



# Daily Newswatch

## Market Review

The FBM KLCI gave up its early gains and closed relatively flat at 1,638.3 (-0.1%), reflecting a shift in market sentiment despite broadly higher regional market. Among the index constituents, the top gainers include YTLPOWER (+4.1%) and YTL (+2.9%). On the other hand, the top decliners include PPB (-1.6%) and IHH (-1.5%). The top-performing sectors include Technology (-2.8%) and Construction (+2.3%). The overall broader market breadth turned positive, with 669 gainers outpacing 353 decliners.

## Economics

- US:** Producer prices rise slightly above expectations in August
- US:** Weekly jobless claims rise moderately
- ECB:** Cuts interest rates as growth dwindles
- China:** Cut rates on US\$5tn mortgages as soon as September
- Japan:** Hawkish BOJ policymaker calls for rates to rise to at least 1%
- Japan:** August wholesale inflation slows, takes pressure off BOJ

## Companies

- Ecobuilt:** Bags RM190m construction project
- Chin Hin:** Founder Chiau Beng Teik ceases to be substantial shareholder in NCT Alliance
- Fiamma:** Partners with Chinese firm Samyou to establish air conditioning production facility in Malaysia
- Hibiscus:** Raises FY2024 dividend to 8.5 sen, sees at least 8 sen payout for FY2025
- ITMAX System:** Gets third parking system contract in Johor
- MN Holdings, Reservoir Link:** Jointly explore renewable energy business
- Green Packet:** Four investors withdraw from Green Packet's RM19.2m private placement

### Upcoming key economic data releases

	Date
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	1,638.3	(0.1)	12.6
Dow Jones	41,096.8	0.6	9.0
Nasdaq CI	17,569.7	1.0	17.0
S&P 500	5,595.8	0.7	17.3
FTSE 100	8,241.0	0.6	6.6
Nikkei 225	36,833.3	3.4	10.1
Shanghai CI	2,717.1	(0.2)	(8.7)
HSI	17,240.4	0.8	1.1
STI	3,556.5	0.7	9.8

  

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,605.9	(12.1)
Value traded (RM m)	2,941.2	(11.8)
Gainers	669	
Losers	353	
Unchanged	442	

  

Top 5 Volume	Last Close	Daily chg %	Vol (m)
GTRONIC	0.550	(3.5)	79.2
ALPHA	0.350	1.4	43.3
MYEG	0.895	(1.6)	42.3
CIMB	8.200	(0.8)	41.7
OCR	0.060	20.0	38.1

  

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.200	(0.8)	345.1
MAYBANK	10.640	(0.4)	276.6
TENAGA	14.680	(0.1)	210.6
RHBBANK	6.240	0.2	108.8
PBBANK	4.650	(1.1)	108.4

  

Currencies	Last Close	% Chg
USD/MYR	4.335	(0.1)
USD/JPY	141.65	0.1
EUR/USD	1.1075	0.0
USD/CNY	7.1177	0.0
US Dollar Index	101.37	(0.3)

  

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.0	1.9
Gold (USD/troy oz)	2,558	0.0
CPO (MYR/metric t)	3,960	(1.5)
Bitcoin (USD/BTC)	58,166	(0.0)

## Economics

### **US: Producer prices rise slightly above expectations in August**

The producer price index for final demand rose 0.2% last month, the Labor Department's Bureau of Labor Statistics said on Thursday. Data for July was revised lower to show the PPI being unchanged instead of edging up 0.1% as previously reported. In the 12 months through August, the PPI increased 1.7% after advancing 2.1% in July. The so-called core PPI increased 3.3% year-on-year after climbing 3.2% in July. *(Reuters)*

### **US: Weekly jobless claims rise moderately**

The number of Americans filing new applications for unemployment benefits increased marginally last week, pointing to a still-low level of layoffs even as the labour market slows. Initial claims for state unemployment benefits rose 2,000 to a seasonally adjusted 230,000 for the week ended Sept 7, the Labor Department said on Thursday. Last week's data included the Labor Day holiday. Claims tend to be volatile around public holidays. *(Reuters)*

### **ECB: Cuts interest rates as growth dwindles**

The European Central Bank (ECB) cut interest rates again on Thursday as inflation slows and economic growth falters, but provided almost no clues to its next step, even as investors bet on steady policy easing in the months ahead. The ECB lowered its deposit rate by 25 basis points to 3.50% in a widely telegraphed move, following up on a similar cut in June as inflation is now within striking distance of its 2% target and the domestic economy is skirting a recession. *(Reuters)*

### **China: Cut rates on US\$5tn mortgages as soon as September**

China is poised to cut interest rates on more than US\$5tn (RM21.7tn) of outstanding mortgages as early as this month, according to people familiar with the matter, as it accelerates a move to reduce the borrowing costs for millions of families to spur consumption. Some banks are making final preparations to get ready for the upcoming adjustments on mortgage rates, said the people, asking not to be identified discussing a private matter. Some homeowners may enjoy up to 50 basis points of immediate rate reduction, one of the people said. The timeline has yet to be finalized and could still change, said the people. The People's Bank of China and the National Financial Regulatory Administration didn't respond to requests for comment. *(Bloomberg)*

### **Japan: Hawkish BOJ policymaker calls for rates to rise to at least 1%**

The Bank of Japan (BOJ) must raise interest rates to at least 1% by late next year, hawkish policymaker Naoki Tamura said on Thursday, reinforcing the bank's resolve to persist with steady monetary tightening. Tamura said the likelihood of Japan's economy sustainably achieving the BOJ's 2% inflation was improving, which meant the central bank must raise interest rates to levels deemed neutral to the economy by around late 2025. He said Japan's neutral rate of interest, or the level that neither cools nor stimulates the economy, is estimated to be at least around 1%. Tamura's remarks follow a string of comments from BOJ board members, calling for the bank to keep raising borrowing costs despite recent volatility in financial markets. The BOJ is set to leave rates unchanged at its next meeting on Sept 20. *(Reuters)*

### **Japan: August wholesale inflation slows, takes pressure off BOJ**

The corporate goods price index (CGPI), which measures the price companies charge each other for their goods and services, rose 2.5% in August from a year earlier, Bank of Japan (BOJ) data showed, slowing from a 3.0% gain in July. On a month-on-month basis, wholesale prices fell 0.2% in August. The yen-based import price index also dropped 6.1% in August, from the previous month. The slowdown in wholesale inflation, which will affect the broader consumer price data in coming months, may influence the timing of the BOJ's next interest rate hike. *(Reuters)*

## Companies

### **Ecobuilt: Bags RM190m construction project**

Ecobuilt Holdings Bhd said on Thursday that it has bagged a RM190m contract to undertake a construction job. The construction company, however, did not provide any details about the project in its bourse filing. The company said its wholly-owned subsidiary, Rexallent Construction Sdn Bhd, has been appointed as contractor for the project by ARKITEK KDI Sdn Bhd. *(The Edge)*

### **Chin Hin: Founder Chiau Beng Teik ceases to be substantial shareholder in NCT Alliance**

Chin Hin Group Bhd's founder Datuk Seri Chiau Beng Teik offloaded the stake, comprising 59m shares in NCT Alliance Bhd, via an off-market transaction on Monday, according to the company's exchange filing on Thursday. Based on a back-of-the-envelope calculation, the disposal shares represent a 3.6% stake in the company. Following the disposal, Chiau's shareholding in NCT has fallen to 74.9m shares or a 4.5% stake. The transaction price was not disclosed. Based on the closing price of 49.5 sen on Sept 9, Chiau would have earned RM29.7m. Meanwhile, NCT also notified the stock exchange on Wednesday that Chiau's eldest son Haw Choon also disposed of a total of 64.9m shares in the company on Sept 9 and 11. Haw Choon is left with 88.7m shares or a 5.31% stake in NCT. *(The Edge)*

### **Fiamma: Partners with Chinese firm Samyou to establish air conditioning production facility in Malaysia**

Fiamma Holdings Bhd has signed a memorandum of understanding with Guangdong-based Zhuhai Samyou Environmental Technology Co Ltd (Samyou) to establish an air conditioning (AC) production facility in Malaysia. "We are expanding our extensive portfolio to include Samyou's 'VINO' brand, which offers smart, eco-friendly, and energy-efficient AC solutions to meet strong domestic demand." Fiamma's group chief executive officer Jimmy Tan said. *(The Edge)*

### **Hibiscus: Raises FY2024 dividend to 8.5 sen, sees at least 8 sen payout for FY2025**

Hibiscus Petroleum Bhd is proposing an additional one sen dividend per share for the financial year ended June 30, 2024 (FY2024). For FY2025, Hibiscus guided for dividend payout of at least eight sen per share, if Brent crude oil price averages at US\$70-US\$79/bbl. This could go to 10 sen per share if the benchmark crude averages US\$80/bbl or above in the period, Hibiscus said in a separate statement. *(The Edge)*

### **ITMAX System: Gets third parking system contract in Johor**

ITMAX System Bhd said on Thursday that its subsidiary has been appointed to operate a parking system in Tangkak, by the district council. The value of the contract was not disclosed, though the company said the contract will be run on a revenue-sharing model. Southmax will receive 70% of the revenue generated from parking collections and parking compounds in the Tangkak district. *(The Edge)*

### **MN Holdings, Reservoir Link: Jointly explore renewable energy business**

MN Holdings Bhd has signed a pact with Reservoir Link Energy Bhd to explore potential business opportunities in the renewable energy sector. Under the memorandum of understanding (MOU) signed between MN Holdings' unit MN Power Transmission Sdn Bhd and Founder Energy Sdn Bhd, a 51%-owned subsidiary of Reservoir Link, both parties will work together to secure and execute projects related to solar, biogas, and biomass. The parties will work together including exchanging information, proposing and implementing specific actions, and periodically evaluating the effectiveness of the collaboration, MN Holdings said in a filing with Bursa Malaysia. The MOU is valid for two years starting from Sept 12, 2024, with an option for extension by mutual written agreement. The companies aim to secure projects across Malaysia, with plans to expand into other ASEAN countries. *(The Edge)*



**Green Packet: Four investors withdraw from Green Packet's RM19.2m private placement**

Green Packet Bhd said on Thursday that four of the six investors expected to subscribe to its private placement of over 598m shares have withdrawn from the exercise. The four subscribers, Dr Prem Kumar, Roberto Guiati, Chan Yok Peng and Ler Pei Fen, who were collectively supposed to subscribe to 490m shares, have mutually agreed to terminate their subscription agreements, as detailed in separate letters dated September 12, 2024, Green Packet said in a bourse filing. However, Green Packet said that the subscription agreements with Chow Dai Ying and Tay Guat Eng still subsist and remain in effect, without providing further. It is not clear whether Green Packet is still going to place out 598.5m shares, now that the four subscribers have terminated their agreements. Funds from the placement were intended to support its joint venture with the Sri Lankan government on an integrated tourism digital platform (RM10m), a money lending business (RM6m) and working capital (RM2.9m). *(The Edge)*



## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.35	0.20	8.64
British American Tobacco (M)	Consumer	7.71	0.63	8.21
Sentral REIT	REIT	0.79	0.06	8.15
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	5.59	0.38	6.76
Datasonic Group	Technology	0.45	0.03	6.74
UOA REITS	REIT	0.95	0.06	6.74
Tambun Indah Land	Property	0.90	0.06	6.67
MAG Holdings	Consumer	1.17	0.08	6.58
Magnum	Consumer	1.17	0.08	6.58
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.52
Pavilion REIT	REIT	1.43	0.09	6.43

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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