



# Daily Newswatch

## Market Review

The FBM KLCI closed on a positive note at 1,652.2 (+0.8%) last Friday, supported by upbeat market sentiment despite a mixed performance across regional markets. Among the index constituents, the top gainers are PMAH (+3.7%) and YTLP (+3.4%), while the top decliners are MYDIY (-1.0%) and CDB (-0.8%). The best-performing sectors are Technology (+1.8%), Energy (+1.8%), and Construction (+1.8%). The overall broader market breadth turned positive, with 727 gainers against 339 decliners.

## Economics

- US:** Locks in steep China tariff hikes, many to start Sept 27
- China:** Approves plan for first hike to retirement age since 1978
- China:** Xi urges efforts to hit 5% growth target amid rising doubts
- Europe:** Rejects minimum price offers from Chinese EV exporters
- Malaysia:** RM5bn project to transform agriculture, enhance rice production, says Anwar
- India:** Trade with Malaysia set to soar under comprehensive strategic partnership.

## Companies

- Seal:** Secures RM645m contract from Sabah Electricity
- PGF Capital:** Acquires Kulim land for RM40m to boost production
- HeiTech Padu:** Bags RM133.7m contract from JPJ
- Nextgreen:** Yuwang Plantation ups stake to 7.5%
- Pansar:** Secures RM777m contract for Sarawak-Sabah link road
- Kein Hing:** Buy land, factory and office in Selangor for RM5.9m
- Tex Cycle:** Gets EIA approval for RM100m waste management facility in Sabah
- MMAG:** Buys out Velocity Capital's stake in loss-making subsidiary
- Cosmos:** Sells off unit for RM12.3m to focus non-revenue water management system business
- Sinmah Capital:** JV with KL Football Association falls through
- Globetronics:** EPF and Tabung Haji no longer substantial shareholders of Globetronics
- Yenher:** Signs JV agreement with Danish firm to produce plant proteins, fermented palm kernel

### 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	1,652.2	0.8	13.6
Dow Jones	41,393.8	0.7	9.8
Nasdaq CI	17,684.0	0.7	17.8
S&P 500	5,626.0	0.5	18.0
FTSE 100	8,273.1	0.4	7.0
Nikkei 225	36,581.8	(0.7)	9.3
Shanghai CI	2,704.1	(0.5)	(9.1)
HSI	17,369.1	0.7	1.9
STI	3,562.7	0.2	9.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,840.0	9.0
Value traded (RM m)	2,743.3	(6.7)
Gainers	727	
Losers	339	
Unchanged	459	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VELESTO	0.195	2.6	62.9
GENETEC	0.860	4.9	55.1
GLOBETRONICS	0.550	0.0	46.0
WCT	0.920	6.9	41.7
CIMB	8.160	2.9	38.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.160	2.9	306.8
MAYBANK	10.640	0.0	180.2
TENAGA	14.780	0.7	163.0
PUBLIC BANK	4.700	1.1	135.0
YTL POWER	3.660	3.4	78.7

Currencies	Last Close	% Chg
USD/MYR	4.3012	0.8
USD/JPY	140.85	0.7
EUR/USD	1.1075	0.0
USD/CNY	7.0972	0.3

US Dollar Index	101.11	(0.2)
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Commodities	Last Close	% Chg
Brent (USD/barrel)	71.6	(0.5)
Gold (USD/troy oz)	2,578	0.8
CPO (MYR/metric t)	3,905	(0.8)
Bitcoin (USD/BTC)	60,205	0.3



## Economics

### **US: Locks in steep China tariff hikes, many to start Sept 27**

The Biden administration on Friday locked in steep tariff hikes on Chinese imports, including a 100% duty on electric vehicles, to strengthen protections for strategic domestic industries from China's state-driven excess production capacity. The US Trade Representative's office says that many of the tariffs, including a 100% duty on Chinese EVs, 50% on solar cells and 25% on steel, aluminium, EV batteries and key minerals, would go into effect on Sept 27. *(Reuters)*

### **China: Approves plan for first hike to retirement age since 1978**

China will raise the retirement age for the first time since 1978, a move likely to slow a decline in the labour force but anger workers already wrestling with a slowing economy. The country's top lawmakers endorsed a plan to gradually delay retirement for employees. Men's retirement age will increase from 60 to 63, while women's will rise from 50 and 55 to 55 and 58, according to the report. This change will take place over 15 years, starting on Jan 1, 2025. "Governments at all levels should actively respond to the ageing of the population, encourage and support the employment and entrepreneurship of workers," according to the decision by the Standing Committee of the National People's Congress. *(Bloomberg)*

### **China: Xi urges efforts to hit 5% growth target amid rising doubts**

Chinese President Xi Jinping called on government officials at all levels to achieve the country's annual growth target of around 5%, but couched it in less forceful terms than usual. The subtle change sparked speculation over Beijing's resolve to pursue a goal that many economists see as increasingly out of reach. Officials need to "strive to achieve the full-year economic and social development goals", Xi told a meeting he chaired in Lanzhou in the country's northwestern province of Gansu. By contrast, the language used in July by the Politburo — consisting of the Communist Party's most senior officials including Xi — repeated a vow to "resolutely" meet the objectives. *(Bloomberg)*

### **Europe: Rejects minimum price offers from Chinese EV exporters**

The European Commission said on Friday it had received offers from electric vehicle makers in China for minimum import prices into the European Union as a way of avoiding tariffs, but had rejected all of them. The Commission, which is conducting an anti-subsidy investigation into Chinese-built EVs, said several EV exporters had submitted price undertakings — a commitment by an exporter to respect minimum import prices in order to offset subsidies. "Our review focused on whether the offers would eliminate the injurious effects of subsidies and could be effectively monitored and enforced. The Commission has concluded that none of the offers met these requirements," a Commission spokesperson said. *(Bloomberg)*

### **Malaysia: RM5bn project to transform agriculture, enhance rice production, says Anwar**

The government is planning several megaprojects in the agricultural sector, including the first phase of a large-scale paddy cultivation initiative, with a total project value of RM5bn, Prime Minister Datuk Seri Anwar Ibrahim said. He also said the project aims to boost paddy yields and improve the livelihoods of local farmers. "The Ministry of Agriculture and Food Security is focusing on increasing the nation's rice production. This is crucial for enhancing the welfare of our farmers and ensuring food security," he said in a speech at the Malaysia Agriculture, Horticulture and Agrotourism Exhibition (Maha) 2024 at the Malaysia Agro Exposition Park Serdang here on Saturday. *(Bernama)*

### **India: Trade with Malaysia set to soar under comprehensive strategic partnership**

India is confident that the newly elevated Comprehensive Strategic Partnership (CSP) with Malaysia will drive bilateral trade to greater heights, targeting US\$25bn by 2026, said India's Minister of State for External Affairs Kirti Vardhan Singh. The minister, who is on his maiden visit to Malaysia from Sept 12-15, expressed optimism about the strong collaboration between the two countries. *(Bernama)*



## Companies

### **Seal: Secures RM645m contract from Sabah Electricity**

Seal Incorporated Bhd's associate company, MSR Green Energy Sdn Bhd (MSRGE), has accepted a letter of award from Sabah Electricity Sdn Bhd (SESB) for a battery energy construction job worth RM645m. It said the project involves the engineering, procurement and construction of a battery energy storage system (BESS) with a capacity of 100-megawatt (MW) and energy storage of 400-megawatt hours (MWh) in Lahad Datu, Sabah. The Sabah BESS project will begin in September 2024 and is expected to be completed by June 30, 2025. *(The Star)*

### **PGF Capital: Acquires Kulim land for RM40m to boost insulation production**

PGF Capital Bhd has proposed a piece of freehold land measuring 96,720 square metres in Kulim, Kedah for RM40m. In a filing with Bursa Malaysia, the insulation producer announced that its wholly-owned subsidiary, NetZero Technology Sdn Bhd, has entered into a sales and purchase agreement (SPA) for the acquisition of freehold land in Pekan Padang Meha, Kulim, Kedah, from Senam Jaya Sdn Bhd. This land will be developed into the Kulim East Industrial Park. *(The Star)*

### **HeiTech Padu: Bags RM133.7m contract from JPJ**

Heitech Padu Bhd has clinched an RM133.7m contract from the Road Transport Department Malaysia (RTD) to build, supply, deliver, install, configure, integrate, test and commission its hardware, software and digital systems. In a filing with Bursa Malaysia last Friday, HeiTech Padu said the contract's duration will be 36 months, from Oct 1, 2024, to Sept 30, 2027. It added that the contract is expected to contribute positively to its earnings for the financial year ending Dec 31, 2024, until the completion of the contract. *(The Star)*

### **Nextgreen: Yuwang Plantation ups stake to 7.5%**

Nextgreen Global Bhd (NGGB) announced that Tan Sri See Hong Cheen has secured 22.7m NGGB shares, arising from a private placement exercise. These 22.7m shares were subsequently listed on Bursa Malaysia last Friday. Along with the 5.5% stake acquired by Yuwang Plantation Sdn Bhd in July 2024, the total combined stake of See and the Yuwang Group in NGGB is now 7.5%. *(The Star)*

### **Pansar: Secures RM777m contract for Sarawak-Sabah link road**

Pansar Bhd has secured an RM777.1m construction contract from Maltimur Aktif Unggul JV Sdn Bhd, via pre-qualified open tender. In a filing with Bursa Malaysia, Pansar said its wholly owned subsidiary, Perbena Emas Sdn Bhd received a letter of acceptance from Maltimur Aktif for a project related to Package 4A (RH Aling to Bukit Pagon) of the Sarawak-Sabah Link Road (SSLR) Phase 2 project. "The scope of work involves the construction of 54 km of R3 JKR Standard road from RH Aling to Bukit Pagon, including three bridges. "It also includes site clearance, earthwork, drainage work, geotechnical work, road furniture, traffic management, environmental management and electrical work," Pansar said. The contract is for 48 months and the project is scheduled to commence last Friday. *(The Star)*

### **Kein Hing: Buy land with factory and office in Selangor for RM5.9m**

Kein Hing International Bhd is acquiring a semi-detached factory with offices for RM5.9m in cash. The property, situated on freehold land measuring 23,479.51 sq ft, is located in Jenjarom, Selangor. Kein Hing entered into a sale and purchase agreement with a property developer Wisdom Infinity Sdn Bhd for the acquisition. "The acquisition is part of Kein Hing's investment objective as there is great potential for capital gain and lease income in view of the industrial park at Wisdom Park @ Jenjarom and the other property developments which have been completed and in progress within the town of Jenjarom," it said. *(The Edge)*

**Tex Cycle: Gets EIA approval for RM100m waste management facility in Sabah**

Tex Cycle Technology (M) Bhd said it has received approval from the Department of Environment for the development of Sabah's first integrated off-site scheduled waste storage and recovery facility in Sipitang Oil and Gas Industrial Park (SOGIP). The Environment Impact Assessment (EIA) approval for the facility is valid for two years, starting from Sept 11, 2024, it said in a statement on Friday. The waste management and recycling company through its subsidiary Tex Evolusi Waste Management Sdn Bhd will develop the RM100m project in collaboration with Evolusi Bersatu Sdn Bhd. Tex Cycle will hold a 51% stake in the joint venture, while Evolusi Bersatu, an oil and gas services firm, will own the remaining 49%. *(The Edge)*

**MMAG: Buys out Velocity Capital's stake in loss-making subsidiary**

MMAG Holdings Bhd is going to take over Velocity Capital Partner Bhd's stake in its 86.09%-owned loss-making subsidiary, Line Clear Express Sdn Bhd (LCE). According to MMAG's latest filing, it is planning to acquire Velocity Capital's 8.9% stake in LCE for RM13.8m cash, which will raise MMAG's stake in LCE to 95%. The remaining 5% in LCE is held by HKL Dynamics Sdn Bhd, an 85%-owned subsidiary of Hong Seng Consolidated Bhd. MMAG was previously a major shareholder of Velocity Capital — formerly known as CSH Alliance Bhd — holding 16.61% of its shares. MMAG sold the stake, together with warrants it held in CSH, for RM37.4m cash in September last year. *(The Edge)*

**Cosmos: Sells off unit for RM12.3m to focus on non-revenue water management system business**

Integrated water technology solutions provider Cosmos Technology International Bhd is disposing of its entire equity interest in wholly-owned subsidiary MCI Etech Sdn Bhd to Loyal Fame Sdn Bhd for RM12.3m cash. According to Cosmos, the disposal will result in a total proforma loss of RM42,324. The proceeds from the disposal are intended to be utilised for the group's general working capital. Cosmos said that its manufacturing segment registered a significant decline in revenue and profit after tax for the financial year ending April 30, 2024, leading to instability within the group's overall financial performance. *(The Edge)*

**Sinmah Capital: JV with KL Football Association falls through**

Sinmah Capital Bhd has announced that its partnership with the Kuala Lumpur Football Association (KLFA) to develop a mixed development in Setapak has been terminated. Following the termination, Sinmah Capital said it shall receive a settlement sum of RM12.3m in instalments, given the sum was paid to KLFA to purchase the land previously, its bourse filing showed. Sinmah Capital partnered with KLFA to develop the land in June 2022, as completion of the project was initially slated within five years, with an additional two-year extension should unforeseen circumstances arise. *(The Edge)*

**Globetronics: EPF and Tabung Haji no longer substantial shareholders of Globetronics**

Both the Employees Provident Fund and Lembaga Tabung Haji are no longer substantial shareholders of Globetronics Technology Bhd following the company's recent announcement that its external auditor KPMG PLT has voluntarily resigned. Based on bourse filings on Friday, EPF sold 9.5m shares on Tuesday (Sept 10), while Tabung Haji disposed of 4m of the company's shares — the same day that Globetronics announced KPMG's departure and its shares dived over 30%. While it was Tabung Haji's first time selling shares since 2021, EPF has been trimming its stake in Globetronics throughout the year, with selling intensifying from August — when it offloaded 31.3m or 4.6% of Globetronics' shares. *(The Edge)*

**Yenher: Signs JV agreement with Danish firm to produce plant proteins, fermented palm kernel**

Animal health and nutrition products manufacturer Yenher Holdings Bhd has signed a cooperation and shareholders' agreement with Denmark-based Fermentation experts A/S to manufacture, market and sell plant proteins and fermented palm kernel meal. A joint venture (JV) company named YH European Protein Asia Sdn Bhd will be set up to sell livestock and aquaculture products under the brand of "European Protein" in SouthEast Asia and Taiwan, Yenher said in an exchange filing. Yenher will hold a 60% stake in the JV, with the remaining 40% held by Fermentation experts. *(The Edge)*



## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.31	0.20	8.79
Bonia Corporation	Consumer	1.48	0.13	8.78
British American Tobacco (M)	Consumer	7.70	0.63	8.22
Sentral REIT	REIT	0.79	0.06	8.10
KIP REIT	REIT	0.91	0.07	7.96
Hektar REITS	REIT	0.52	0.04	7.50
Amway (M)	Consumer	6.89	0.50	7.21
Ta Ann Holdings	Plantation	3.80	0.26	6.79
MBM Resources	Consumer	5.60	0.38	6.75
Datasonic Group	Technology	0.45	0.03	6.74
UOA REITS	REIT	0.96	0.06	6.70
Tambun Indah Land	Property	0.91	0.06	6.59
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

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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