



Daily Newswatch

Market Review

The FBM KLCI rallied and finished the day up at 1,656.4 (+0.5%), buoyed by buying support in heavyweight counters. Among the index constituents, the top gainers were PCHEM (+2.8%), KLK (+2.2%) and MISC (+1.7%). In terms of sectors, the positive performance was led by Technology (+1.9%) and Property (+1.3%). Overall, the broader market breadth turned positive, with 672 gainers against 379 decliners.

Economics

- EU:** Inflation drops below 2%, backing ECB cut bets
- Malaysia:** Says Malaysia investments to add US\$3bn to its GDP by 2030, create 26,500 jobs
- Malaysia:** Manufacturing activity eases further in Sept, PMI data show
- Indonesia:** Inflation at 1.8% in September, lowest rate since 2021
- US:** Fed's Bostic open to another large rate cut if job market weakens

Companies

- CHB:** Bags RM82m US contract
- Titijaya:** Inks long-term rental agreement with Press Metal at HALO centralised labour quarters
- PA Resources:** Secures 0% dumping rate from US for aluminium extrusion exports
- MHB:** Bags RM43m subcontract from Uzma for mobile offshore drilling unit conversion
- MISC:** Inks shipbuilding contract for two LNG carriers
- RGB:** Says MACC probe into company, MD is 'completed and resolved'
- Tanco:** Gets unconditional nod from Marine Dept to develop container port in Port Dickson
- Central Global:** Acquires office space for RM19.5m

Upcoming key economic data releases

	<u>Date</u>
US – Sep 2024 NFP	4 Oct
Malaysia – Aug 2024 Unemployment	10 Oct
US – Sep 2024 CPI	10 Oct
Malaysia – Aug 2024 PPI	11 Oct
EU – Aug 2024 IPI	15 Oct
EU – Aug 2024 Inflation	17 Oct
US – Sep 2024 Retail Sales	17 Oct
Malaysia – Q3 2024 GDP Estimate	18 Oct
Malaysia – Sep 2024 CPI	24 Oct

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,656.4	0.5	13.9
Dow Jones	42,157.0	(0.4)	11.9
Nasdaq CI	17,910.4	(1.5)	19.3
S&P 500	5,708.8	(0.9)	19.7
FTSE 100	8,276.7	0.5	7.0
Nikkei 225	38,652.0	1.9	15.5
Shanghai CI	3,336.5	8.1	12.2
HSI	21,133.7	2.4	24.0
STI	3,581.0	(0.1)	10.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,546.8	(37.3)
Value traded (RM m)	2,400.7	(25.4)
Gainers	672	
Losers	379	
Unchanged	475	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
DAGANG	0.375	11.9	126.7
CAPITALA	0.980	(1.0)	53.2
SPEEDMART	2.250	0.9	50.5
MY EG	0.895	0.6	51.0
LEONG HUP	0.745	6.4	44.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.090	0.5	189.3
TENAGA	14.400	(0.3)	184.9
SPEEDMART	2.250	0.9	114.7
GAMUDA	7.920	(2.0)	76.5
MAYBANK	10.540	0.6	67.3

Currencies	Last Close	% Chg
USD/MYR	4.157	(0.8)
USD/JPY	143.58	(0.0)
EUR/USD	1.1066	(0.0)
USD/CNY	7.0187	(0.1)
US Dollar Index	101.19	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.6	2.6
Gold (USD/troy oz)	2,662	(0.0)
CPO (MYR/metric t)	4,165	(0.0)
Bitcoin (USD/BTC)	60,862	0.1

Economics

EU: Inflation drops below 2%, backing ECB cut bets

Euro-area inflation slowed below the European Central Bank's 2% target for the first time since 2021 — backing investor bets that interest rates may be lowered more quickly than previously anticipated. Consumer prices rose 1.8% from a year ago in September, down from 2.2% in the previous month as energy costs fell sharply, Eurostat said Tuesday. The reading matched a Bloomberg survey of analysts — as was core inflation, which eased to 2.7%. The data will reinforce the growing conviction among investors that the ECB must loosen monetary policy more speedily to account for a stuttering economy and unexpectedly rapid disinflation. President Christine Lagarde hinted as much on Monday, telling European Union lawmakers that officials will take growing optimism on consumer prices into account at their next decision on Oct. 17. (*Bloomberg*)

Malaysia: Says Malaysia investments to add US\$3bn to its GDP by 2030, create 26,500 jobs

Google said on Tuesday that its investments in Malaysia would create 26,500 jobs and contribute more than US\$3bn to its economy by 2030, as it announced its new data centre and cloud region had broken ground. The start of construction of the new US\$2bn data centre in Malaysia follows Monday's announcement of its multi-year partnership with local tech firm Dagang NeXchange Berhad (DNEX) to provide sovereign cloud services. (*The Star*)

Malaysia: Manufacturing activity eases further in Sept, PMI data show

Malaysia's manufacturing sector conditions eased further in September as productions moderated with tepid new order growth, S&P Global said on Tuesday. The seasonally-adjusted Manufacturing Purchasing Managers' Index (PMI) dipped to 49.5 in September from 49.7 in August, according S&P Global that compiles the gauge. A reading above 50 points indicates activity expansion while below 50 points to contraction in the sector. The data indicated that economic growth in the third quarter "continued at a similar trajectory to that seen in the second quarter," said Usamah Bhatti, an economist at S&P Global. "Sentiment stayed positive, with firms expecting higher output in the coming year." well as going out to movies. That could help to underpin consumer spending and the economic expansion. (*The Edge*)

Indonesia: Inflation at 1.8% in September, lowest rate since 2021

Indonesian prices rose at their slowest rate in almost three years in September as the pace of food-price inflation eased, giving the central bank ample room to loosen monetary policy to stimulate economic growth. Annual inflation reached 1.8%, Statistics Indonesia said on Tuesday. That was the lowest since November 2021, LSEG data showed. The figure compared with 2.1% in August and the 2.0% median of analyst estimates in a Reuters poll. It also stayed within Bank Indonesia's inflation target range of 1.5% to 3.5%. Food prices are the biggest contributor to inflation figures but their rate of growth eased to 2.6% versus August's 3.4%. (*The Star*)

US: Fed's Bostic open to another large rate cut if job market weakens

Atlanta Federal Reserve president Raphael Bostic said on Monday he would be open to another half-percentage-point interest rate cut at the US central bank's meeting in November if upcoming data show job growth slowing faster than expected. "A surprise to the weak side would pull me much further into really needing another dramatic move," Bostic said in an interview. Data last week showed headline inflation, based on the Fed's preferred personal consumption expenditures price index, slowed to 2.2% in August, near the central bank's 2.0% target, and "the big takeaway for me was that the risks of inflation are continuing to fall," Bostic said. (*Reuters*)

Companies

CHB: Bags RM82m US contract

Critical Holdings Berhad has secured a contract from a US-based multinational company worth RM82m for mechanical and electrical related fit-out, cleanroom and interior design works for a new three-storey office building, one-storey production and warehouse facilitation at Pasir Gudang, Johor Bharu. In a filing with Bursa Malaysia, the mechanical, electrical and process utilities design and engineering solutions provider said the contract is expected to be completed over 16 weeks and is expected to contribute positively to the earnings and net assets of the company for the financial year ending June 30, 2025. *(The Star)*

Titijaya: Inks long-term rental agreement with Press Metal at HALO centralised labour quarters

Titijaya Land Bhd has secured Press Metal Aluminium Holdings Bhd as the first customer for its centralised labour quarters (CLQ) project called HALO (Housing, Accommodation and Lodging) in Klang Sentral, Selangor. According to a statement on Tuesday, Titijaya, through its subsidiary Titijaya PMC Sdn Bhd, has signed a memorandum of understanding (MOU) with PMB Aluminium Sdn Bhd, a subsidiary of Press Metal, in setting up the foundation for a long-term rental agreement between both parties. Under the MOU, PMB Aluminium will rent part of HALO for a minimum period of three years, accommodating at least 350 of its workers. *(The Edge)*

PA Resources: Secures 0% dumping rate from US for aluminium extrusion exports

PA Resources Bhd said its wholly owned subsidiary has secured a 0% dumping rate for its aluminium extrusion exports to the US. The subsidiary, PA Extrusion (M) Sdn Bhd, was notified of the ruling by the US Department of Commerce's International Trade Administration, the group said in a statement on Tuesday. Receiving a 0% dumping rate means that its aluminium extrusions are competitively priced and deemed to be sold at fair value in the US, PA Resources noted. *(The Edge)*

MHB: Bags RM43m subcontract from Uzma for mobile offshore drilling unit conversion

Malaysia Marine and Heavy Engineering Holdings Bhd has secured an RM43m subcontract from a subsidiary of Uzma Bhd for the conversion of a mobile offshore drilling unit (MODU) into a mobile water injection facility (WIF). In a bourse filing on Tuesday, the energy and marine solutions provider said the contract was awarded to its wholly-owned subsidiary Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) by Uzma Engineering Sdn Bhd (UESB). Under the contract, MMHE will handle the demolition, refurbishment, life extension, and conversion of the MODU into a mobile WIF, with the work expected to be completed by the first quarter of 2025. This will be MMHE's first floater conversion project for UESB. *(The Edge)*

MISC: Inks shipbuilding contract for two LNG carriers

MISC Bhd has signed a shipbuilding contract with Samsung Heavy Industries Co Ltd to construct two new liquefied natural gas (LNG) carriers, scheduled for delivery in 2027. It also signed a letter of intent with Petronas LNG Sdn Bhd (PLSB) for long-term shipping services involving the new carriers, the group's bourse filing on Tuesday showed. Financial details of the deals were not disclosed.

Meanwhile, MISC agreed with PLSB to terminate the charters of three existing LNG carriers — Seri Ayu, Seri Angkasa, and Seri Begawan — and entered into new agreements for two others, Seri Alam and Seri Amanah, upon expiry. The new LNG carriers will be owned by MISC's new special purpose vehicles to be incorporated later. It will be chartered to Petronas LNG Ltd for a firm 15-year period starting from 2027. *(The Edge)*

RGB: Says MACC probe into company, MD is 'completed and resolved'

RGB International Bhd said the Malaysian Anti-Corruption Commission's (MACC) investigation into the company and its managing director Datuk Seri Chuah Kim Seah has been "completed and resolved". This comes one year after the graft buster investigated the Penang-based gaming solutions provider's involvement in the sale of machines to Malaysia's slot clubs, as well as Chuah's private business related to those clubs. "The matter has been completed and resolved, with no further action on the part of authorities," RGB said in a filing with the local stock exchange on Tuesday. (*The Edge*)

Tanco: Gets unconditional nod from Marine Dept to develop container port in Port Dickson

Tanco Holdings Bhd said its 79%-owned subsidiary, Midports Holdings Sdn Bhd (MHSB), had received the nod from the Malaysian Marine Department (MMD) to develop a container port in Port Dickson, Negeri Sembilan. The green light was received through a full and unconditional approval letter on Monday by the MMD, Tanco said, following the acceptance of the marine risk assessment report from MHSB. Just last Friday, MMD issued a separate approval letter, "with certain conditions for the development and operations" of the proposed port project. The newest letter, however, "supersedes the previous approval letter", Tanco said in a filing. (*The Edge*)

Central Global: Acquires office space for RM19.5m

Manufacturing and construction firm Central Global Bhd is acquiring a four-storey office and showroom space, measuring approximately 48,690 sq ft, in Kota Kinabalu, Sabah, for RM19.5m. In a bourse filing, Central Global stated that the proposed acquisition is part of its strategy to strengthen its position as a leading construction group in East Malaysia, particularly in Sabah. The acquisition will also enable the group to cross-sell and expand its product offerings by stocking them in the building. Additionally, the property will serve as the group's headquarters, warehouse and storage facility for vehicles and machinery after project completion. Central Global said the purchase will be funded through a combination of 15% internally generated funds and 85% bank borrowings (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.26	0.20	8.98
Sentral REIT	REIT	0.79	0.06	8.15
British American Tobacco (M)	Consumer	7.85	0.63	8.06
KIP REIT	REIT	0.92	0.07	7.83
MAG Holdings	Consumer	1.18	0.09	7.63
Magnum	Consumer	1.18	0.09	7.63
Hektar REITS	REIT	0.52	0.04	7.57
Amway (M)	Consumer	6.84	0.50	7.27
UOA REITS	REIT	0.96	0.06	6.70
Datasonic Group	Technology	0.46	0.03	6.59
Genting Malaysia	Consumer	2.44	0.16	6.52
Pavilion REIT	REIT	1.44	0.09	6.39
RHB Bank	Finance	6.22	0.40	6.38
Paramount Corporation	Property	1.05	0.07	6.38
MBM Resources	Consumer	5.93	0.38	6.37

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
KHPT Holdings Berhad	ACE Market	0.20	108.6	38.2	25 Sep	8 Oct
Northeast Group Berhad	ACE Market	0.50	169.0	51.8	3 Oct	15 Oct
OB Holdings Berhad	ACE Market	0.24	120.0	0	15 Oct	29 Oct

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