



# Daily Newswatch

## Market Review

The FBM KLCI tumbled yesterday, closing in the red at 1,639.8 (-1.2%), mirroring the performance of its regional peers, as investors braced for upcoming U.S. inflation data. Among the index constituents, the top decliners include CIMB (-2.6%), PETDAG (-2.5%) and MAYBANK (-2.4%). The top loss-making sectors include Energy (-2.8%), Technology (-2.1%), Health Care (-1.7%) and Financial Services (-1.7%). The overall broader market breadth turned more negative, with 825 losers outpacing 283 gainers.

## Economics

- US:** Consumer prices rise moderately in August
- US:** Incomes rose last year but poverty rates changed little
- Japan:** BOJ policymaker signals readiness to raise rates if inflation on track
- Malaysia:** Singapore keen to enhance renewable energy collaboration with Sarawak
- US:** Taylor Swift-backed Harris puts Trump on defensive in fiery debate

## Companies

- EPMB:** Places out 30% of its shares, half to largest shareholder and half to Bermaz Auto, to fund new manufacturing plant
- Mikro MSC:** Diversify into signage and interior fit-out business via RM30m acquisition
- Citaglobal:** Clinches RM51m riverwall, infrastructure works
- Suria Capital:** Signs JV agreement for Jesselton Docklands 2 mixed commercial project in Kota Kinabalu
- Kerjaya Prospek:** Gets RM292.8m construction contract
- Alpha IVF:** Expands to Shanghai to tap China's growing fertility market
- Maybank:** Announces investment in Funding Societies

### Upcoming key economic data releases

	Date
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	1,639.8	(1.2)	12.7
Dow Jones	40,861.7	0.3	8.4
Nasdaq CI	17,395.5	2.2	15.9
S&P 500	5,554.1	1.1	16.4
FTSE 100	8,193.9	(0.1)	6.0
Nikkei 225	35,619.8	(1.5)	6.4
Shanghai CI	2,721.8	(0.8)	(8.5)
HSI	17,108.7	(0.7)	0.4
STI	3,531.2	0.5	9.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,964.2	(2.9)
Value traded (RM m)	3,335.5	(11.9)
Gainers	283	
Losers	825	
Unchanged	433	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
GTRONIC	0.570	5.6	119.5
CIMB	8.270	(2.6)	50.6
SAPNRG	0.035	0.0	49.6
99SMART	1.900	0.5	45.3
OCR	0.050	0.0	42.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.270	(2.6)	422.6
MAYBANK	10.680	0.3	286.5
TENAGA	14.700	0.3	216.8
PBBANK	4.700	(2.3)	127.2
HLBANK	21.500	0.9	104.1

Currencies	Last Close	% Chg
USD/MYR	4.3298	0.3
USD/JPY	142.55	(0.1)
EUR/USD	1.1012	0.0
USD/CNY	7.1194	0.0
US Dollar Index	101.68	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	70.6	2.1
Gold (USD/troy oz)	2,513	0.0
CPO (MYR/metric t)	3,961	(0.2)
Bitcoin (USD/BTC)	57,445	(0.1)

## Economics

### US: Consumer prices rise moderately in August

The consumer price index increased 0.2% last month after climbing 0.2% in July, the Labor Department's Bureau of Labor Statistics said on Wednesday. In the 12 months through August, the CPI advanced 2.5%. That was the smallest year-on-year rise since February 2021 and followed a 2.9% increase in July. Excluding the volatile food and energy components, the CPI climbed 0.3% in August after rising 0.2% in July. In the 12 months through August, the so-called core CPI increased 3.2%. That followed a 3.2% gain in July. *(Reuters)*

### US: Incomes rose last year but poverty rates changed little, Census data shows

Real median household income rose to \$80,610 in 2023, up 4.0% from 2022, back to the peak reached in 2019, while earnings for workers as a whole were higher than before the pandemic, a boost to households after multiple years in which workers' wages were outpaced by high inflation. But the report also showed a main gauge of the nation's poverty rate, adjusted for government support such as food assistance and tax credits as well as household expenses, rose to 12.9% from 12.4% in 2022. The so-called official poverty rate declined to 11.1% from 11.5%. The supplemental child poverty rate, also adjusted and referring to those under the age of 18, rose to 13.7% in 2023 from 12.4% the previous year. The rise in the supplemental child poverty rates was impacted by the end of extra pandemic-related government benefits. *(Reuters)*

### Japan: BOJ policymaker signals readiness to raise rates if inflation on track

The Bank of Japan (BOJ) will continue to raise interest rates if inflation moves in line with its forecast, policymaker Junko Nakagawa said, signalling that last month's market rout has not derailed the bank's plan to hike borrowing costs steadily. But the central bank must take into account the impact that such market moves could have on the outlook for the economy and prices, when considering whether to raise rates, she added. Nakagawa warned that overseas uncertainties were risks to Japan's economy but said consumer spending will rise moderately due to higher wages and help accelerate trend inflation. She also said there were upside risks to Japan's price outlook, due to the country's tight job market and continued rises in import prices. *(Reuters)*

### Malaysia: Singapore keen to enhance renewable energy collaboration with Sarawak

Singapore's Minister for Manpower and Second Minister for Trade and Industry Dr Tan See Leng said Sarawak has huge potential in the renewable energy sector due to its strategic location and vast natural resources. "We also hope that bilateral trade and tourism connectivity will continue to grow, and that there will be further collaboration on renewable energy imports," he said. On his visit to Sarawak, Tan, who had earlier also paid a courtesy call on the Yang Dipertua Negeri of Sarawak, Tun Dr Wan Junaidi Tuanku Jaafar, described the engagements as highly productive. *(Bernama)*

### US: Taylor Swift-backed Harris puts Trump on defensive in fiery debate

Democratic Vice President Kamala Harris put Republican Donald Trump on the defensive at a combative presidential debate on Tuesday with a stream of attacks on abortion limits, his fitness for office and his myriad legal woes, as both candidates sought a campaign-altering moment in their closely fought election. In a boost to the Harris campaign, pop megastar Taylor Swift told her 283m followers on Instagram in a post immediately following the debate that she would back Harris and her running mate Tim Walz in the Nov 5 election. The post had been liked nearly two million times within 25 minutes. *(Reuters)*

## Companies

### **EPMB: Places out 30% of its shares, half to largest shareholder and half to Bermaz Auto, to fund new manufacturing plant**

EPMB, an automotive parts and components manufacturer, has entered into a conditional share subscription agreement with both Mutual Concept and Bermaz Capital Sdn Bhd for the proposed placement that involves a total of 66.1m shares at 60 sen apiece to raise RM39.7m to part finance the construction of its manufacturing hub in Melaka. Mutual Concept is the private vehicle of EPMB's executive chairman, founder and major shareholder Hamidon Abdullah. Post-placement, Mutual Concept's stake in EPMB will increase to 19% of its enlarged share base of 286.4m shares. Bermaz Capital is a wholly-owned subsidiary of Bermaz Auto. Post-placement, Bermaz Capital will own 11.5% of EPMB's enlarged share base, making it the second largest shareholder after Hamidon. *(The Edge)*

### **Mikro MSC: Diversify into signage and interior fit-out business via RM30m acquisition**

Mikro MSC Bhd said it plans to diversify into the signage and interior fit-out business by acquiring Singapore company TES Productions & Projects Pte Ltd for RM30m. In a bourse filing on Wednesday, Mikro MSC said the purchase would be satisfied via the issuance of 134.8m new shares in Mikro MSC at 22.25 sen per share, representing a 12.6% dilution in the group's current share base of 1.1bn shares. The group said the vendor has provided a two-year profit guarantee that TES's audited PAT for FY2024 and FY2025 will not be less than S\$800,000 and S\$890,000. "In the event that TES does not achieve these guaranteed profit sums for any reason, Calida shall pay TES in cash within 14 calendar days after the delivery of the audited financial statements of TES for each relevant financial year," it added. *(The Edge)*

### **Citaglobal: Clinches RM51m riverwall, infrastructure works in Sarawak**

Citaglobal Bhd has bagged two construction jobs worth RM51m. The first contract is a 20-month job to build a riverwall from Kampung Lintang to Kampung Tupong in Kuching, Sarawak. It received the sub-contract from NL Builder Sdn Bhd, said Citaglobal in a bourse filing on Wednesday. The second contract, worth RM31.6m, is for the construction of infrastructure works for the Kuching Urban Transportation System projects redline from Kuching Sentral to Pending. Also a 20-month job, the contract was awarded by Avos (Malaysia) Sdn Bhd. *(The Edge)*

### **Suria Capital: Signs JV agreement for Jesselton Docklands 2 mixed commercial project in Kota Kinabalu**

The project, dubbed the "Jesselton Docklands 2," spans 11.5 hectares and will be jointly developed by Jesselton Docklands 2 Sdn Bhd, a joint venture between Suria Capital and BEDI Development, a 75%-owned subsidiary of property developer EXSIM Development Sdn Bhd. According to Suria Capital, this agreement follows an earlier JDA signed with Jesselton Docklands 1 Sdn Bhd in June this year, covering a 2.5-hectare site adjacent to the new project. The Jesselton Docklands 2 project is part of the broader Jesselton Waterfront City plan, which includes tourism and commercial features connected to key landmarks such as Jesselton Quay and the Sabah International Convention Centre. The project is scheduled to begin in 2026 and will be developed in phases over 15 years. Suria Capital added that the project's timeline will depend on market conditions, each phase's successful completion, and the joint venture partners' performance obligations. *(The Edge)*

### **Kerjaya Prospek: Gets RM292.8m construction contract**

Kerjaya Prospek Group Bhd said on Wednesday it had secured an RM292.8m contract for building works in Kuala Lumpur. The project involves the construction of a 57-storey service apartment building comprising 1,126 units, eight levels of podium parking, and a sub-basement, Kerjaya Prospek said in an exchange filing. Work is scheduled to start on Sept 17, and take 38 months to complete, it noted. Kerjaya Prospek has secured RM1.45bn in new contracts so far this year. *(The Edge)*



**Alpha IVF: Expands to Shanghai to tap China's growing fertility market**

Alpha IVF Group Bhd's subsidiary Alpha International (Shanghai) Medical Consulting Ltd has launched a new operation in Shanghai, China, to capitalise on the country's rapidly growing in-vitro fertilisation (IVF) market and expand the group's regional presence. "Our Shanghai sales representative office aims to enhance the patient experience, reduce logistical challenges and intermediary costs, and further our mission of making advanced fertility treatments accessible to those in need," Alpha IVF group managing director Datuk Dr Colin Lee Soon Soo said. *(The Edge)*

**Maybank: Announces investment in Funding Societies**

Malayan Banking Bhd said on Wednesday that it has invested in Funding Societies, the fintech company that operates a digital funding and debt investment platform for small businesses. "In conjunction with this investment, Maybank will explore collaborative synergies with Funding Societies to promote inclusivity and bridge funding gaps within the communities it serves," Maybank said in a statement. Financial and transaction details of the investment were not disclosed. The fintech company is also backed by Malaysia's sovereign wealth fund Khazanah Nasional Bhd and other venture capital firms, including SoftBank Vision Fund 2, Golden Gate Ventures, and Alpha JWC Ventures. *(The Edge)*



## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.37	0.20	8.40
British American Tobacco (M)	Consumer	7.79	0.63	8.13
Sentral REIT	REIT	0.80	0.06	8.05
KIP REIT	REIT	0.90	0.07	8.00
Hektar REITS	REIT	0.52	0.04	7.50
Amway (M)	Consumer	6.84	0.50	7.27
Ta Ann Holdings	Plantation	3.81	0.26	6.77
MBM Resources	Consumer	5.60	0.38	6.75
Tambun Indah Land	Property	0.89	0.06	6.74
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
Pavilion REIT	REIT	1.41	0.09	6.52
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.52

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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