



Daily Newswatch

Market Review

The FBM KLCI tumbled yesterday, closing slightly in the red at 1,660.6 (-0.2%), mainly due to profit-taking ahead of the US Federal Reserve's meeting later this week. Among the index constituents, the top decliners include YTL (-3.5%), IOI (-1.5%) and PMAH (-1.2%). The top loss-making sectors include Healthcare (-1.3%), Utilities (-1.2%), and Energy (-0.9%). The overall broader market breadth turned negative, with 526 losers outpacing 442 gainers.

Economics

- **UK:** Inflation steady at 2.2% leaves door open for rate cuts
- **Japan:** Says economy in moderate recovery, cautious on risks
- **China:** Passes draft rules on export controls for dual-use items
- **Malaysia:** BNM to foster innovation and accessibility in insurance
- **Indonesia:** Britain signs collaboration agreement on critical minerals
- **Philippines:** Plans large RRR cut this year after the easing pivot

Companies

- **Hailey:** Bags RM75.9m residential construction contract
- **TSR Capital:** Accepts RM75m job in Selangor
- **Pekkat:** Wins RM115m EPCC job for 30MW solar farm in Perak
- **Kimlun:** Bags RM128m job to build residential development in JB
- **Press Metal:** Signs JV deal to set up alumina plant in Indonesia
- **SCIB:** Buys land in Bintulu to undertake housing project

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	1,660.6	(0.2)	14.2
Dow Jones	41,503.1	(0.2)	10.1
Nasdaq CI	17,573.3	(0.3)	17.1
S&P 500	5,618.3	(0.3)	17.8
FTSE 100	8,253.7	(0.7)	6.7
Nikkei 225	36,380.2	0.5	8.7
Shanghai CI	2,717.3	0.5	(8.7)
HSI	17,660.0	1.4	3.6
STI	3,592.4	(0.0)	10.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,296.7	(27.9)
Value traded (RM m)	2,751.6	(17.8)
Gainers	442	
Losers	526	
Unchanged	489	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MYEG	0.955	2.7	196.1
TOP GLOVE	1.070	(6.1)	130.3
ALPHA IVF	0.355	0.0	36.8
HARTALEGA	3.110	(1.0)	34.2
CAPE EMS	0.365	4.3	32.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.330	(0.4)	253.3
MYEG	0.955	2.7	191.8
MAYBANK	10.680	0.2	142.2
TOP GLOVE	1.070	(6.1)	138.6
TENAGA	14.740	(0.5)	129.2

Currencies	Last Close	% Chg
USD/MYR	4.2552	(0.3)
USD/JPY	142.94	(0.5)
EUR/USD	1.1109	(0.1)
USD/CNY	7.081	0.2
US Dollar Index	101.04	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.3	(0.5)
Gold (USD/troy oz)	2,558	(0.0)
CPO (MYR/metric t)	3,959	1.1
Bitcoin (USD/BTC)	61,909	2.8

Economics

Philippines: Plans large RRR cut this year after easing pivot

The Philippine central bank is looking to cut banks' reserve requirement ratio significantly before year end, according to governor Eli Remolona, a move that's expected to unleash billions of pesos into the financial system. "We will reduce the reserve requirement substantially this year, and then there may be further reductions by next year," Remolona said at media briefing in Manila on Wednesday. He didn't specify extent of cuts in RRR, currently at 9.5% of deposits that bigger banks must set aside in reserve. *(Bloomberg)*

UK: Inflation steady at 2.2% leaves door open for rate cuts

UK inflation held at just above the Bank of England's 2% target in August, cementing expectations that policymakers will cut interest rates again later this year. Consumer prices rose 2.2% from a year earlier, the same pace as in July and below the BOE's forecast, the Office for National Statistics said Wednesday. The reading was in line with the median expectation of economists surveyed by Bloomberg. Downward pressures from motor fuels, restaurants and hotels were offset by upward push from air fares. *(Bloomberg)*

Japan: Says economy in moderate recovery, cautious on risks

Japan's government said on Wednesday the economy was in moderate recovery but it remains cautious due to potential global economic risks and financial market volatility. In its monthly economic report, the government said corporate profits for April-June showed strong growth and wage recovery was also solid. However, transport disruptions due to typhoons affected travel demand. "The Japanese economy is recovering moderately although it is still pausing in parts," the Cabinet Office said in its report for September, maintaining the same assessment from August. *(Bloomberg)*

China: Passes draft rules on export controls for dual-use items

China's cabinet has passed the draft regulations on export controls for dual-use goods, state broadcaster CCTV said on Wednesday. Dual-use items are goods, software and technology that can be used for both civilian and military applications. *(Reuters)*

Malaysia: BNM to foster innovation, accessibility in insurance landscape — governor

Bank Negara Malaysia (BNM) on Wednesday reaffirmed its ongoing efforts to modernise the regulatory framework and foster innovation within the insurance industry. BNM governor Datuk Seri Abdul Rasheed Ghaffour said the central bank is actively laying the foundation for a competitive, efficient and inclusive protection landscape. "This involves driving meaningful initiatives to modernise the existing regulatory framework, making it more principle-based, while opening avenues for insurers and technical operators to innovate and test new solutions," Abdul Rasheed said in his keynote address during rebranding launch of the Malaysian Insurance Institute (MII) to the Asian Institute of Insurance (Aii) on Wednesday. *(The Edge)*

Indonesia: With Britain sign collaboration agreement on critical minerals

Britain on Wednesday signed a Memorandum of Understanding to collaborate on critical minerals with Indonesia, home to some of the world's largest mineral resources, the UK's embassy in Jakarta said. The agreement will support policy dialogue, sharing of technical knowledge and expertise and cover areas like supply chain resilience, sustainable upstream and downstream processing, and mineral criticality, it said in a statement, which did not provide specific details. The partnership "puts both countries as key players in the critical minerals supply chain," Britain's development minister Anneliese Dodds said in the statement after signing the deal with Indonesia's energy minister. *(Reuters)*



Companies

Haily: Bags RM75.9m residential construction contract

Haily Group Berhad has accepted a letter of award from Meridin East Sdn Bhd for the construction and completion of 393 units of terrace houses at Taman Bestari Perdana Johor Baru, Johor, worth RM75.9m. In a filing with Bursa Malaysia, Haily said the project will involve the construction of 126 units of double storey terrace houses and a Tenaga Nasional Berhad double chamber substation (Parcel 4A3); 156 units of double storey terrace houses (Parcel 4A4) and 111 units of double storey terrace houses and a TNB double chamber substation (Parcel 4A5). Haily said the construction of terrace houses will take 15 months to complete, while TNB double chamber substations will each take six months to be completed. *(The Star)*

TSR Capital: Accepts RM75m job in Selangor

TSR Capital Berhad's wholly-owned subsidiary TSR Bina Sdn Bhd has accepted a RM75m job from Sime Darby Property Bhd the proposed construction of earthworks, infrastructure works and associated works at Elmina Business Park 2 in Rawang, in Gombak, Selangor. The group said in a filing with Bursa Malaysia the scope of works under the contract mainly involves the construction and completion of site clearance and earthworks, involving approximately seven million meter cube of earth cutting and filling. The 18-month contract is expected to be completed by March 2026. *(The Star)*

Pekat: Wins RM115m EPCC job for 30MW solar farm in Perak

Pekat Group Bhd said it has secured a contract worth RM115m to develop a 29.99MW (megawatt) solar farm in Kinta, Perak. The contract was awarded by MF Solar Tronoh Sdn Bhd, an indirect wholly owned unit of Mega First Corp Bhd to Pekat Solar Sdn Bhd, the company said in a filing. Pekat Solar, a wholly owned unit of Pekat Group, will undertake engineering, procurement, construction and commissioning (EPCC) works for the project, which was secured by MF Solar Tronoh under the Corporate Green Power Programme. The project is expected to start in 4Q2024, with commercial operation date set at Dec 31, 2025. This is the second large-scale-solar EPCC project award secured by Pekat this year. *(The Edge)*

Kimlun: Bags RM128m job to build residential development in JB

Kimlun Corp Bhd has secured an RM128.1m contract to build a residential development in Johor Bahru, the fifth contract win it has announced this year. The contract was awarded to the engineering and construction services provider's wholly-owned Kimlun Sdn Bhd by Tanah Sutera Development Sdn Bhd, its bourse filing on Wednesday showed. The contract comprises two sections, Kimlun said. The first section, valued at RM57.9m, is expected to be completed by the third quarter of 2026. The second section, worth RM70.3m, is slated for completion within 21 months from its commencement date. *(The Edge)*

Press Metal: Signs JV deal to set up alumina plant in Indonesia

Press Metal Aluminium Holdings Bhd said it has teamed up with three Indonesian companies to operate an alumina refinery plant in West Kalimantan, Indonesia. The plant is expected to have an annual production capacity of one to 1.2m tonnes under the first phase, with a potential expansion to double this output. The total cost for phase one is US\$750m (RM3.2bn), to be funded via equity and loans, the group said in a statement. Press Metal, which is Southeast Asia's largest aluminium smelter, said the three Indonesian companies roped in for the planned investment are PT Alakasa Alumina Refineri (AAR), PT Dinamika Sejahtera Mandiri (DSM) and PT Kalimantan Alumina Nusantara (KAN). *(The Edge)*

SCIB: Buys land in Bintulu to undertake housing project

Precast concrete product maker Sarawak Consolidated Industries Bhd said it is buying a vacant leasehold land measuring 2.5 hectares in Bintulu to undertake a housing project. In a bourse filing, the group said its wholly-owned unit SCIB Properties Sdn Bhd has entered into an agreement with a real properties investment company Gintek Sdn Bhd to acquire the land for RM9.2m. *(The Edge)*



Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bonia Corporation	Consumer	1.45	0.13	8.97
Bermaz Auto	Consumer	2.28	0.20	8.90
British American Tobacco (M)	Consumer	7.73	0.63	8.19
Sentral REIT	REIT	0.80	0.06	8.00
KIP REIT	REIT	0.91	0.07	7.96
Hektar REITS	REIT	0.53	0.04	7.36
Amway (M)	Consumer	6.89	0.50	7.21
UOA REITS	REIT	0.96	0.06	6.70
Ta Ann Holdings	Plantation	3.88	0.26	6.65
MBM Resources	Consumer	5.70	0.38	6.63
MAG Holdings	Consumer	1.18	0.08	6.53
Magnum	Consumer	1.18	0.08	6.53
Genting Malaysia	Consumer	2.36	0.15	6.53
Datasonic Group	Technology	0.46	0.03	6.52
Tambun Indah Land	Property	0.93	0.06	6.45

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		
Crest Group Berhad	ACE Market	0.35	130.7	130.9	25 Sep	9 Oct

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