



Daily Newswatch

Market Review

The FBM KLCI ended lower at 1,670.2 (-0.4%), tracking declines in Asian markets and the sharp sell-off in technology stocks on Wall Street overnight. Among the index constituents, the top decliners include PCHEM (-2.1%), SUNWAY (-1.7%), and MAXIS (-1.6%). The top loss-making sectors include Technology (-2.7%), Energy (-2.1%) and Utilities (-1.2%). The overall broader market breadth turned negative, with 813 losers outpacing 307 gainers.

Economics

- **Malaysia:** Anwar pledges closer ties with Russia
- **US:** Manufacturing edges up in August from eight-month low
- **Energy:** Opec+ discussing delay to plan oil output hike in October
- **Malaysia:** Bursa wants to ease institutions' hold on stocks
- **Indonesia:** Plans to cut palm oil export levy to improve competitiveness, government official says

Companies

- **YTL Power:** Confirms under MACC probe over 1BestariNet project
- **Jentayu Sustainable:** Hydropower project receives notification letter from Sabah regulator
- **Ocean Vantage:** Sees Sarawak-based companies emerge as largest shareholders
- **IHH:** Acquire Island Hospital for RM3.9bn, cash
- **Central Global:** Bags RM616.4m Pan Borneo highway job
- **Elridge Energy:** Signs MoU with Orion for palm kernel shell supply

Upcoming key economic data releases

	<u>Date</u>
EU – Q2 GDP	6 Sep
US – Aug 2024 Unemployment Rate	6 Sep
Malaysia – Jul 2024 IPI	10 Sep
US – Aug 2024 CPI	11 Sep
US – Aug 2024 PPI	12 Sep
US – FOMC	19 Sep
Malaysia – Aug 2024 CPI	23 Sep
Malaysia – Aug 2024 PPI	26 Sep
US – Q2 GDP	26 Sep
US – Aug 2024 PCE	27 Sep

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,670.2	(0.4)	14.8
Dow Jones	40,975.0	0.1	8.7
Nasdaq CI	17,084.3	(0.3)	13.8
S&P 500	5,520.1	(0.2)	15.7
FTSE 100	8,269.6	(0.3)	6.9
Nikkei 225	37,047.6	(4.2)	10.7
Shanghai CI	2,784.3	(0.7)	(6.4)
HSI	17,457.3	(1.1)	2.4
STI	3,441.4	(1.1)	6.2

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,041.4	2.2
Value traded (RM m)	2,891.8	(1.8)
Gainers	307	
Losers	813	
Unchanged	438	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VTC	0.585	(1.7)	111.4
TWL	0.025	0.0	104.6
EAH	0.005	(50.0)	79.2
CEB	0.355	(4.1)	50.2
VELESTO	0.200	(2.4)	41.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	10.800	0.9	250.4
TENAGA	14.900	0.0	235.8
CIMB	8.210	(0.5)	220.8
PBBANK	4.760	(0.8)	167.5
VTC	0.585	(1.7)	65.4

Currencies	Last Close	% Chg
USD/MYR	4.3533	0.4
USD/JPY	143.69	0.0
EUR/USD	1.1084	0.0
USD/CNY	7.1128	0.1
US Dollar Index	101.36	(0.5)

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.7	(1.4)
Gold (USD/troy oz)	2,495	(0.0)
CPO (MYR/metric t)	3,982	(0.3)
Bitcoin (USD/BTC)	58,131	0.2



Economics

Malaysia: Anwar pledges closer ties with Russia, invites Putin to 2025 ASEAN Summit

While agreeing that the true potential of Malaysia-Russia relations has not been fully utilised, Malaysia is committed to enhancing its collaboration in all fields with Russia, says Prime Minister Datuk Seri Anwar Ibrahim. "I would certainly look forward to having better relations, personal and governmental collaboration, in all fields with Russia," he said during a bilateral meeting with Russian President Vladimir Putin here on Wednesday. During the meeting, Anwar also assured Putin that, as ASEAN chairman next year, he will strive to boost the regional grouping's collaboration with Russia in all fields. "Of course, we in ASEAN are looking forward to your participation in ASEAN Summit 2025," he said. *(Bernama)*

US: Manufacturing edges up in August from an eight-month low, but trend remains weak

The Institute for Supply Management (ISM) said on Tuesday its manufacturing PMI rose to 47.2 in August from 46.8 in July, which was the lowest reading since November. The PMI remained below the 50 thresholds for the fifth straight month but was above the 42.5 level that the ISM said over time generally indicates an expansion of the overall economy. The PMI and regional factory surveys have, however, consistently overstated manufacturing weakness. The survey's measure of prices paid by manufacturers increased to 54.0 from 52.9 in July. The measure of supplier deliveries fell to 50.5 from 52.6 in the prior month. The survey's manufacturing employment measure rose to 46.0 from 43.4 in July. *(Reuters)*

Energy: Opec+ discussing delay to plan oil output hike in October

Opec+ is discussing a delay in a planned output increase next month as oil prices hit their lowest in nine months, three sources from the producer group told *Reuters* on Wednesday. Last week, the group looked set to proceed with a 180,000 barrel per day (bpd) hike in October, but market volatility from oil facility shutdowns in Libya and a weak demand outlook have raised concern within the group, one of the sources said. There were suggestions to delay the increase, one of the sources said. Another said a delay was looking highly possible. The Organization of the Petroleum Exporting Countries and the Saudi government communications office did not immediately respond to requests for comment. *(Reuters)*

Malaysia: Bursa wants to ease institutions' hold on stocks, says CEO

Malaysia's stock exchange is looking to loosen the grip of large domestic investors on the market to encourage more trading and attract foreign investors to the best performing bourse in Southeast Asia. "They want technology stocks," Bursa Malaysia chief executive Datuk Muhamad Umar Swift said. "They're looking for a certain liquidity ... and so from the exchange perspective, we will engage institutional shareholders who have these assets to encourage more free float." He did not give further details but said this brought a follow-on challenge of finding new places for institutions to invest, which will take time. *(Reuters)*

Indonesia: Plans to cut palm oil export levy to improve competitiveness, government official says

Indonesia, the world's biggest palm oil exporter, plans to lower export levy rates of the tropical oil to improve competitiveness against rival vegetable oils and raise farmers' income, a government official said on Wednesday. "Traditionally (palm oil was) always the cheapest, but now it is very competitive with soybean oil and sunflower oil. By lowering (export levy), we hope to improve smallholders' welfare and price competitiveness," Dida Gardera, a senior official at Coordinating Ministry of Economic Affairs told *Reuters*. Under current rules, Indonesia imposes a levy between US\$55 to US\$240 per metric ton for crude palm oil exports, depending on global palm oil prices, which is charged on top of a separate export tax. There are 17 brackets for the levy, with the lowest tax rate kicking in when palm oil price is below US\$680 per ton, and the highest rate when the price is above US\$1,430 per ton. The new levy rates will also have "simpler" price brackets, Dida said, without disclosing further details. *(Reuters)*

Companies

YTL Power: Confirms under MACC probe over 1BestariNet project

YTL Power International Bhd has confirmed that its subsidiary YTL Communications Sdn Bhd (YTL Comms) has been questioned by the Malaysian Anti-Corruption Commission (MACC) about the Ministry of Education's 1BestariNet project, valued at RM4bn. It claimed that YTL Comms was selected for being the most "technically compliant and most cost-effective bid." "The project was certified by the Ministry of Education as being successfully completed at the end of the contract period on June 30, 2019," YTL Power added. *(The Edge)*

Jentayu Sustainable: Hydropower project receives notification letter from Sabah regulator

Jentayu Sustainables Bhd said it has received a letter of notification from the Energy Commission of Sabah (ECOS) for Project Oriole, which is a 162MW run-of-river hydropower plant in the state. The project is part of Sabah's long-term strategy to address its electricity needs as outlined in the Sabah Energy Roadmap and Master Plan 2040. According to Jentayu, the project is planned to be funded with an 80:20 debt-to-equity ratio, though the exact terms have yet to be finalised. To date, the company has spent RM82.3m on development expenses, which will be capitalised as part of the equity contribution to the project. "Upon completion, the project is expected to generate approximately RM270m in annual revenue and contribute positively to the company's financials," Jentayu noted. *(The Edge)*

Ocean Vantage: Sees Sarawak-based companies emerge as largest shareholders

Ocean Vantage Holdings Bhd has announced the emergence of three new Sarawak-based substantial shareholders, following the disposal of a collective 23.32% stake by executive directors Martin Philip King Ik Piau and Yau Kah Tak, and one other. The three new shareholders, based in Kuching, are Majuco Motor Sdn Bhd (10% or 42m shares), Pertanian Teguh Jaya Sdn Bhd (7.8% or 32.5m shares) and Resources Hub Logistics Sdn Bhd (5.6% or 23.4m shares). With the announcement, Majuco and Pertanian Teguh Jaya are now the largest and second largest shareholders in Ocean Vantage. The transacted price was 16.6%, or a 2.9 sen premium to the closing price of Ocean Vantage at 17.5 sen a share. *(The Edge)*

IHH: Acquire Island Hospital for RM3.9bn, cash

IHH Healthcare Bhd, Malaysia's biggest hospital operator, said on Wednesday that it is acquiring 600-bed Island Hospital in Penang for RM3.9bn in cash from Comprehensive Care Sdn Bhd. The acquisition includes the vacant land, which is valued at RM223m with approvals secured for future development, IHH said in a statement. The transaction will be financed with internal funds and external borrowings. Once the deal is completed by the year-end, IHH will have more than 1,000 operational beds in Penang. *(The Edge)*

Central Global: Bags RM616.4m Pan Borneo highway job in Sabah

Central Global Bhd has bagged a RM616.4m contract for the Pan Borneo Highway Sabah Phase 1B project. The project is expected to start on Sept 30, 2024, and conclude on March 29, 2028. Central Global said the project award has significantly increased its order book by 456.3% and amounting to RM751.5m. *(The Edge)*

Elridge Energy: Signs MoU with Orion for palm kernel shell supply

Under the terms of the MoU, Elridge Energy will supply Orion with 150,000 tonnes of palm kernel shells annually over a three-year period, beginning in April 2025 and concluding in March 2028. Elridge Energy, in a filing with Bursa Malaysia, said the contract also includes an option for automatic renewal for an additional three years, subject to renegotiated terms and conditions. *(The Edge)*



Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
KIP REIT	REIT	0.90	0.08	8.44
Sentral REIT	REIT	0.80	0.07	8.38
Hektar REITS	REIT	0.53	0.04	7.43
YTL Hospital REIT	REIT	1.17	0.09	7.35
Amway (M)	Consumer	6.96	0.50	7.14
British American Tobacco (M)	Consumer	7.94	0.55	6.86
UOA REITS	REIT	0.94	0.06	6.84
RHB Bank	Finance	6.03	0.40	6.62
CapitaLand Malaysia Trust	REIT	0.65	0.04	6.62
Sports Toto	Consumer	1.59	0.10	6.54
Datasonic Group	Technology	0.46	0.03	6.52
Pavilion REIT	REIT	1.45	0.09	6.48
MBM Resources	Consumer	5.94	0.38	6.46
Gas Malaysia	Utilities	3.69	0.23	6.31
MAG Holdings	Consumer	1.23	0.08	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		
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
Solar District Cooling Group Bhd	ACE Market	0.38	118.7	0.0	6 Sep	19 Sep

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