



# Daily Newswatch

## Market Review

The FBM KLCI extended its downtrend to 1,630.0 (-0.7%), ending in negative territory as geopolitical tensions in the Middle East dampened investor sentiment. Among the index constituents, the top decliners were Maxis (-5.7%), CDG (-2.4%) and TM (-2.3%). In terms of sectors, the negative performance was led by Telecommunications and media (-1.8%) as well as Technology (-0.8%). Overall, the broader market breadth was negative, with 610 decliners against 410 gainers.

## Economics

- Malaysia:** ECERDC secures RM4.8bn in realised and committed investments for Terengganu so far this year
- US:** Non-farm payroll surges in September with 254k jobs added, beating expectations
- US:** Fed's paper losses top US\$200bn mark
- Malaysia:** Import 100,000 tonnes of rice, US\$200m worth of halal meat annually from Pakistan

## Companies

- OCR:** Sues Kumpulan Jetson over alleged breach of RM88m construction contract
- Pestech:** Dhaya Maju to acquire 57.5% stake in Pestech for RM160m or 12 sen per share
- Sanichi:** Proposes 10-to-one share consolidation, capital reduction
- EG:** Buys 24% stake in Thai-based tyre maker for RM26m
- SDCG:** Plans to expand energy services into Brunei
- Gamuda:** Takes over management of Paya Indah Discovery Wetlands in Kuala Langat
- Velessto:** To further enhance rig capabilities via collaboration with SLB

### Upcoming key economic data releases

	Date
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	1,630.0	(0.7)	12.1
Dow Jones	42,236.1	0.5	12.1
Nasdaq CI	18,071.6	0.9	20.4
S&P 500	5,728.6	0.5	20.1
FTSE 100	8,280.6	(0.0)	7.1
Nikkei 225	38,635.6	0.2	15.5
Shanghai CI	3,336.5	8.1	12.2
HSI	22,736.9	2.8	33.4
STI	3,589.1	0.3	10.8

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,101.2	(5.6)
Value traded (RM m)	2,667.4	5.8
Gainers	410	
Losers	610	
Unchanged	514	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CAPITALA	0.865	(4.9)	81.5
OCR	0.035	(22.2)	71.5
BUMI	0.500	4.2	54.7
BINA PURI	0.360	(1.4)	43.0
ALAM MARITAM	0.030	20.0	40.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.920	(0.9)	231.4
TNB	14.280	0.0	180.5
MAYBANK	10.500	(0.4)	130.4
PB BANK	4.530	(0.9)	82.7
CAPITALA	0.865	(4.9)	71.5

Currencies	Last Close	% Chg
USD/MYR	4.2197	0.0
USD/JPY	148.88	(1.3)
EUR/USD	1.0966	(0.6)
USD/CNY	7.0187	(0.1)
US Dollar Index	102.59	0.6

Commodities	Last Close	% Chg
Brent (USD/barrel)	79.1	1.9
Gold (USD/troy oz)	2,648	(0.3)
CPO (MYR/metric t)	4,400	3.1
Bitcoin (USD/BTC)	62,124	2.2

## Economics

### **Malaysia: ECERDC secures RM4.8bn in realised and committed investments for Terengganu so far**

The East Coast Economic Region Development Council (ECERDC) has realised investment totaling RM3.1bn across Terengganu so far this year, as it targeted RM4.2bn of investments for the state in 2024. The ECERDC has also secured RM1.7bn in committed investments in the period, of which 59% were from the oil and gas industry. The regional development council has targeted to achieve RM5.8bn in committed investments for the state this year, its statement showed. (*The Edge*)

### **US: Non-farm payroll surges in September with 254k jobs added, beating expectations**

The US economy added 254k jobs in September 2024, much higher than an upwardly revised 159k in August, and well above forecasts of 140k. It is the strongest job growth in six months and higher than the average monthly gain of 203k over the prior 12 months. Meanwhile, payrolls figures for July were revised up by 55k from 89k to 144k, and the change for August was revised up by 17k from 142K to 159k. With these revisions, employment in July and August combined is 72k higher than previously reported. (*Bloomberg*)

### **US: Fed's paper losses top US\$200bn mark**

US Federal Reserve losses crossed the US\$200bn (RM844bn) point this week, according to data released on Thursday by the central bank. The Fed reported that as of Wednesday, the level of its so-called earnings remittance to the Treasury Department stood at negative US\$201.2bn. The number represents a paper loss that central bank officials have noted does not impair their ability to conduct monetary policy. The negative number is captured in an accounting measure the Fed calls a deferred asset. The Fed must cover this shortfall before it can begin returning excess earnings to the Treasury. (*Reuters*)

### **Malaysia: Import 100,000 tonnes of rice, US\$200m worth of halal meat annually from Pakistan now**

Malaysia will import 100,000 tonnes of basmati rice, as well as buy US\$200m worth of halal meat annually from Pakistan, according to state news agency *Associated Press of Pakistan (APP)*. Prime Minister Shehbaz Sharif assured Malaysian Prime Minister Datuk Seri Anwar Ibrahim that Pakistan would not compromise on the quality of halal meat to be exported, the *APP* reported late on Thursday (Oct 3). Anwar will "address the discrepancies in the import of Pakistan's rice" into Malaysia, he reportedly said. The meeting between Anwar and Shehbaz also discussed the enhancement of trade and investment, as well as explored avenues of further cooperation in defense, tourism, agriculture, green energy, skilled labor and youth empowerment, the news agency said. (*The Edge*)

## Companies

### **OCR: Sues Kumpulan Jetson over alleged breach of RM88m construction contract**

OCR Group Bhd said the group is suing Kumpulan Jetson Bhd over alleged breaches of an RM88m contract to build four blocks of serviced apartments in Jalan Yap Kwan Seng, Kuala Lumpur. In a filing with Bursa Malaysia on Friday, the property developer said the lawsuit was filed at the High Court on Thursday by its 50.0%-owned unit O&C Makok Isola Sdn Bhd (OCMI) against Kumpulan Jetson and its wholly-owned subsidiary Jetson Construction Sdn Bhd (JCSB). OCR said OCMI decided to file the suit after terminating the arbitration launched against JCSB on Sept 10 as JCSB failed to pay its share of requisite deposits to the Malaysian Institute of Architects, the governing body for engineers that appoints arbitrators to settle disputes. (*The Edge*)

### **Pestech: Dhaya Maju to acquire 57.5% stake in Pestech for RM160m or 12 sen per share**

Privately owned rail construction company Dhaya Maju Infrastructure (Asia) Sdn Bhd is taking up a 57.5% stake in Pestech International Bhd for RM160m through a restricted issue. In a filing to Bursa Malaysia on Friday, Pestech announced that it had entered into a conditional subscription agreement with Dhaya Maju for the subscription of 1.34bn restricted shares at 12 sen apiece, totalling RM160m. On Aug 16, Pestech and Dhaya Maju had signed a head of agreement (HOA), under which Dhaya Maju was to acquire up to a 51% stake in the electrical engineering firm at 15.5 sen per share, amounting to approximately RM160m. (*The Edge*)

### **Sanichi: Proposes 10-to-one share consolidation, capital reduction**

Precision plastic injection moulding manufacturer Sanichi Technology Bhd has proposed to consolidate its shares on a 10-to-one basis. The consolidation is aimed at reducing the volatility of Sanichi's share price, which has been trading at a low level, the group's bourse filing on Friday showed. A small fluctuation in the current share price can result in significant percentage changes, it noted. Based on its closing price of two sen on Sept 9, the shares could theoretically adjust to 20 sen post-consolidation. Upon completion, the group's share base will decrease from 1.64bn to 164.3m shares, with a share capital of RM349.3m. (*The Edge*)

### **EG: Buys 24% stake in Thai-based tyre maker for RM26m**

EG Industries Bhd said it is acquiring a 24.0% stake in Thai-based ND Rubber Public Company Ltd (NDR) for 198m baht (RM26.1m) as part of its expansion into the 5G photonics and embedded electric vehicle (EV) market in that country. NDR manufactures rubber components for automotive and electronic equipment, and makes motorcycle tyres, inner tubes, and airlocks, serving both original equipment manufacturers and replacement equipment manufacturers in domestic and international markets. In a bourse filing on Friday, EG Industries said it plans to establish a testing centre for EV 5G photonics modules in Thailand. This facility will be set up by NDR's newly formed subsidiary, Xtronic Co Ltd. (*The Edge*)

### **SDCG: Plans to expand energy services into Brunei**

Renewable energy company Solar District Cooling Group Bhd announced on Friday its plans to expand its solar and energy efficiency services into Brunei. Its wholly owned subsidiary, Solar District Cooling Sdn Bhd, has entered a memorandum of understanding (MOU) with Brunei-based Serikandi Oil Field Services Sdn Bhd to explore collaboration opportunities, its bourse filing showed. Solar District Cooling said the partnership aims to enhance business prospects in Brunei, particularly in solar-powered air-conditioning, solar thermal systems and energy-efficient solutions. The collaboration will also cover the provision and maintenance of building management systems, gas-fired chillers and chilled water systems. (*The Edge*)

**Gamuda: Takes over management of Paya Indah Discovery Wetlands in Kuala Langat**

Gamuda Land Bhd, the property arm of Gamuda Bhd has taken over the management and operations of Paya Indah Discovery Wetlands at Gamuda Cove, Kuala Langat. The 1,111-acre wetlands were opened to the public in Jan 2020 and jointly managed by Gamuda Land Leisure and Perhilitan until Oct 2024. According to a media statement on Thursday, this follows the recent tripartite signing of a memorandum of agreement (MOA) between Gamuda Land, the federal government and the Selangor state government. (*The Edge*)

**Velesto: To further enhance rig capabilities via collaboration with SLB**

Velesto Energy Bhd has inked a memorandum of understanding (MOU) for a three-year collaboration with SLB to enhance its rig capabilities. Designated Velesto rigs will incorporate well delivery solutions and drilling emissions management solutions from SLB (formerly Schlumberger), to enhance and optimise drilling performance and monitor emissions, Velesto said in a statement. The MOU was signed between SLB and Velesto's wholly owned unit Velesto Drilling Sdn Bhd at the SLB Digital Forum 2024 in Monaco. In the last three months, the group has completed its mandatory five-yearly periodical inspection, maintenance and upgrade of two rigs, Naga 2 in August and Naga 6 in October. (*The Edge*)



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.79	0.06	8.15
British American Tobacco (M)	Consumer	7.79	0.63	8.13
KIP REIT	REIT	0.92	0.07	7.83
Hektar REITS	REIT	0.52	0.04	7.57
MAG Holdings	Consumer	1.19	0.09	7.56
Magnum	Consumer	1.19	0.09	7.56
Amway (M)	Consumer	6.87	0.50	7.23
Genting Malaysia	Consumer	2.36	0.16	6.95
Datasonic Group	Technology	0.45	0.03	6.67
UOA REITS	REIT	0.97	0.06	6.63
Paramount Corporation	Property	1.02	0.07	6.57
RHB Bank	Finance	6.19	0.40	6.41
MBM Resources	Consumer	5.90	0.38	6.41
Pavilion REIT	REIT	1.44	0.09	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