



Daily Newswatch

Market Review

The FBM KLCI finished the day in red at 1,639.3 (-1.0%) as investors fled equities for lower-risk assets in light of the growing tensions in the Middle East. Among the index constituents, the top losers were SUNWAY (-2.8%), AXIATA (-2.8%) and GENTING (-2.4%). In terms of sectors, the negative performance was led by Property (-1.7%) and Industrial Products & Services (-1.6%). Overall, the broader market breadth fell back into negative, with 874 decliners against 270 gainers.

Economics

- Malaysia:** Oracle to invest US\$6.5bn to set up cloud facilities in Malaysia
- US:** Imposes duties on solar panels from Southeast Asia
- Europe:** Aug 2024 unemployment lower to 6.4%
- Japan:** PM Ishiba rules out BOJ interest rate hikes for now

Companies

- Sunzen:** Acquisition of Eye Nation helps Sunzen to expand into new market
- KIP REIT:** Secures approval for RM320m acquisition of D'Pulze shopping centre
- BIMB:** Issues second tranche under RM5bn sukuk programme
- Econpile:** Bags RM33m piling and substructure jobs in KL
- Sunway:** To buy Taman Taynton land for RM320m for mixed development
- Samaiden:** Bags related-party contract to build solar power plant in Negeri Sembilan
- Sin-Kung:** Logistics expands into private jet and air freight services via Prima Air acquisition

Upcoming key economic data releases

Date

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	1,639.3	(1.0)	12.7
Dow Jones	42,196.5	0.1	12.0
Nasdaq CI	17,925.1	0.1	19.4
S&P 500	5,709.5	0.0	19.7
FTSE 100	8,290.9	0.2	7.2
Nikkei 225	37,808.8	(2.2)	13.0
Shanghai CI	3,336.5	8.1	12.2
HSI	22,443.7	6.2	31.7
STI	3,584.7	0.1	10.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,861.9	51.2
Value traded (RM m)	2,726.8	13.2
Gainers	270	
Losers	874	
Unchanged	467	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TALAM	0.025	25.0	167.8
CIMB	7.980	(1.4)	48.0
PA	0.330	1.5	32.8
CAPITALA	0.935	(4.6)	32.6
LEONG HUP	0.740	(0.7)	30.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.980	(1.4)	383.1
GAMUDA	7.950	0.4	113.3
TNB	14.300	(0.7)	106.5
MAYBANK	10.460	(0.8)	88.0
IHH	7.240	0.0	61.7

Currencies	Last Close	% Chg
USD/MYR	4.176	(0.5)
USD/JPY	146.59	(0.1)
EUR/USD	1.1046	0.0
USD/CNY	7.0187	(0.1)
US Dollar Index	101.64	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.9	0.5
Gold (USD/troy oz)	2,660	0.1
CPO (MYR/metric t)	4,265	(0.9)
Bitcoin (USD/BTC)	60,634	(0.4)

Economics

Malaysia: Oracle to invest US\$6.5b to set up cloud facilities in Malaysia

Oracle plans to invest more than US\$6.5bn (RM27bn) to set up its first public cloud region in Malaysia, the company said on Wednesday, the latest major investment by a global tech firm into the Southeast Asian country. Technology giants including Microsoft, Nvidia, Alphabet unit Google and China's ByteDance have announced billions of dollars worth of digital investments into Malaysia since last year, mostly in cloud services and data centres, powering an infrastructure boom driven by growing demand for artificial intelligence (AI). (*Reuters*)

US: Imposes duties on solar panels from Southeast Asia

The US Commerce Department set preliminary duties on solar imports from Southeast Asia, after an initial finding the equipment is benefitting from illegal government aid. The determination marks an early victory for domestic panel makers who say cheap imports are harming their operations and threatening investments meant to cultivate a US solar supply chain. They asked the government to impose the duties, arguing the equipment benefits from unfair foreign subsidies and is being sold at prices below the cost of production. The targeted nations provide the bulk of US solar cell and module imports, and the swift imposition of countervailing duties means renewable developers will face higher prices for that equipment right away. For many imports from Thailand and Vietnam, rates will apply retroactively, going back 90 days to early July. (*The Star*)

EU: Aug 2024 unemployment lower to 6.4%

In August 2024, the euro area seasonally-adjusted unemployment rate was 6.4%, stable compared with July 2024 and down from 6.6% in August 2023. The EU unemployment rate was 5.9% in August 2024, down from 6.0% in July 2024 as well as in August 2023. These figures are published by Eurostat, the statistical office of the European Union. Eurostat estimates that 13.027 million persons in the EU, of whom 10.925 million in the euro area, were unemployed in August 2024. Compared with July 2024, unemployment decreased by 108 thousand in the EU and by 94 thousand in the euro area. Compared with August 2023, unemployment decreased by 142 thousand in the EU and by 233 thousand in the euro area. (*Eurostat*)

Japan: PM Ishiba rules out BOJ interest rate hikes for now

Prime Minister Shigeru Ishiba said the economy isn't ready yet for further interest-rate hikes, in comments that jolted the yen. "I don't think the environment is ready for an additional rate hike," Ishiba said Wednesday in unusually strong comments on monetary policy for a Japanese prime minister. "I told the governor that my hope is the economy will make progress in a sustainable manner toward the end of deflation with monetary easing trend in place," he said, referring to Bank of Japan Governor Kazuo Ueda. (*Bloomberg*)

Companies

Sunzen: Acquisition of Eye Nation helps Sunzen to expand into new market

Sunzen Biotech Bhd's acquisition of 70 percent equity interest in Eye Nation Medical Sdn Bhd, a company engaged in the optical medical diagnostic equipment business, will allow the group to expand into the ophthalmic industry. In a filing with Bursa Malaysia yesterday, Sunzen announced that it had entered into a share purchase agreement with Eye Nation Medical's directors, Lee Peng Hwa and Lay Lee Chin, for RM6.4m in cash. Upon completion of the acquisition, Eye Nation will be a 70 per cent owned subsidiary of Sunzen. (*The Star*)

KIP REIT: Secures approval for RM320m acquisition of DPulze shopping centre

KIP Real Estate Investment Trust has secured shareholders' approval to acquire the DPulze Shopping Centre in Cyberjaya for RM320m. The real estate investment company also received approval for a private placement of up to 180 million new units, representing approximately 29.1% of existing issued units, to partially fund the acquisition.

In a statement on Wednesday after its annual and extraordinary general meeting, KIP REIT said it expects the private placement exercise to raise up to RM146.7m in gross proceeds. "Out of the 180m new units, up to 9m units will be allotted to a major unitholder of KIP REIT, Datuk Ong Kook Liong, and up to 6m units to KIP REIT chief executive officer Valerie Ong Pui Shan," it said. Valerie noted that the acquisition marks their largest investment and will further strengthen KIP REIT's retail portfolio. "Based on the net property income of RM22.8 million for the financial year ended Jan 31, 2024, the yield from the property is expected to generate 7.1%. (*The Edge*)

BIMB: Issues second tranche under RM5bn sukuk programme

Bank Islam Malaysia Bhd said it has issued the second tranche amounting to RM250m under its RM5bn sukuk Wakalah programme. The additional tier-1 capital sukuk Wakalah, with a perpetual non-callable period of five years, has been assigned a long-term rating of A3 by RAM Rating Services Bhd, the bank said in a bourse filing on Wednesday. Bank Islam said proceeds from the sukuk issuance will be used to finance its general working capital requirements and other general corporate purposes. (*The Edge*)

Econpile: Bags RM33m piling and substructure jobs in KL

Econpile Holdings Bhd has secured two contracts from Sg Besi Construction Sdn Bhd, totalling RM33.3m, to carry out piling and substructure works for residential and office buildings in Kuala Lumpur. The first contract, worth RM21.3m, is related to a 51-storey service apartment with 653 units for Lofthill Development Sdn Bhd, and is expected to be completed within 10 months from Oct 2. The second contract, valued at RM12m, is for a 59-storey office building with 350 units for Armani Development Sdn Bhd, and will be completed within 12 months from the commencement date, which will be announced later. (*The Edge*)

Sunway: To buy Taman Taynton land for RM320m for mixed development

Sunway Bhd plans to buy a 17.58-acre (7.11-hectare) prime land in Taman Taynton, Kuala Lumpur, for RM320m, earmarking it for mixed-use development. The group said the land had an estimated gross development value of RM3.2bn, and is situated adjacent to Sunway Alishan, a residential development by the group. The proposed development will integrate "opulent" serviced apartments with a "wellness-focused" retail podium featuring health and wellness clinics, the group added in a statement. Sunway said its wholly-owned subsidiary, Sunway Melawati Sdn Bhd, is acquiring the land from Viva Impian Sdn Bhd. Serena Cheah, the managing director of Sunway Property — the group's property arm — said the acquisition presents an "exciting opportunity" to address the increasing demand for high-quality, integrated developments in Kuala Lumpur. (*The Edge*)

Samaiden: Bags related-party contract to build solar power plant in Negeri Sembilan

Renewable energy specialist Samaiden Group Bhd has bagged an RM39.2m contract to undertake a 10-megawatt large-scale solar photovoltaic power plant in Bahau, Negeri Sembilan, in a related-party transaction. The contract was awarded by Bahau Power Sdn Bhd, which is owned by Angelaxy Power Sdn Bhd (51%) and Uzma Environergy Sdn Bhd (49%), said Samaiden in a bourse filing on Tuesday. Angelaxy is wholly owned by Samaiden managing director Datuk Chow Pui Hee, while Uzma Environergy is a wholly owned unit of Uzma Bhd. (*The Edge*)

Sin-Kung: Logistics expands into private jet and air freight services via Prima Air acquisition

Logistics service provider Sin-Kung Logistics Bhd is diversifying into private jet charter and air freight cargo services with the acquisition of loss-making Prima Air Sdn Bhd for RM20.7m cash. Sin-Kung has entered into a share sale agreement with Tan Sri Halim Mohammad and Puan Sri Mazmin Noordin to acquire 20m shares, representing the entire equity interest in the company, the group's bourse filing on Wednesday showed. Prima Air is engaged in the sale and leasing of aircraft. The company holds an air service permit, valid until March 31, 2025, and an air operator certificate, valid until Dec 31, 2025, allowing it to conduct non-scheduled commercial air transport operations. (*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	0.77	0.06	8.31
British American Tobacco (M)	Consumer	7.97	0.63	7.94
KIP REIT	REIT	0.92	0.07	7.87
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	6.88	0.50	7.22
UOA REITS	REIT	0.96	0.06	6.70
Datasonic Group	Technology	0.45	0.03	6.67
Genting Malaysia	Consumer	2.39	0.16	6.65
RHB Bank	Finance	6.11	0.40	6.50
Ta Ann Holdings	Plantation	3.91	0.25	6.45
Paramount Corporation	Property	1.04	0.07	6.44
Pavilion REIT	REIT	1.44	0.09	6.39

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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