



Daily Newswatch

Market Review

The FBM KLCI ended its six-day losing streak, closed higher at 1,660.4 (+0.5%), driven by bargain hunters and boosted by positive sentiment across major Asian markets. Among the index constituents, the top gainers include AXIATA (+4.1%), CIMB (+2.5%) and IHH (+2.1%). The top-performing sectors include Financial Services (+1%), Plantation (+0.9%) and Health Care (+0.7%). The overall broader market breadth turned better but remained slightly negative, with 501 losers outpacing 479 gainers.

Economics

- **OPEC:** Lowers 2024, 2025 global oil demand growth view
- **Malaysia:** Get RM4bn in potential halal industry investments from China — Ahmad Zahid
- **Japan:** BOJ said to see little need to hike key rate next week
- **EU:** Lower proposed tariffs on Teslas and other EVs from China
- **Malaysia:** IPI expands 5.3% in July

Companies

- **Genting Malaysia:** Resorts World Genting to sign five MOUs worth RM12m
- **Chin Hin Group Property:** Jointly undertake high-rise project in JB with Atlan
- **HE Group:** Secures RM30.6m power station contract in Ulu Klang
- **ITMAX:** Executive director offloads 6% stake for RM201m
- **Dataprep:** Teams up with a Japan-based firm for ICT collaboration
- **Globetronics:** Plummet as auditor resigns
- **Land & General:** Launch RM2.4bn GDV township project in Shah Alam next year
- **Press Metal:** 3% of smelting capacity affected by fire incident

Upcoming key economic data releases

	Date
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	1,660.4	0.5	14.1
Dow Jones	40,737.0	(0.2)	8.1
Nasdaq CI	17,025.9	0.8	13.4
S&P 500	5,495.5	0.4	15.2
FTSE 100	8,206.0	(0.8)	6.1
Nikkei 225	36,159.2	(0.2)	8.1
Shanghai CI	2,744.2	0.3	(7.8)
HSI	17,234.1	0.2	1.1
STI	3,512.7	0.5	8.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,053.5	(9.8)
Value traded (RM m)	3,786.5	(1.7)
Gainers	479	
Losers	501	
Unchanged	520	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
GTRONIC	0.540	(32.5)	86.8
99SMART	1.890	0.5	70.1
ALPHA	0.340	3.0	66.0
PBBANK	4.810	2.3	52.1
CEB	0.345	0.0	41.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	10.940	0.4	389.4
CIMB	8.490	2.5	322.8
TENAGA	14.660	0.1	282.4
PBBANK	4.810	2.3	249.8
IHH	6.860	2.1	149.8

Currencies	Last Close	% Chg
USD/MYR	4.3422	0.7
USD/JPY	142.33	0.1
EUR/USD	1.102	0.0
USD/CNY	7.1208	(0.1)
US Dollar Index	101.63	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	69.2	(3.7)
Gold (USD/troy oz)	2,518	0.1
CPO (MYR/metric t)	3,981	(0.1)
Bitcoin (USD/BTC)	57,650	0.1



Economics

OPEC: Lowers 2024, 2025 global oil demand growth view

On Tuesday, OPEC in a monthly report said world oil demand will rise by 2m barrels per day (bpd) in 2024, down from growth of 2.1m bpd it expected last month. China accounted for the bulk of the downgrade, as OPEC trimmed its forecast of Chinese growth to 650,000 bpd in 2024 from 700,000 bpd. Oil use in the world's second largest economy was facing headwinds from economic challenges and moves to cleaner fuels, OPEC said. OPEC also cut its 2025 global demand growth estimate to 1.74 million bpd from 1.78 million bpd. *(Reuters)*

Malaysia: Get RM4bn in potential halal industry investments from China – Ahmad Zahid

Malaysia will benefit from potential new investments in the halal industry from China, worth RM4bn, said Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi. He said the huge investment potential was a result of his and the Malaysian delegation's meetings with Chinese halal industry players on Tuesday, in conjunction with the Malaysia-China Halal Business Forum here. He said the investments cover various sectors, including herbal medicine, food and beverages, vaccines, cosmetics and pharmaceuticals. Ahmad Zahid said that in a meeting with the Asian Development Investment Bank from China, it was found that those who are ready to offer investment funding at the initial stage amounted to US\$500m (RM2.2bn). *(Bernama)*

Japan: BOJ said to see little need to hike key rate next week

Bank of Japan (BOJ) officials see little need to raise the benchmark rate when board members gather next week, as they are still monitoring lingering volatility in financial markets and the impact of the July hike, according to people familiar with the matter. The BOJ is likely to keep borrowing costs unchanged at 0.25% at the Sept 20 conclusion of its two-day gathering, according to the people. The bank needs to carefully monitor financial markets given recent ructions that include the Nikkei 225's biggest plunge in history on Aug 5, just days after the central bank raised its rate, the people said. *(Bloomberg)*

EU: Lower proposed tariffs on Teslas and other EVs from China

The European Union is poised to make small downward adjustments to the additional tariff rates proposed for electric vehicles that Tesla Inc and other carmakers import from China, according to people familiar with the matter. Tesla's proposed rate will be revised to just below 8%, from 9%, said the people, who spoke on condition of anonymity because the changes have not yet been announced. The EU is making the revisions due to new information that companies have provided, the people said. Member states are set to vote on the proposed definitive tariffs before they're due to come into force in November. The additional levies will be on top of the existing 10% duties that exporters from China are already subject to. *(Bloomberg)*

Malaysia: IPI expands 5.3% in July, driven by strong manufacturing output – DOSM

Malaysia's industrial production index (IPI) expanded by 5.3% in July 2024, following 5% growth in the previous month driven by a surge in manufacturing output, said the Department of Statistics Malaysia (DOSM). In a statement on Tuesday, chief statistician Datuk Seri Dr Mohd Uzir Mahidin said manufacturing output rose by 7.7% in July 2024 compared to 5.2% in the preceding month and electricity output increased by 7% compared to 3.5% in June 2024. "In comparison with the preceding month, the IPI dropped 1.5% from 4.8% growth in the previous month," he said. Year-on-year, the DOSM said the expansion of export-orientated industries mirrored the performance of the country's manufactured goods exports, which rose by 10.6% in July 2024. "However, on a month-on-month basis, the export-orientated industries declined by 3.3%, compared to 11.8% growth in June 2024," it added. On another note, Mohd Uzir highlighted that for the first seven months of 2024, the IPI increased by 4.1% compared to 1.1% in the previous corresponding period. *(Bernama)*

Companies

Genting Malaysia: Resorts World Genting to sign five MOUs worth RM12m at inaugural Genting SustainBiz F&B Expo

Resorts World Genting (RWG), owned and operated by Genting Malaysia Bhd, is set to sign a total of five MOUs worth RM12m at its first sustainability-focused exhibition, Genting SustainBiz F&B Expo at Genting International Convention Centre. The Genting SustainBiz F&B Expo, which commenced on Tuesday until Thursday (Sept 12), kicked off with the signing of the first MOU with Nestle (Malaysia) Bhd for the supply of Harvest Gourmet plant-based products for meetings, incentives, conferences, and exhibitions (MICE) events and food and beverage (F&B) outlets. This was followed by another MOU signed with Fraser & Neave Holdings Bhd to explore the use of 100% recyclable packaging natural mineral water by Tetra Pak to reduce the dependence on plastic and single-use bottles at the resort.

RWG also inked a third MOU with PNH Malaysia Sdn Bhd that focuses on upcycling food waste and transforming it from carbon powder into hotel amenities such as toothbrushes, hair combs and cutleries for use at the resort. In the following days of the expo, RWG will undertake the signing of another two MOUs with Farm Fresh Bhd and poultry player Aqina Farm. The MOU between RWG and Farm Fresh is expected to centre upon the undertaking of a joint marketing campaign to promote nutritional awareness and healthy living at the resort whilst RWG's agreement with Aqina Farm will explore the purchase of pineapples cultivated by B40 farmers. *(The Edge)*

Chin Hin Group Property: Jointly undertake high-rise project in JB with Atlan

Chin Hin Group Property Bhd is partnering with duty-free retailer Atlan Holdings Bhd to jointly undertake a high-rise project in Johor Bahru, with an estimated gross development value of RM478.4m. Under the deal, Atlan will be entitled to 18% of the project's net saleable area, as its indirect subsidiary Kelana Megah Sdn Bhd is the beneficial owner of the land during a 99-year leasehold period ending in 2120. The project's development cost is estimated at RM406.4m, which will be funded by Chin Hin Group Property using proceeds from the sales of the parcel units, bank borrowings and internally generated funds. Work is expected to commence in the third quarter of next year and is targeted to be completed by the third quarter of 2029. *(The Edge)*

HE Group: Secures RM30.6m power station contract in Ulu Klang

HE Group Bhd has secured a contract worth RM30.6m to build a 132kV power station for a proposed semiconductor manufacturing plant in the Ulu Klang Free Trade Zone. HE Group did not specify the customer, only saying the contract was awarded by an "engineering, procurement, and construction contractor". *(The Edge)*

ITMAX: Executive director offloads 6% stake for RM201m, ceases to be substantial shareholder

ITMAX System Bhd's non-independent executive director Datin Afinaliza Zainal Abidin has ceased to be a substantial shareholder of the smart city integrated system solution provider after disposing of 61.9m shares. Afinaliza, through her private vehicle Ganda Sensasi Sdn Bhd, sold the block of shares in off-market transactions on Sept 6 for over RM201.1m, according to ITMAX's bourse filing on Tuesday. The identity of the buyer was not disclosed. A check on Bloomberg showed that the shares were transacted in eight blocks at RM3.25 apiece. This is a discount of 1.81% compared to the stock's closing price of RM3.31 on Sept 6. The disposal reduced Afinaliza's stake in ITMAX to 4.58%, below the 5% threshold required for substantial shareholding status, down from 10.6%. *(The Edge)*

Dataprep: Teams up with a Japan-based firm for ICT collaboration

Dataprep Holdings Bhd is collaborating with Neoreka Asia Sdn Bhd, a subsidiary of NEOJAPAN Inc, a Tokyo-listed firm, as strategic partners in information and communications technology. According to the filing, the collaboration includes the appointment of Dataprep as an authorised reseller of DESKNET's NEO, a web-based groupware platform designed to serve as the information sharing foundation for enterprises. The collaboration shall effective for three years, starting Sept 10, 2024. *(The Edge)*

Globetronics: Plummet as auditor resigns, dragging new shareholder APB into RM102m paper loss

Globetronics' shares, which were actively traded on Tuesday, fell 26 sen or 32.5% to close at 54 sen after announcing that its external auditor KPMG PLT had resigned "on a voluntary basis". In a statement after market close, Globetronics said KPMG's voluntary resignation as auditors of the company was in line with the group's "new strategic direction, influenced by newly emerged shareholders and management." "We extend our gratitude to KPMG for their long service and look forward to maintaining a positive relationship as we transition. It is important to note that the financial reports so far have not been audited by KPMG for this year, ensuring there is no impact on our financial integrity from this transition," Globetronics said. In the meantime, Globetronics has shortlisted audit firm UHY Malaysia as its new auditor, pending the completion of official documentation to formalise the appointment, the company said. *(The Edge)*

Land & General: Launch RM2.4bn GDV township project in Shah Alam next year

Land & General Bhd plans to launch U10 Aria Rimba, a new township project in Shah Alam with a total gross development value (GDV) of approximately RM2.4bn, next year. Managing director Low Gay Teck said the project will be developed in six phases. Speaking to reporters during a press conference after the company's 61st annual general meeting, he said Phase 1, set to kick off next year, entails the construction of 150 units of terrace houses with an estimated GDV of RM113m. Low said the group also plans to launch 1,008 units of high-rise service apartments in Sri Damansara Club with an estimated GDV of RM621m in 2025. Additionally, the group targets to launch 602 units of affordable service apartments, Kamelia @ Bandar Sri Damansara, with an estimated GDV of RM156m by the end of this year. *(The Edge)*

Press Metal: 3% of smelting capacity affected by fire incident

Press Metal Aluminium Holdings Bhd said a fire incident occurred at its Phase 3 smelter in the Samalaju Industrial Park on Monday (Sept 9) night. "Approximately 9% of our total smelting capacity (across Samalaju and Mukah) was impacted," it said. "We estimate that it will take approximately four months to restore operations of the damaged pots," Press Metal said. "Hence, on a full-year basis, this impacts about 3% of our annual smelting capacity. The affected assets are adequately covered by insurance," the firm added. Press Metal said the fire affected 100 of 300 pots in the phase 3 smelter, while Phases 1 and 2 were unaffected. *(The Edge)*



Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.40	0.20	8.38
British American Tobacco (M)	Consumer	7.83	0.63	8.08
Sentral REIT	REIT	0.80	0.06	8.05
KIP REIT	REIT	0.90	0.07	8.00
Hektar REITS	REIT	0.51	0.04	7.65
Amway (M)	Consumer	6.83	0.50	7.28
Ta Ann Holdings	Plantation	3.82	0.26	6.75
UOA REITS	REIT	0.95	0.06	6.74
Datasonic Group	Technology	0.45	0.03	6.67
MAG Holdings	Consumer	1.18	0.08	6.53
Magnum	Consumer	1.18	0.08	6.53
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.52
Pavilion REIT	REIT	1.43	0.09	6.43
MBM Resources	Consumer	5.88	0.38	6.43
Tambun Indah Land	Property	0.94	0.06	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

Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as “believe”, “estimate”, “intend” and “expect” and statements that an event or result “may”, “will” or “might” occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. (“Mercury Securities”) and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities’ website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Published & Printed By:

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
Email: mercurykl@mersec.com.my