



Daily Newswatch

Market Review

The FBM KLCI finished higher on Monday closing at 1,635.3 (+0.3%), in line with positive regional bourses performance as investors digest the upbeat US job data from last Friday. Among the index constituents, the top gainers were SIME (+4.2%), PMETAL (+3.7%) and PPB (+2.8%). In terms of sectors, the positive performance was led by Health Care (+1.1%) as well as Technology (+1.7%). Overall, the broader market breadth was positive, with 548 gainers outweighing 476 decliners.

Economics

- Malaysia:** PM foresees Budget 2025 enhancing economic framework, equitable distribution
- Malaysia:** Continues to amass forex reserves, now at US\$119.7bn
- Japan:** BOJ highlights broadening wage, price gains but warns of risks
- EU:** Will 'quite probably' cut rates this month

Companies

- Dayang:** Bags accommodation workboat contracts from Petronas Carigali
- Hibiscus:** Completes 30% stake acquisition in largest Peninsular Malaysia offshore block
- Uzma:** Secures commercial operation date for 50MW solar farm in Kedah
- HeiTech Padu:** Aborts Souqa Fintech deal less than two weeks after agreement
- Mega Fortis:** Security seals maker Mega Fortris inks underwriting agreement
- Tuju Setia:** Bags RM318m construction job

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	1,635.3	0.3	12.4
Dow Jones	42,352.8	0.8	12.4
Nasdaq CI	18,137.9	1.2	20.8
S&P 500	5,751.1	0.9	20.6
FTSE 100	8,297.1	0.2	7.3
Nikkei 225	39,332.7	1.8	17.5
Shanghai CI	3,336.5	8.1	12.2
HSI	23,099.8	1.6	35.5
STI	3,599.2	0.3	11.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,762.7	(10.9)
Value traded (RM m)	2,743.9	2.9
Gainers	548	
Losers	476	
Unchanged	529	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
KEY ALLIANCE	0.005	0.0	89.2
OCR	0.035	0.0	54.7
ARMADA	0.515	3.0	44.5
SANICHI	0.015	0.0	42.6
VELESTO	0.210	2.4	35.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	13.980	(2.1)	172.5
CIMB	7.960	0.5	129.8
GAMUDA	7.850	(0.8)	125.0
PB BANK	4.560	0.7	79.3
MAYBANK	10.500	0.0	78.5

Currencies	Last Close	% Chg
USD/MYR	4.284	(1.5)
USD/JPY	148.31	0.3
EUR/USD	1.0959	(0.1)
USD/CNY	7.0187	(0.1)
US Dollar Index	102.58	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	79.6	2.0
Gold (USD/troy oz)	2,657	0.1
CPO (MYR/metric t)	4,395	(0.1)
Bitcoin (USD/BTC)	63,216	0.9

Economics

Malaysia: PM foresees Budget 2025 enhancing economic framework, equitable distribution

Prime Minister Datuk Seri Anwar Ibrahim expressed optimism about Budget 2025 after signing documents at the Ministry of Finance today, noting that it will strengthen the economic framework and promote equitable distribution. Budget 2025 will be tabled in Parliament on Oct 18, 2024. "With optimism, I anticipate that during the budget presentation on October 18, further enhancements to the economic framework will be unveiled, aiming to facilitate a more equitable distribution of accelerated economic growth among a wider population," he wrote on the X platform. He also expressed sincere gratitude to all those who contributed to the formulation of Budget 2025. (*The Star*)

Malaysia: Continues to amass forex reserves, now at US\$119.7bn

Malaysia continued to build up foreign reserves and amassed the biggest hoard in nearly a decade at the end of September, according to the central bank. The latest international reserves totalled US\$119.7bn, the most since Dec 15, 2014, compared with US\$117.6bn as at Sept 13, Bank Negara Malaysia (BNM) said in a statement on Monday. The reserves level has taken into account the quarterly foreign exchange revaluation changes. "The reserves position is sufficient to finance 4.8 months of imports of goods and services, and is 0.9 times the total short-term external debt," BNM said. The short-term external debt comprises borrowings from non-residents with maturity of one year or less, mostly by resident banks for their foreign currency liquidity operations as well as multinational corporations, including foreign banks, borrowing from their overseas parents or headquarters. (*The Edge*)

Japan: BOJ highlights broadening wage, price gains but warns of risks

The Bank of Japan (BOJ) said broadening wage hikes were underpinning consumption and prodding more firms in regional areas to pass on rising labour costs, signalling the economy was making progress towards meeting the prerequisite for more interest rate hikes. But the central bank warned that some small and medium-sized firms were struggling to earn enough profits to hike wages, a development that "required vigilance". "This year's wage increases were helping push up consumption with some firms pointing to the effect of solid spending by the younger generation, which enjoyed fairly big pay hikes," the BOJ said on Monday in a quarterly report on regional economies. The report will be among factors the BOJ will scrutinise at its next policy-setting meeting on Oct 30-31, when the board will also conduct a quarterly review of its growth outlook. (*Reuters*)

Europe: Will 'quite probably' cut rates this month

The European Central Bank (ECB) will "quite probably" cut interest rates at its next meeting later this month, according to Governing Council member Francois Villeroy de Galhau. Inflation fell below the ECB's 2% target in September and the core measure of price increases should gradually recede close to that level in 2025, the Bank of France chief said in an interview with *La Repubblica*. He also said that market expectations for inflation in 2025 are below 1.8% — even lower than the ECB's forecast. "All this means that the balance of risks is shifting," he said. "In the last two years, our main risk was to overshoot our 2% target. Now we must also pay attention to the opposite risk of undershooting our objective due to a weak growth and a restrictive monetary policy for too long." The French central bank chief has been quiet on ECB policy in recent weeks, a period during which expectations for a rate cut at the Oct 17 decision have gone from near-zero to almost certain. (*Bloomberg*)

Companies

Dayang: Bags accommodation workboat contracts from Petronas Carigali

Dayang Enterprise Holdings Bhd has secured order awards from Petronas Carigali Sdn Bhd for six accommodation work boats. The contracts come with different charter durations of between 61 and 153 days for each vessel. “The value of the contracts are based on the work orders issued by Petronas Carigali throughout the duration of the contracts,” Dayang said in a statement. The contracts involve four Dayang vessels and two vessels under its 64%-owned Perdana Petroleum Bhd, based on the list of vessels provided by Dayang in its filing and Perdana’s fleet on its official website. (*The Edge*)

Hibiscus: Completes 30% stake acquisition in largest Peninsular Malaysia offshore block

Hibiscus Petroleum Bhd said that it has completed the farm-in arrangement with Petronas Carigali Sdn Bhd to acquire a 30% participation interest in the PM327 production sharing contract (PSC). The independent oil and gas company’s indirect wholly owned unit Straits Hibiscus Sdn Bhd has received regulatory approvals from the national oil firm Petroliaam Nasional Bhd (Petronas), through Malaysia Petroleum Management (MPP), it said in a filing to Bursa Malaysia. Hibiscus had announced on Aug 23, the plan to acquire the 30% stake in PM327, the largest exploration block offshore of Peninsular Malaysia, which is located to the south of the PM3 Commercial Arrangement Area (PM3 CAA) in the Northeast Malay Basin, offshore Malaysia and Vietnam. (*The Edge*)

Uzma: Secures commercial operation date for 50MW solar farm in Kedah

Oil and gas services provided Uzma Bhd said its maiden 50-megawatt (MW) large-scale solar 4 (LSS4) project located in Sungai Petani, Kedah has reached its commercial operation date (COD) on Sept 25. Uzma Kuala Muda Sdn Bhd, the group’s indirect wholly owned subsidiary, received the Energy Commission’s (EC) no-objection letter on Oct 4, the group’s bourse filing on Monday showed. Uzma Kuala Muda was incorporated by Uzma Environergy Sdn Bhd (Uzma Environergy), Uzma’s wholly owned renewable energy arm. (*The Edge*)

HeiTech Padu: Aborts Souqa Fintech deal less than two weeks after agreement

HeiTech Padu Bhd has terminated its agreement to acquire a 30% stake in Souqa Fintech Sdn Bhd, less than two weeks after entering into the share subscription agreement (SSA). In a filing to the stock exchange on Monday, the technology services provider said its wholly owned subsidiary Synergy Grid Sdn Bhd had issued a notice of rescission “under clause 3.3 of the SSA”, rendering the agreement null and void with immediate effect. (*The Edge*)

Mega Fortis: Security seals maker Mega Fortis inks underwriting agreement for Main Market IPO

Security seals manufacturer Mega Fortis Bhd on Monday signed an underwriting agreement with RHB Investment Bank Bhd and AmlInvestment Bank Bhd for its proposed initial public offering (IPO) on the Main Market of Bursa Malaysia. The Selangor-based company, which is partly backed by Singapore’s Oversea-Chinese Banking Corp, said in a statement that it expects to be listed within the fourth quarter of 2024. RHB Investment is the IPO’s sole principal adviser, joint underwriter and joint placement agent, while AmlInvestment Bank serves as the joint underwriter and joint placement agent. Mega Fortis group managing director and chief executive officer Datuk Adrian Ng Meng Poh said the IPO reflects the company’s commitment to expand its security seal business as well as to enter new markets, including its upcoming factory in the UK and a new venture in Macao. (*The Edge*)

Tuju Setia: Bags RM318m construction job

Tuju Setia Bhd, which is valued at RM66.5m, said its joint venture (JV) company has secured a RM317.6m contract to build a new block at Gleneagles Hospital in Jalan Ampang. Tuju Setia-GPQ JV — an unincorporated JV between Tuju Setia’s wholly owned unit Pembinaan Tuju Setia Sdn Bhd and GPQ Sdn Bhd, a unit of Terengganu Incorporated Sdn Bhd — was awarded the contract by Ampang 210 Sdn Bhd,. The JV will undertake the design and construction of Block C of the hospital, with a project duration of 37 months, slated to begin this month. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	7.70	0.63	8.22
Sentral REIT	REIT	0.78	0.06	8.21
KIP REIT	REIT	0.92	0.07	7.83
MAG Holdings	Consumer	1.17	0.09	7.69
Magnum	Consumer	1.17	0.09	7.69
Hektar REITS	REIT	0.52	0.04	7.50
Amway (M)	Consumer	6.87	0.50	7.23
Datasonic Group	Technology	0.44	0.03	6.82
UOA REITS	REIT	0.97	0.06	6.63
Genting Malaysia	Consumer	2.41	0.16	6.60
MBM Resources	Consumer	5.80	0.38	6.52
RHB Bank	Finance	6.16	0.40	6.46
Paramount Corporation	Property	1.05	0.07	6.38
Tambun Indah Land	Property	0.95	0.06	6.35
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		
Crest Group Berhad	ACE Market	0.35	130.7	130.9	25 Sep	9 Oct
Northeast Group Berhad	ACE Market	0.50	169.0	51.8	3 Oct	15 Oct
Sorento Capital Berhad	ACE Market	0.37	155.0	74.0	15 Oct	28 Oct
OB Holdings Berhad	ACE Market	0.24	120.0	0	15 Oct	29 Oct

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