
HSI	17,641.0	1.4	3.5
STI	3,373.6	(0.0)	4.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,727.7	13.7
Value traded (RM m)	3,084.3	6.3
Gainers	446	
Losers	615	
Unchanged	497	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ELRIDGE	0.400	37.9	319.0
CEB	0.400	(5.9)	82.4
VELOCITY	0.055	(8.3)	71.6
YTLPOWER	4.200	12.0	68.2
MYEG	0.940	2.2	67.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
YTLPOWER	4.200	12.0	279.6
YTL	3.130	2.3	136.1
ELRIDGE	0.400	37.9	116.5
MAYBANK	10.440	(0.8)	123.1
CIMB	7.890	0.0	122.0

Currencies	Last Close	% Chg
USD/MYR	4.378	0.0
USD/JPY	146.06	0.2
EUR/USD	1.1116	0.0
USD/CNY	7.1444	(0.2)
US Dollar Index	101.51	0.5

Commodities	Last Close	% Chg
Brent (USD/barrel)	77.2	1.5
Gold (USD/troy oz)	2,486	0.0
CPO (MYR/metric t)	3,916	(0.3)
Bitcoin (USD/BTC)	60,376	(0.5)

Economics

Malaysia: Consumer prices up 2% in July, matching June's pace — official data

The consumer price index rose 2.0% in July from a year earlier, The Department of Statistic Malaysia said in a statement. Food-and-beverage items, which account for nearly 30% of the index's weight, rose at a slower pace of 1.6%, compared with a 2.0% y-o-y gain in June. Restaurant and accommodation services, however, rose 3.4%, while the personal care group rose 3.2%, led by jewellery and watches. Inflation for the transport index that includes fuel, purchase of vehicles, and public transport services increased at 1.2% in July, the same rate as in the previous month, following diesel subsidy rationalisation. The segment that covers housing, water, electricity, gas and other fuels, meanwhile, climbed 3.2% in July, a similar rate of increase in June. Core inflation, which measures domestic-driven inflation by excluding volatile items and other price-administered items, came in at 1.9% in July, the same pace as in June. (*The Edge*)

Malaysia: BRICS supportive of Malaysia's wish to join group, says Anwar

"We are very fortunate that they (BRICS members) are supportive of Malaysia's application, although it is yet to be decided whether Malaysia will join BRICS," Anwar told *India Today Global* in an exclusive interview. The interview was held in conjunction with his three-day official visit to India, which concluded on Wednesday. He also said in the interview that Malaysia is still in the early stage of the BRICS membership process, whereby country representatives will finalise direct participation during the BRICS summit in Kazan, Russia. (*Bernama*)

US: Fed minutes show several saw cases for cutting rates in July

"Several observed that the recent progress on inflation and increases in the unemployment rate had provided a plausible case for reducing the target range 25 basis points at this meeting or that they could have supported such a decision," minutes from the meeting, published Wednesday in Washington, said. "The vast majority observed that, if the data continued to come in about as expected, it would likely be appropriate to ease policy at the next meeting." "A majority of participants remarked that the risks to the employment goal had increased, and many participants noted that the risks to the inflation goal had decreased," the minutes said. "Some participants noted the risk that a further gradual easing in labour market conditions could transition to a more serious deterioration." The discussion indicates the committee has begun to shift toward a risk-management approach concerning the labour market. "Almost all participants observed that the factors that had contributed to recent disinflation would likely continue to put downward pressure on inflation in coming months," the minutes said. (*Bloomberg*)

US: Payrolls revised down the most since 2009 in preliminary data

US job growth was probably far less robust in the year through March than previously reported, according to government data released on Wednesday. The number of workers on payrolls will likely be revised down by 818,000 for the 12 months through March, or around 68,000 less each month, according to the Bureau of Statistics' preliminary benchmark revision. It was the largest downward revision since 2009. (*Bloomberg*)

Malaysia: Govt mulls 45 sen/kWh charge for RE plants to access national grid via TPA

The SAC, or wheeling charges, to deliver non-firm or intermittent RE was disclosed on Thursday at an industry briefing for the grid third-party access mechanism dubbed CRESS, which is scheduled to open next month. Industry players and consumers will also have to pay an SAC of 25 sen/kWh for RE with firm or consistent supply. Consumers who participate in CRESS will be imposed with a tariff which comprises the SAC, as well as generation costs agreed upon with a RE plant on a willing buyer, willing seller basis. This is an alternative to buying electricity currently, either conventional or green, on a retail basis from electricity pooled by Tenaga Nasional Bhd. Meanwhile, it was also revealed that CRESS would include a market support measure, where an RE plant that loses its customer could sell the electricity generated to the grid at eight sen/kWh for a certain period. (*The Edge*)

Companies

Hextar Retail: Introduce Hong Kong's Tam Jai noodle chain in Malaysia

Hextar Retail Bhd has entered into a strategic partnership with Hong Kong fast-casual dining group Tam Jai International Co Ltd (TJI) to introduce a noodle chain in Malaysia. In a bourse filing, Hextar Retail said it will have the exclusive rights to develop, operate, and manage the 'Tam Jai' brand across Malaysia. It expects to launch the first Tam Jai outlet in Kuala Lumpur in the first quarter of 2025. *(The Edge)*

PTT Synergy: Inks deal with China's Siasun to distribute autonomous equipment in Malaysia

PTT Synergy Group Bhd said on Thursday it had signed an agreement with Chinese robotics manufacturers Siasun Robot & Automation Co Ltd to distribute autonomous intralogistics automation solutions. Under the agreement, PTT Robotics will market equipment including automated guided vehicles (AGVs) and autonomous mobile robots (AMRs). Siasun Malaysia, meanwhile, will supply a diverse range of AGVs, AMRs and other automated equipment, as well as provide extensive technical support to ensure implementation and operation. *(The Edge)*

Eupe Corp: Sees Bangsar land yielding RM300m in GDV

Eupe Corp Bhd (EUPE) said on Thursday a piece of recently acquired land in Bangsar, Kuala Lumpur could yield a gross development value (GDV) of RM30m. Based in Kedah, the property developer is planning to launch the project in 2026 and complete within three years, Eupe managing director Datuk Beh Huck Lee told reporters after the company's annual general meeting. *(The Edge)*

Capital A: Issue revenue bonds worth up to US\$443m

Capital A Bhd today announced that its unit AirAsia RB 1 Ltd (AARB1) had entered into definitive agreements yesterday with aircraft lessors and private credit funds for the issuance of Regulation S secured notes (revenue bonds) worth up to US\$44m, due in September 2026 and August 2028. Capital A said that under the agreements, AAB would act as a third-party security provider, and both AAB and Capital A as corporate guarantors. "The proceeds of the revenue bonds shall be on-lend by AARB1 to AAB, for AAB to refinance its lease liabilities, aircraft and engine maintenance costs and to support the working capital requirements of AAB," it noted. *(Bernama)*

SunCon: Sees 18% rise in 2Q net profit, pays 3.5 sen dividend

Sunway Construction Group Bhd saw its net profit rise 17.8% to RM38.9m for the second quarter ended June 30, 2024 (2QFY2024), from RM33m a year ago, on improved contributions from all segments. Overall revenue for quarter also increased 7.8% to RM651.3m from RM604.1m a year earlier, on better performance of construction segment, which saw revenue grow 11.6% year-on-year to RM597.6m. In a statement on Thursday, SunCon said it is optimistic about registering positive growth in FY2024, bolstered by its robust outstanding order book of RM7.4bn, with RM3.5bn in new orders secured up to August. The group declared a first interim dividend of 3.5 sen per share for FY2024, payable on Sept 26. *(The Edge)*

UEM Sunrise: 2Q net profit down 24%, higher operating expenses, reduced contribution from JVs

The net profit for the quarter ended June 30, 2024 (2QFY2024) was RM18.8m or 0.38 sen per share, compared to RM24.7m or 0.49 sen per share a year earlier, according to the property developer's filing with the stock exchange. Revenue fell 43.61% to RM205.2m, from RM363.96m previously when sales of non-strategic land in Tapah, Perak and Iskandar Puteri, Johor had significantly contributed to the group's revenue. No dividend was declared for the quarter. UEM Sunrise said its operating profit for the quarter fell 19% year-on-year to RM56.9m from RM69.9m due to lower gross profit and higher operating expenses, but this was offset by higher other income which more than doubled to RM46.9m from RM15.1m. The share of net results from JVs and associates dropped 55% to RM8.7m from RM19.3m. *(The Edge)*



Sime Darby Property: Raises sales target for 2024, 2Q net profit more than doubles

Sales in January-June rose 40% to RM2.1bn and the company now expects to sell RM3.5bn worth of properties by the end of December, Sime Darby Property said in a statement following its latest quarterly results announcement. That compares to its earlier forecast of RM3.0bn for 2024. The company “is on track to meet its FY2024 targets, bolstered by a strong first half performance”, Sime Darby Property said. “Transitioning into the second half of the year, the group will continue to launch a diverse range of products across its townships to capitalise on growing market demand.” The momentum in the first half is expected to be sustained into the second half, driven by healthy demand and rising sales volume, the company added. Net profit more than doubled in the second quarter ended June 30, 2024 (2QFY2024) to RM161.96m thanks to land sales and higher sales of industrial and high-rise homes, compared to RM71.1m over the same period last year, the company said in an exchange filing. Revenue for the quarter jumped year-on-year to RM1.2bn from RM688.9m. (*The Edge*)



Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.79	0.07	8.48
KIP REIT	REIT	0.90	0.08	8.44
Bermaz Auto	Consumer	2.47	0.21	8.38
Amway (M)	Consumer	6.75	0.50	7.36
Hektar REITS	REIT	0.53	0.04	7.36
YTL Hospital REIT	REIT	1.19	0.09	7.23
British American Tobacco (M)	Consumer	7.71	0.55	7.07
CapitaLand Malaysia Trust	REIT	0.63	0.04	6.83
RHB Bank	Finance	5.92	0.40	6.82
Pavilion REIT	REIT	1.38	0.09	6.81
Gas Malaysia	Utilities	3.64	0.24	6.46
Ta Ann Holdings	Plantation	3.85	0.24	6.36
UOA REITS	REIT	1.01	0.06	6.34
Datasonic Group	Technology	0.48	0.03	6.32
Paramount Corporation	Property	1.07	0.07	6.26

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 Bhd	ACE Market	0.56	71.6	40.0	31 Jul	23 Aug
Vetece Holdings Bhd	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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