



# Daily Newswatch

## Market Review

The FBM KLCI turned around its early losses and finished the day marginally higher at 1,641.6 (+0.1%). Among the index constituents, the top gainers were Sunway (+1.9%), PCHEM (+1.2%) and PBBANK (+0.9%) while the top decliners were YTLPOWR (-1.6%), PETDAG (-1.4%) and PPB (-1.1%). In terms of sectors, the positive performance was led by Energy (+0.8%) and Financial Services (+0.5%). Overall, the broader market breadth was quite balanced, with 504 decliners matched against 473 gainers.

## Economics

- Japan:** BOJ policymaker calls for slow, cautious movement on rate hikes
- US:** Jobless claims remain subdued, consistent with low layoffs
- EU:** Bank of England could become 'more aggressive' on rate cuts
- Malaysia:** Budget 2025 to focus on economic sector, continue with structural reform agenda

## Companies

- Techna-X:** Microalgae biofuel project scrapped
- Varia:** Appoints former LHDN chief Nizom Sairi as non-executive chairman
- Harrisons:** Proposes one-into-five share split
- Atlan:** Units get compulsory land acquisition for road construction project in Bukit Kayu Hitam
- Kuchai Development:** Sg Bagan deal revised downwards to RM267.8m on Semenyih land exclusion
- Maybank:** Bank of Hangzhou collaborate to boost cross-border services and digital innovation

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,641.6	0.1	12.8
Dow Jones	42,011.6	(0.4)	11.5
Nasdaq CI	17,918.5	(0.0)	19.4
S&P 500	5,699.9	(0.2)	19.5
FTSE 100	8,282.5	(0.1)	7.1
Nikkei 225	38,552.1	2.0	15.2
Shanghai CI	3,336.5	8.1	12.2
HSI	22,113.5	(1.5)	29.7
STI	3,577.4	(0.2)	10.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,286.4	(14.9)
Value traded (RM m)	2,520.0	(7.6)
Gainers	473	
Losers	504	
Unchanged	545	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
OCT	0.045	(18.2)	102.8
TALAM	0.020	(20.0)	53.9
CAPITALA	0.910	(2.7)	48.0
CIMB	7.990	0.1	42.5
MYEG	0.880	(1.1)	33.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.990	0.1	337.8
TNB	14.280	(0.1)	210.2
MAYBANK	10.540	0.8	118.0
PUBLIC BANK	4.570	0.9	72.8
GAMUDA	7.880	(0.9)	64.2

Currencies	Last Close	% Chg
USD/MYR	4.2218	(1.1)
USD/JPY	146.78	0.1
EUR/USD	1.1035	0.0
USD/CNY	7.0187	(0.1)
US Dollar Index	101.99	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	77.6	5.0
Gold (USD/troy oz)	2,655	(0.0)
CPO (MYR/metric t)	4,267	(0.9)
Bitcoin (USD/BTC)	60,760	(0.0)

## Economics

### **Japan:** BOJ policymaker calls for slow, cautious movement on rate hikes

Japan's central bank has scope to raise interest rates further but must move cautiously and slowly to avoid hurting the economy, a dovish policymaker said on Thursday, reinforcing market views it will be in no rush to lift borrowing costs. The comments from Bank of Japan (BOJ) board member Asahi Noguchi come a day after Japan's new prime minister, Shigeru Ishiba, said the economy was not ready for further rate hikes, in surprisingly blunt remarks that pushed the yen lower. Noguchi said the yen's recent rally from "one-sided", sharp falls seen in July has moderated inflationary pressure from import costs, allowing the BOJ time to scrutinise economic risks in determining when next to hike rates. (*Reuters*)

### **US:** Jobless claims remain subdued, consistent with low layoffs

Applications for US unemployment benefits rose slightly to a level that is consistent with limited number of layoffs. Initial claims increased by 6,000 to 225,000 in the week ended Sept. 28. The median forecast in a Bloomberg survey of economists called for 221,000 applications. The four-week moving average of new applications, a metric that helps smooth out volatility, fell to 224,250, the lowest since June 1. (*Bloomberg*)

### **EU:** Bank of England could become 'more aggressive' on rate cuts

The Bank of England (BOE) could move more aggressively to cut interest rates if inflation pressures continue to weaken but conflict in the Middle East could push up oil prices, Governor Andrew Bailey said. Bailey told the *Guardian* newspaper the BOE could become "a bit more activist" and "a bit more aggressive" in its approach to lowering rates, if there was further welcome news on inflation for the central bank. Sterling — which has strengthened recently as investors saw fewer interest rates cuts in Britain than in other countries — was down by more than a cent against the US dollar at 1025 GMT, on track for its biggest daily fall in almost six months. (*Eurostat*)

### **Malaysia:** Budget 2025 to focus on economic sector, continue with structural reform agenda

Malaysia's Budget 2025 will prioritise the economic sector by continuing with the structural reform agenda, said Finance Minister II Datuk Seri Amir Hamzah Azizan. He said the structural strengthening that has been implemented will lead to a stronger foundation for the country's economy. "This government's approach is to give back to the people; we can protect the people... perhaps by increasing investments in sectors that are important to the people, such as health and education. The important thing is to lift the country's economy onto a new structure," he said on the Niaga Awani programme titled "Fiscal and Monetary Strategy: The Key to Strengthening the Malaysian Economy", broadcast on Astro Awani on Thursday.

He said the government will also ensure that the current strong economic momentum will enable more "high-grade investment" opportunities to come into the country, and generate job opportunities for the people. Amir Hamzah noted that the country's political stability has been a major factor in giving confidence to foreign investors to continue investing in Malaysia. (*The Edge*)

## Companies

### **Techna-X: Microalgae biofuel project scrapped**

Technology company Techna-X Bhd has called off its plans to develop an 85-acre microalgae farm and produce algae biofuel following the mutual termination of a tripartite agreement. Techna-X Aerobeidou Sdn Bhd, its wholly-owned subsidiary, alongside MYKO Global Sdn Bhd and RTA E&C Sdn Bhd, had agreed to mutually terminate the agreement, according to the group bourse's filing on Thursday. No further details on the reasons behind the termination were provided. The project, first announced in June 2023, involved a US\$120m (RM577.4m) investment from Techna-X. Nonetheless, MYKO had committed to securing 98% of the financing, with Techna-X responsible for the remaining 2% (US\$2.4m) via a bank guarantee. (*The Edge*)

### **Varia: Appoints former LHDN chief Nizom Sairi as non-executive chairman**

Varia Bhd, formerly known as Stella Holdings Bhd, has appointed Datuk Seri Mohd Nizom Sairi, the former chief executive officer and director general of the Inland Revenue Board (LHDN), as its new independent and non-executive chairman. Nizom, 61, replaces Datuk Mohamad Haslah Mohamad Amin, who stepped down on Jan 14 last year following a series of board resignations, to pursue other interests. In a filing with Bursa Malaysia on Thursday, the construction company said Nizom began his career with LHDN after graduating with a Bachelor of Science from Laurentian University, Canada, in 1985. (*The Edge*)

### **Harrisons: Proposes one-into-five share split**

Harrisons Holdings (Malaysia) Bhd has proposed to split each of its shares into five shares in a move to improve the trading liquidity of the shares. The share split will take place based on an entitlement date to be determined later and is expected to be completed by the fourth quarter of this year, the group said in a filing with Bursa Malaysia. As at Sept 20, 2024, Harrisons said its issued share capital stood at RM68.5m, consisting of 68.5m shares, which include 13,000 treasury shares. Upon completion of the share split, Harrisons' issued share capital will remain unchanged. However, the existing 68.9m shares will be subdivided and enlarged into 342.5m subdivided shares, which includes 65,000 treasury shares. (*The Edge*)

### **Atlan: Units get compulsory land acquisition for road construction project in Bukit Kayu Hitam**

Atlan Holdings Bhd said its indirectly owned units, Cergasjaya Sdn Bhd and Cergasjaya Properties Sdn Bhd (CPPA), have received notices for the compulsory acquisition of their lands in Bukit Kayu Hitam, Kedah, for a road construction project. Atlan holds Cergasjaya and CPPA through its 75.5%-owned subsidiary, Duty Free International Ltd (DFI), which is listed on the Singapore Exchange. In a filing with the Singapore bourse's regulator on Thursday, DFI said the land was acquired by Malaysia's Home Affairs Ministry and is administered by the Department of Director General of Lands and Mines, Kedah. (*The Edge*)

### **Kuchai Development: Sg Bagan deal revised downwards to RM267.8m on Semenyih land exclusion**

The total sum for the proposed disposal of Kuchai Development Bhd's assets and liabilities to Sungei Bagan Rubber Company has been revised lower following the exclusion of an agricultural land parcel in Semenyih, Selangor. The exclusion was due to the state authority's rejection of the land transfer from Kuchai to Sungei Bagan. As a result, the disposal sum has been adjusted to RM267.8m from RM275.5m, while the number of consideration shares to be issued has also been reduced to 26.8m from 27.5m. Upon completion of the exercise, the combined shareholding of Kuchai and its persons acting in concert in Sungei Bagan is expected to be 61.9%, against 62.2% reported previously. (*The Edge*)

**Maybank: Collaborate with Bank of Hangzhou to boost cross-border services and digital innovation**

Maybank and the Bank of Hangzhou of China have tied up to enhance customer services and support cross-border business initiatives. In a statement, Maybank said the collaboration will focus on enhancing cross-border business and advancing digital innovation. "This partnership aims to facilitate services such as cross-border financing, interbank cooperation within China, and the clearing of South-East Asian currencies, while also connecting Chinese enterprises to a broader business ecosystem in the region. (*The Edge*)

**Lay Hong: NH Foods ceases to be a substantial shareholder**

NH Foods Ltd, a joint venture (JV) partner of egg producer Lay Hong Bhd has ceased to be the latter's substantial shareholder after disposing of 62.3m shares, or an 8.2% stake. The shares were sold via an off-market transaction on Wednesday, the group's bourse filing on Thursday showed. While the selling price was not disclosed, based on Wednesday's closing price of 40 sen, the stake could be valued at approximately RM24.9m. Following the disposal, NH Foods' shareholding in Lay Hong has been reduced to 4.8% from 13.0% previously. (*The Edge*)



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.78	0.06	8.26
British American Tobacco (M)	Consumer	7.82	0.63	8.09
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	7.50
Amway (M)	Consumer	6.89	0.50	7.21
Datasonic Group	Technology	0.45	0.03	6.67
Genting Malaysia	Consumer	2.39	0.16	6.65
UOA REITS	REIT	0.97	0.06	6.63
Paramount Corporation	Property	1.03	0.07	6.50
RHB Bank	Finance	6.15	0.40	6.46
Pavilion REIT	REIT	1.44	0.09	6.39
MBM Resources	Consumer	5.92	0.38	6.39
CapitaLand Malaysia Trust	REIT	0.68	0.04	6.32

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		
<a href="#">Crest Group Berhad</a>	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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MERCURY SECURITIES SDN BHD  
Registration No. 198401000672 (113193-W)  
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,  
50480 Kuala Lumpur  
Telephone: (603) - 6203 7227  
Website: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my)  
Email: mercurykl@mersec.com.my