



# Daily Newswatch

## Market Review

The FBM KLCI closed lower at 1,651.5 (-0.1%) due to waning investor interest, influenced by concerns over US economic developments and uncertainty about the magnitude of Federal Reserve rate cuts. Among the index constituents, the top decliners include SIME (-4.9%), YTL (-4.3%), and YTL (-4%). The top loss-making sectors include Energy (-2%), Industrial (-1.2%) and Plantation (-1.1%). The overall broader market breadth turned negative, with 661 losers outpacing 316 gainers.

## Economics

- Malaysia:** Proton's exports to Egypt expected to contribute RM570m by 2026
- Malaysia:** Govt eyes more 'user-pay' PPP projects, targets RM78bn private investment by 2030
- Malaysia:** Property sales surge 23.8% y-o-y to RM105bn in 1H2024
- Malaysia:** Budget 2025 to address inflation, cost of living issues
- Europe:** Former ECB head Draghi says EU itself at risk without more funds and joint debt
- Japan:** Takaichi touts spending as she enters leadership race
- US:** Trump pledges '100% tariff' for countries that shun dollar
- China:** Deflation risk grows as signs of economic weakness mount

## Companies

- Nova MSC:** Provide AI-driven diabetic retinopathy screening in Brunei
- Jati Tinggi:** Bags two contracts to lay underground cables
- Kelington:** Secures RM413m worth of new contracts over past two months
- Public Bank:** Teams up with Credit Guarantee Corp to provide RM1bn financing to SMEs
- Tenaga:** Obtains interim stay over IRB seeking RM1.4bn tax bill
- Binastra:** Bags RM574.4m contract for construction of Bukit Jalil data centre
- Eversendai:** Announces new contracts valued at RM1.1bn

### Upcoming key economic data releases

	Date
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	1,651.5	(0.1)	13.5
Dow Jones	40,829.6	1.2	8.3
Nasdaq CI	16,884.6	1.2	12.5
S&P 500	5,471.1	1.2	14.7
FTSE 100	8,270.8	1.1	7.0
Nikkei 225	36,215.8	(0.5)	8.2
Shanghai CI	2,736.5	(1.1)	(8.0)
HSI	17,197.0	(1.4)	0.9
STI	3,496.5	1.2	7.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,384.3	43.9
Value traded (RM m)	3,852.9	26.0
Gainers	316	
Losers	661	
Unchanged	474	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
99 SPEEDMART	1.880	13.9	422.0
VELESTO	0.185	(5.1)	70.1
PEGASUS	0.005	0.0	69.2
EA	0.005	0.0	58.8
YTL	2.390	(4.0)	57.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
99 SPEEDMART	1.880	13.9	792.9
MAYBANK	10.900	0.9	223.5
CIMB	8.280	1.5	215.7
PUBLIC BANK	4.800	1.1	199.8
YTL POWER	3.370	(4.3)	191.2

Currencies	Last Close	% Chg
USD/MYR	4.3722	(1.0)
USD/JPY	143.26	(0.1)
EUR/USD	1.1038	0.0
USD/CNY	7.1136	(0.2)
US Dollar Index	101.55	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.8	1.1
Gold (USD/troy oz)	2,507	0.0
CPO (MYR/metric t)	3,986	0.0
Bitcoin (USD/BTC)	57,187	0.3

## Economics

### Malaysia: Proton's CKD exports to Egypt expected to contribute RM570m by 2026

Proton Holdings Bhd's completely-knocked-down (CKD) exports to Egypt is estimated to contribute 16,000 units to its total export volume from the fourth quarter of this year to the end of 2026, generating a revenue of RM570m, said the MITI. MITI deputy secretary general (Industry) Datuk Hanafi Sakri said an additional RM20m will be generated from spare parts sales to support customer service. "Aside from the monetary aspect of trade, the establishment of a CKD plant to assemble Proton vehicles in Egypt will enable the transfer and growth of competencies in areas such as technology, best practices and expertise in the car automotive sector," he said in his keynote address at the official ceremony of Proton's first CKD export to Egypt at the Proton Centre of Excellence here on Monday. *(The Edge)*

### Malaysia: Govt eyes more 'user-pay' PPP projects, targets RM78bn private investment by 2030

The Malaysian government is aiming to increase private investment to RM78bn by 2030, under the newly launched Public-Private Partnership (PPP) Masterplan 2030 (Pikas 2030). The masterplan also aims for PPP projects to contribute RM82bn to the nation's gross domestic product, and create 900,000 job opportunities by 2030. Pikas 2030, spearheaded by the Public-Private Partnership Unit (Ukas) of the Prime Minister's Department, is part of the government's efforts to continue to strengthen governance in the implementation of PPP projects. *(The Edge)*

### Malaysia: Property sales surge 23.8% y-o-y to RM105bn in 1H2024

Malaysia's property transaction value soared to RM105.7bn in the first half of 2024 (1H2024), marking a 23.8% year-on-year (y-o-y) increase — the highest in five years — according to the National Property Information Centre (Napic). This compares to the RM85.4bn recorded in the same period last year, Napic said in a statement in conjunction with the release of its Property Market Report for the First Half of 2024 (1H2024). All property sub-sectors recorded growth, with the residential segment's transaction value rising 10.4% to RM49.4bn, followed by a 41.5% increase for commercial to RM23.7bn, a 23.4% rise for industrial to RM13.5bn, a 37.8% increase for agricultural to RM9.7bn, and a 59.3% jump for development land and others to RM9.3bn. *(The Edge)*

### Malaysia: Budget 2025 to address inflation, cost of living issues

Prime Minister Datuk Seri Anwar Ibrahim said the government will prioritise strategies to stabilise inflation and address the rising cost of living in Budget 2025. He said under the Madani government, the inflation rate is holding steady at 2%, with gross domestic product (GDP) growth for the second quarter of this year at 5.9%. "I just returned from Vladivostok, Russia (where) I met President Vladimir Putin. Questions were raised about our inflation rate, which is at 2%, while some food sectors see inflation at 3% to 3.5%. Even that has been a challenge to manage. "My focus and strategy for the budget (presentation) in October is to find solutions to the cost of living issues... Although, compared to neighbouring countries like Thailand, Indonesia and Singapore, our inflation is relatively low," he said. *(The Star)*

### Europe: Former ECB head Draghi says EU itself at risk without more funds and joint debt

Former European Central Bank (ECB) president Mario Draghi called on the European Union (EU) to invest as much as €800bn (RM3.9tn) extra a year and commit to the regular issuance of common bonds to make the bloc more competitive with China and the US. In his long-awaited report on EU competitiveness, Draghi urged the bloc to develop its advanced technologies, create a plan to meet its climate targets and boost defence and security of critical raw materials, labelling the task "an existential challenge". Draghi said that Europe will need to boost investment by about five percentage points of the bloc's gross domestic product (GDP) — a level not seen in more than 50 years — in order to transform its economy so that it can remain competitive. He warned that EU economic growth was "persistently slower" than in the US, calling into question the bloc's ability to digitalise and decarbonise the economy quickly enough to be able to rival its competitors to the east and west. *(Bloomberg)*



**Japan: Takaichi touts spending as she enters leadership race**

Economic Security Minister Sanae Takaichi launched a fresh bid to become Japan's first woman prime minister with a pledge to use public money to boost jobs and growth. The protege of late Prime Minister Shinzo Abe and his aggressive monetary and fiscal policy views is the seventh Liberal Democratic Party (LDP) lawmaker to formally enter the race to become the ruling party leader in an election on Sept 27. The winner is all but assured of becoming the prime minister because of the LDP's dominance in Parliament. "With strategic fiscal spending, we can increase employment and incomes, lifting consumer confidence and securing tax revenue without raising tax rates," Takaichi said at a Monday conference. (*Bloomberg*)

**US: Trump pledges '100% tariff' for countries that shun dollar**

Donald Trump pledged on Monday to make it too costly for countries to shift away from using the US dollar, adding a new pillar to his tariff platform. "You leave the dollar and you're not doing business with the United States because we are going to put a 100% tariff on your goods," the Republican presidential nominee said at a rally in the battleground state of Wisconsin. The statement follows months of discussions between Trump and his economic advisers on ways to penalise allies or adversaries who seek active ways to engage in bilateral trade in currencies other than the dollar. Options have included export controls, currency manipulation charges and tariffs, people familiar with the matter have previously told *Bloomberg News*. (*Bloomberg*)

**Thailand: New Thai PM to push ahead with cash stimulus to revive economy**

Thailand's newly appointed Prime Minister Paetongtarn Shinawatra vowed to push ahead with a controversial US\$14bn (RM60.7bn) cash stimulus plan as her cabinet finalised a blueprint to free Southeast Asia's second-largest economy from a prolonged period of low growth and chronic household debt. Paetongtarn, who was sworn in to office along with her 35-member cabinet on Friday, will present her government's policy statement to parliament next week. It is expected to spell out details of the long-delayed cash handout and her administration's agenda to promote tourism and foreign investment. The government will ensure that the so-called digital wallet program that promises 10,000 baht (RM1,285) each to about 50m adult Thais adheres to law, Paetongtarn told reporters after a meeting of the cabinet. About 14.5m people, including 1m with disabilities, may be covered in the first phase of the program in September after the new leader ordered a review of the plan, according to officials. (*Reuters*)

**China: Deflation risk grows as signs of economic weakness mount**

China's core inflation cooled to the weakest in more than three years, fueling calls for greater efforts to boost household spending as weak demand puts the annual growth target under pressure. The consumer price index (CPI) excluding volatile food and energy costs rose just 0.3% in August from a year earlier, the least since March 2021, the government said on Monday. The broader CPI increased 0.6%, missing expectations even though it was buoyed by higher food costs due to bad weather last month. Taken together, the figures provide further evidence of weak consumer demand in the world's second-largest economy, prompting calls for more measures to stave off a negative cycle of declining corporate revenue, wages and spending. (*Bloomberg*)

## Companies

### **Nova MSC: Provide AI-driven diabetic retinopathy screening in Brunei**

Nova MSC Bhd, which provides software for the healthcare sector, has secured a contract to roll out the National Diabetic Retinopathy (NDR) screening programme in Brunei. The group said its subsidiary EyRIS Pte Ltd was awarded the RM7.1m contract by JPMCnova Sdn Bhd. The programme will run for five years, starting on Oct 1. "This programme will cover all hospitals and healthcare centres, utilising our cloud-based Selena+ and EyScan teleophthalmology platform for efficient screening and monitoring," Nova MSC said in a statement to the stock exchange. Beyond DR, EyRIS can also expand artificial intelligence (AI) offerings to detect systemic diseases such as chronic kidney disease, neurological disorders and cardiovascular conditions. "This aligns with Nova MSC's vision of addressing global healthcare challenges with wider access to solutions that promise to be cheaper, faster and more accurate," it added. *(The Edge)*

### **Jati Tinggi: Bags two contracts to lay underground cables**

Jati Tinggi Group Bhd said it has bagged two contracts worth RM36.4m for the installation of underground cables. The first contract with a tenure of 17 months is valued at RM6.6m. The contract, awarded by Worktime Engineering Sdn Bhd, involves the installation of 132kV underground cables for a data centre at Bukit Jalil. "The scope of works would include the erection of power cables, fibre optic cables, joint and termination, testing, commissioning, and all ancillary works," the company said in a bourse filing on Monday. The second contract, worth RM29.8m, is to lay 33kV aluminium cross-linked polyethylene underground cables for asset development in the southern region of Peninsular Malaysia. The contract, awarded by YM Teras Sdn Bhd, is valid for 580 days from the acceptance date. *(The Edge)*

### **Kelington: Secures RM413m worth of new contracts over past two months**

Kelington Group Bhd said it had secured new contracts totalling RM413m over the past two months, bringing its total value of contracts secured year-to-date to RM977m. While it did not clarify the specific contracts, the integrated engineering solutions provider said most of the projects were awarded in Malaysia and China, involving ultra-high purity (UHP), process engineering, and general contracting services. The group said none of the projects individually met the materiality threshold for a Bursa Malaysia announcement, and therefore separate disclosures were not required. *(The Edge)*

### **Public Bank: Teams up with Credit Guarantee Corp to provide RM1bn financing to SMEs**

Public Bank Bhd said it is committed to extend RM1bn in financing to SMEs in partnership with CGC. "As the largest SME financier of the nation with a market share of 17.5% in Malaysia's SME financing segment, our partnership with CGC reaffirms our commitment to foster sustainable SME development," said Public Bank managing director and CEO Tan Sri Tay Ah Lek. As of June 2024, the bank has extended RM69.3bn of financing to SMEs, according to a statement from the bank. The RM1bn financing from Public Bank is guaranteed by CGC, which is 78.65%-owned by Bank Negara Malaysia and 21.35% by commercial banks in Malaysia. CGC president and CEO Datuk Mohd Zamree Mohd Ishak said RM280m of the RM1bn has already been launched, with an additional RM150m rolled out on Monday. *(The Edge)*

### **Tenaga: Obtains interim stay over IRB seeking RM1.4bn tax bill**

Tenaga Nasional Bhd has obtained an interim stay from the High Court over it having to pay RM1.4bn in additional tax to the Inland Revenue Board on Monday. Judge Datuk Amarjeet Singh Serjit Singh granted the interim stay, despite objections from the Attorney General's Chambers (AGC) and IRB, which also indicated that they are objecting to the national utility company's challenge via a judicial review. Following this, Amarjeet directed the AGC and IRB to file their written submissions by Oct 4. TNB will have to file its submissions by Oct 11, said the judge, who fixed Oct 15 as the hearing date for TNB's leave application. *(The Edge)*



**Binastra: Bags RM574.4m contract for construction of Bukit Jalil data centre**

Binastra Corporation Bhd has secured an RM574.4m contract from Exsim Jalil Link Sdn Bhd to design, construct, test and commission the main building works for Phase 2 of a proposed data centre development in Bukit Jalil, Kuala Lumpur. In a filing with Bursa Malaysia, the group, formerly known as Comintel Group Berhad said it was awarded the job through its wholly-owned subsidiary, Binastra Builders Sdn Bhd. Commencing on Oct 1, 2024, the contract duration is 16 months. The building works include a five-storey data centre block, office spaces and electrical substation, among other facilities. This new job award is expected to contribute positively to the earnings and net assets per share of Binastra Corporation for the financial years ending January 31, 2025 and 2026. *(The Star)*

**Eversendai: Announces new contracts valued at RM1.1bn**

Eversendai Corp Bhd's group of companies has been awarded RM1.1n worth of new contracts, bringing its current outstanding order book to RM6.7bn. In a filing with Bursa Malaysia, the group said its business in Chennai, India, secured the composite structural steel and civil works project for DLF Downtown Taramani Block 4 & 5, the single largest contract win in the history of Eversendai India. "The 27-floor and 32-floor building development, with a total built-up area of 4.4m sq. ft, will redefine Chennai's IT corridor as its vibrant new epicentre with state-of-the-art office spaces offering unparalleled amenities," it said. The scope of the project includes engineering, connection design, shop drawings, steel material supply, fabrication, delivery, erection of structural steel works and civil works. *(The Star)*



## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bonia Corporation	Consumer	1.54	0.13	8.44
Bermaz Auto	Consumer	2.39	0.20	8.41
KIP REIT	REIT	0.91	0.08	8.40
British American Tobacco (M)	Consumer	7.80	0.63	8.12
Sentral REIT	REIT	0.80	0.06	8.05
Hektar REITS	REIT	0.52	0.04	7.50
YTL Hospital REIT	REIT	1.18	0.09	7.29
Amway (M)	Consumer	6.83	0.50	7.28
UOA REITS	REIT	0.94	0.06	6.81
Datasonic Group	Technology	0.45	0.03	6.67
Pavilion REIT	REIT	1.42	0.09	6.62
Sports Toto	Consumer	1.58	0.10	6.58
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.52
MBM Resources	Consumer	5.85	0.38	6.46
Gas Malaysia	Utilities	3.63	0.23	6.42

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		
Solar District Cooling Group Bhd	ACE Market	0.38	118.7	0.0	6 Sep	19 Sep

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