



Daily Newswatch

Market Review

The FBM KLCI ended the day almost unchanged, closing at 1,635.6 amid a mixed regional market. Among the index constituents, the top gainers were YTLPOWR (+2.8%) and MRDIY (+2.4%), while the top decliners were PETDAG (-2.6%) and CDG (-2.5%). Of note, 99SMART gained 5.6%, bringing its market capitalisation to RM20.7bn and ranking it 26th on Bursa Malaysia now. Sector wise, the positive performance was led by Construction (+1.4%) and Property (+1.1%), while the top decliners were led by Technology (-0.5%) and Consumer Products and Services (-0.4%). Overall, the broader market breadth was slightly positive, with 567 gainers outpacing 486 decliners.

Economics

- Malaysia:** World Bank raises growth forecast to 4.9% after stronger-than-expected first half of 2024
- Malaysia:** Continues to amass forex reserves, now at US\$119.7bn
- Hong Kong:** Banks tap Hong Kong's discount window for most funds since 2019
- US:** Fed's Musalem argues for more rate cuts, says data to drive easings

Companies

- MClean Tech:** Announces diversification, private placement and capital reduction
- Ireka Corp:** Secures RM1.1bn highway upgrade job in Sabah
- Media Prima:** Clarifies Syed Mokhtar remains as its substantial shareholder
- Seal Incorporated:** To diversify into renewable energy
- Public Bank:** Public Bank, LPI Capital shares to be suspended pending major announcement

Upcoming key economic data releases

	<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	1,635.6	0.0	12.4
Dow Jones	42,080.4	0.3	11.7
Nasdaq CI	18,182.9	1.4	21.1
S&P 500	5,751.1	1.0	20.6
FTSE 100	8,190.6	(1.4)	5.9
Nikkei 225	38,937.5	(1.0)	16.4
Shanghai CI	3,489.8	4.6	17.3
HSI	20,926.8	(9.4)	22.8
STI	3,575.7	(0.7)	10.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,255.0	17.8
Value traded (RM m)	2,672.4	(2.6)
Gainers	567	
Losers	486	
Unchanged	508	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VELOCITY	0.060	(14.3)	238.7
KHPT	0.215	7.5	194.1
BPURI	0.360	0.0	40.7
CIMB	7.960	0.0	37.3
99 SPEEDMART	2.460	5.6	33.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.960	0.0	296.9
TNB	14.180	1.4	112.3
MAYBANK	10.480	(0.2)	94.0
GAMUDA	7.990	1.8	85.2
99 SPEEDMART	2.460	5.6	81.1

Currencies	Last Close	% Chg
USD/MYR	4.2873	(0.1)
USD/JPY	148.24	(0.0)
EUR/USD	1.0976	(0.0)
USD/CNY	7.0633	(0.6)
US Dollar Index	102.55	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	77.2	(4.6)
Gold (USD/troy oz)	2,623	0.0
CPO (MYR/metric t)	4,329	(0.5)
Bitcoin (USD/BTC)	62,013	(0.5)

Economics

Malaysia: World Bank raises growth forecast to 4.9% after stronger-than-expected first half of 2024

The World Bank has raised its forecast for Malaysia's economic growth for 2024 to 4.9%, up 0.6 percentage points from its previous forecast of 4.3% in April 2024, following the country's stronger-than-anticipated performance in the first half of the year that reflected robust growth in consumption, investment, and trade activity. As an open trading economy, Malaysia is benefiting from the upcycle in global economic growth, which is expected to stabilise around 2.6% this year, despite ongoing geopolitical tensions and high interest rates, according to the World Bank's lead economist for Malaysia, Dr Apurva Sanghi. (*The Edge*)

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 of Sept 13, Bank Negara Malaysia (BNM) said in a statement on Monday. The reserves level has considered 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*)

Hong Kong: Banks tap Hong Kong's discount window for most funds since 2019

Hong Kong banks borrowed the largest amount of short-term cash in almost five years from authorities, a move pointing to a sudden demand for liquidity. The Hong Kong Monetary Authority — the city's de facto central bank — loaned out HK\$4.8bn (US\$617m or RM2.6bn) through its discount window on Monday, the most since December 2019. Lenders have tapped the facility six times in about a month, with the next largest amount HK\$3.3bn. The lending comes amid a climb in borrowing costs in the city, where one-month Hong Kong interbank offered rates have climbed to the highest in around two months. Demand for local assets amid a Chinese stock surge has contributed to the increase in Hibor, as supply of the Hong Kong dollar tightened. (*Bloomberg*)

US: Fed's Musalem argues for more rate cuts, says data to drive easings

Federal Reserve Bank of St Louis president Alberto Musalem said on Monday that he supports more interest rate cuts, as the economy moves forward on a healthy path, while noting that it is appropriate for the central bank to be cautious and not overdo easing monetary policy. "Further gradual reductions in the policy rate will likely be appropriate over time," the official said at a meeting of the Money Marketeers of New York University, noting that "patience" has served the Fed well. "I will not prejudge the size or timing of future adjustments to policy." Musalem, who took office earlier this year and who does not hold a vote on the rate-setting Federal Open Market Committee (FOMC), spoke as the interest rate outlook has once again been upended. (*Reuters*)

Companies

MClean Tech: Announces diversification, private placement and capital reduction

MClean Technologies Bhd is proposing a 25% private placement, acquisition of a plastic injection moulding business and diversification into the plastic injection moulding business, together with a proposed share capital reduction. In a statement, the precision cleaning and surface treatment solutions provider said it is acquiring the plastic injection moulding business from We Total Engineering Sdn Bhd for a net book value of RM6m. "The proposed acquisition and the diversification represent a strategic move by MClean Group to enhance its revenue streams, diversify its service offerings while gaining access to We Total's well-established customer base in key industries such as electrical and electronic, automotive, oil and gas, and medical devices." Additionally, MClean said it plans to issue up to 49.3m new shares via private placement to potential investors, representing 25% of its issued share capital. (*The Star*)

Ireka Corp: Secures RM1.1bn highway upgrade job in Sabah

Ireka Corp Bhd, a Practice Note 17 (PN17) construction company, has secured a sub-contract worth RM1.1bn for the upgrade of a section of the Pan Borneo Highway in Sabah. The two-year sub-contract, granted by Sabah-based Gammerlite Sdn Bhd, involves the upgrading of the road from Kampung Lomou Baru to Kampung Toupus, Ireka said in a statement on Tuesday. "The award of this contract is a testament to Ireka's technical expertise and long-standing reputation for delivering large-scale infrastructure projects. This achievement further strengthens Ireka's position in the construction sector, contributing to the group's future growth and sustainability goals," the company said. (*The Edge*)

Media Prima: Clarifies Syed Mokhtar remains as its substantial shareholder

Media Prima Bhd has clarified that Tan Sri Syed Mokhtar Al-Bukhary remains a substantial media group shareholder. This comes after Aurora Mulia Sdn Bhd's (AMSB) confirmation in a letter that it still holds a direct interest of 353.8m shares, representing 31.9% of Media Prima, and Syed Mokhtar continues to hold his substantial shareholding in the company via AMSB, said Media Prima in a statement. Media Prima emphasised that this clarification is intended to ensure complete transparency and address any potential misinterpretations arising from the company's announcement to Bursa Malaysia on Oct 7, 2024. (*The Edge*)

Seal Incorporated: To diversify into renewable energy

Seal Incorporated Bhd is proposing to diversify its existing principal activities to include investment in renewable energy (RE) and related activities. In a filing with Bursa Malaysia, Seal, which is primarily involved in property investment, building contractor, project manager for property development and extraction and sale of timber, said its revenue had been declining for the past three financial years up to the financial year ended June 30, 2024. "The group's financial performance over the financial years under review had mainly relied on property development and property investment which collectively contributed approximately 86% of the group's total revenue. (*The Edge*)

Public Bank: Public Bank, LPI Capital shares to be suspended pending major announcement

Trading of Public Bank Bhd and LPI Capital Bhd shares will be suspended from 9 am on October 9, pending the release of a material announcement. In a filing with Bursa Malaysia, it said trading in the structured warrants relating to Public Bank will also be suspended at the same time. LPI Capital and Public Bank closed up 22 sen each, closing at RM13.00 and RM4.57, amid speculation of potential corporate developments at Public Bank. Public Bank is scheduled to hold a press conference on Oct 11. During the conference, managing director and chief executive officer Tan Sri Dr. Tay Ah Lek, along with several key stakeholders, will share important updates and information related to a "major announcement", according to the media invite sent on Tuesday. (*The Star*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	7.64	0.63	8.29
Sentral REIT	REIT	0.79	0.06	8.15
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	0.53	0.04	7.43
Amway (M)	Consumer	6.88	0.50	7.22
Datasonic Group	Technology	0.44	0.03	6.82
Genting Malaysia	Consumer	2.37	0.16	6.71
UOA REITS	REIT	0.97	0.06	6.60
MBM Resources	Consumer	5.80	0.38	6.52
RHB Bank	Finance	6.20	0.40	6.42
Paramount Corporation	Property	1.06	0.07	6.32
Tambun Indah Land	Property	0.95	0.06	6.32
Pavilion REIT	REIT	1.46	0.09	6.30

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		
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

Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. ("Mercury Securities") and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities' website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Published & Printed By:

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
Email: mercurykl@mersec.com.my