



Daily Newswatch

Market Review

The FBM KLCI closed higher on Thursday at 1,640.9 (+0.4%) in line with positive regional performance. Among the index constituents, the top gainers were CDB (+1.7%), YTLPOWER (+1.4%), and MISC (+1.2%). Sector-wise, the positive performance was led by Technology (+0.9%) and Property (0.7%), Overall, the broader market breadth was positive, with 567 gainers outweighing 434 decliners.

Economics

- Malaysia:** UAE enhance trade prospects after concluding economic partnership negotiations
- US:** Fed's half-point cut is hard to repeat with FOMC in no hurry
- China:** Kicks off 500bn yuan swap facility to aid stock market
- Malaysia:** Unemployment rate Malaysia falls to 3.2% in August 2024

Companies

- Public Bank:** To acquire 44.2% stake in LPI Capital for RM1.7bn, triggering MGO at RM9.80
- Sapura:** Issues show cause letters to Shahrman, appoints Reza Abdul Rahim as acting MD
- Sunway:** Jointly develop Singapore land for mixed-use development worth S\$668.3m
- KTJS:** Secures second subcontract from SunCon unit for data centre job in Selangor
- MGB:** Undertake RM861m GDV mixed development, residential projects in Seri Kembangan
- Tropicana:** Sells land in Johor for RM240m

Upcoming key economic data releases

	Date
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	1,640.9	0.4	12.8
Dow Jones	42,454.1	0.1	12.7
Nasdaq CI	18,282.1	(0.1)	21.8
S&P 500	5,780.1	(0.2)	21.2
FTSE 100	8,237.7	(0.1)	6.3
Nikkei 225	39,380.9	0.3	18.1
Shanghai CI	33,301.9	1.3	11.0
HSI	21,252.0	3.0	24.7
STI	32,585.3	(0.3)	10.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,254.9	0.7
Value traded (RM m)	2,672.3	8.1
Gainers	567	
Losers	434	
Unchanged	540	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PERTAMA	0.310	26.5	111.5
MYEG	0.935	3.3	65.1
TOPGLOV	1.030	(1.9)	64.2
FOCUS	0.020	(20.0)	51.5
ARMADA	0.510	(1.0)	40.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.080	0.6	156.2
TNB	14.380	(0.3)	113.9
GAMUDA	8.190	0.1	84.8
MAYBANK	10.540	0.4	71.4
YTL	2.500	2.5	70.8

Currencies	Last Close	% Chg
USD/MYR	4.2908	0.2
USD/JPY	148.64	0.1
EUR/USD	1.0933	(0.3)
USD/CNY	7.0672	0.2
US Dollar Index	102.89	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	79.3	(0.1)
Gold (USD/troy oz)	2,629	(0.1)
CPO (MYR/metric t)	4,285	0.8
Bitcoin (USD/BTC)	60,251	0.0

Economics

Malaysia: UAE enhance trade prospects after concluding economic partnership negotiations

Malaysia and the United Arab Emirates (UAE) have successfully concluded the negotiations for a Comprehensive Economic Partnership Agreement (Cepa), set to eliminate or reduce tariffs, lower trade barriers, foster private-sector collaboration, and create new investment opportunities. Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz said the Cepa, as Malaysia's first free trade agreement (FTA) with a Gulf Cooperation Council (GCC) nation, will enhance trade, boost investments, and deepen Malaysia-UAE economic ties. "We view the UAE as a strategic hub for Malaysian exporters to access markets in the Middle East, North Africa and certain parts of Europe, particularly as Malaysian exports, such as electrical and electronics, machinery, jewelry, prepared foodstuff, tropical fruits, palm oil, cocoa and rubber, will immediately enjoy zero import duties when this agreement comes into force. (*Bernama*)

US: Fed's half-point cut is hard to repeat with FOMC in no hurry

US Federal Reserve (Fed) chair Jerome Powell is unlikely to win another big interest-rate cut from his policy committee so long as the labour market holds up. Powell described the move as a recalibration aimed at making sure the labour market remained strong at his press conference after officials reduced the benchmark lending rate by a half percentage point to a range of 4.8% to 5%. The move broke with the gradualism typical of Fed interest-rate changes. Some officials described their support of the move as arising from recent inflation data that convinced them the rate of price changes was headed towards their 2% target. Nevertheless, minutes of the meeting showed there was a preference among some officials to cut rates at a more gradual pace, possibly because the economy remains remarkably resilient even in the face of what Fed officials call "restrictive" policy. (*Bloomberg*)

China: Kicks off 500bn yuan swap facility to aid stock market

China's central bank said on Thursday that it would start accepting applications from financial institutions to join a newly created funding scheme, initially worth 500bn yuan (US\$70.6bn, or RM303.7bn), to aid the capital market. The People's Bank of China (PBOC) said eligible securities firms, fund companies and insurers can apply to join the swap scheme, which gives them easier access to funding to buy stocks. The announcement came after Chinese stocks tumbled on Wednesday, following a blistering rally, as previous investor enthusiasm about Beijing's plans to revive the economy waned. (*Reuters*)

Malaysia: Unemployment rate in Malaysia falls to 3.2% in August 2024

August's unemployment rate fell to 3.2%, registering 558,500 unemployed persons, according to the Labour Force Statistics for August released by the Department of Statistics Malaysia (DOSM) on Thursday. The rate dropped by 0.1% points to 3.2%, after nine months registering a rate of 3.3%. Chief Statistician Datuk Seri Dr Mohd Uzir Mahidin said Malaysia's labour market in August continued to expand, driven by encouraging economic growth with a continuous increase in the number of employed persons, while the number of unemployed persons continues to decline, as well as the unemployment rate. Similarly, the unemployment rate for youth aged 15 to 30 also went down by 0.1 percentage points to 6.4%, recording 428,500 unemployed youth, as compared to the previous month (July 2024: 6.5%; 433,100 persons). (*Bernama*)

Companies

Public Bank: To acquire 44.2% stake in LPI Capital for RM1.7bn, triggering MGO at RM9.80

Public Bank Bhd, the third-largest bank in Malaysia by assets, is acquiring a 44.2% stake in insurer LPI Capital Bhd for RM1.7bn in cash from the family of the late Tan Sri Teh Hong Piow. Teh, who passed away in 2022, founded Public Bank as well as LPI, which mainly provides general insurance. His estate holds a 1.4% direct stake in LPI and another 42.7% through its private vehicle Consolidated Teh Holdings Sdn Bhd. On Thursday, Public Bank inked a conditional sale and purchase agreement with Consolidated Teh and the estate for the proposed acquisition of 175.9m shares in LPI. (*The Edge*)

Sapura: Issues show cause letters to Shahrman, appoints Reza Abdul Rahim as acting MD

Sapura Resources Bhd said on Thursday that it has issued show cause letters to its managing director Datuk Shahrman Shamsuddin and appointed a new acting MD. Shahrman "remains on leave of absence", the company said in a filing with Bursa Malaysia. The filing did not reveal the duration of Shahrman's leave of absence, but *The Edge*, citing sources, said the leave has been extended for another month. "Pursuant to the investigative proceedings conducted by the company in respect of matters relating to Datuk Shahrman's contract of employment, show cause letters have been issued to Datuk Shahrman," said Sapura Resources. "The investigative proceeding is still underway, and no determination has been made." The company said it has redesignated its non-independent non-executive director Reza Abdul Rahim as executive director and appointed him as acting MD, effective Thursday. (*The Edge*)

Sunway: Jointly develop Singapore land for mixed-use development worth S\$668.3m

Sunway Bhd's unit Sunway Developments Pte Ltd (SDPL), together with Hoi Hup Realty Pte Ltd, have been awarded a parcel of land by the Housing and Development Board of Singapore. This was after the duo's successful joint tender for the land. The leasehold land, measuring 23,512 square meters at Tampines, will be used for a mixed commercial and residential development at S\$668.3m. Hoi Hup and SDPL will incorporate a JV company, in which Hoi Hup or its nominee companies, and SDPL, shall have equity interest in the proportion of 65:35 later, to undertake the development of the land. (*The Edge*)

KJTS: Secures second subcontract from SunCon unit for data centre job in Selangor

KJTS Group Bhd said on Thursday that it has secured a subcontract worth RM12.3m for a data centre project in Selangor. In a bourse filing, the building support services provider said the subcontract for the supply and installation of air-conditioning and mechanical ventilation pipework, complete with equipment, was awarded by Sunway Engie DC Sdn Bhd. Sunway Engie is 70% owned by Sunway Engineering Sdn Bhd and 30% by Engie Services Malaysia Sdn Bhd. Sunway Engineering, in turn, is fully owned by Sunway Construction Sdn Bhd, a wholly owned unit of Sunway Construction Group Bhd. This is the second subcontract KJTS received from Sunway Engie within a month. The first, awarded on Sept 23, was worth RM23.8m and involved work at a data centre in Sedenak Tech Park, Johor. (*The Edge*)

MGB: Undertake RM861m GDV mixed development, residential projects in Seri Kembangan

Construction and property development company MGB Bhd said it will undertake mixed development and residential projects on 26 acres of land in Taman Bukit Serdang, Seri Kembangan with a combined gross development value (GDV) of RM861.4m. The company, which is 58%-owned by LBS Bina Group Bhd, said it is teaming up with Talam Transform Bhd to develop 16.5 acres of land for a mixed development project that includes commercial shop lots and affordable housing under the Rumah Selangorku scheme. MGB also signed a deal with Kandis Permai Sdn Bhd to develop 9.5 acres of Malay reserved land into area residential units exclusively for Bumiputera homeowners, the company said in a statement. (*The Edge*)



Tropicana: Sells land in Johor for RM240m

Tropicana Corp Bhd is disposing of 38.527 acres of freehold land in Gelang Patah, Johor to Computility Technology (M) Sdn Bhd (CTMSB) for RM240m. In a statement, Tropicana said CTMSB is wholly-owned by ZData Cloud Technology Pte Ltd, which in turn is an indirect wholly-owned subsidiary of ZData Technologies Co Ltd, a leading provider of cloud-network convergence and digitised information technology infrastructure services company, with its headquarters in Beijing, China. "CTMSB plans to use the land to establish its regional data centre hub in Johor," it said. (*The Star*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	7.57	0.63	8.36
Sentral REIT	REIT	0.79	0.06	8.15
KIP REIT	REIT	0.93	0.07	7.78
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	6.85	0.50	7.26
Datasonic Group	Technology	0.45	0.03	6.74
Genting Malaysia	Consumer	2.36	0.16	6.69
MBM Resources	Consumer	5.73	0.38	6.60
UOA REITS	REIT	0.98	0.06	6.56
RHB Bank	Finance	6.20	0.40	6.42
Paramount Corporation	Property	1.05	0.07	6.38
Tambun Indah Land	Property	0.95	0.06	6.32
Gas Malaysia	Utilities	3.71	0.23	6.28

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 Bhd	ACE Market	0.50	169.0	51.8	3 Oct	15 Oct
Sorento Capital Bhd	ACE Market	0.37	155.0	74.0	15 Oct	28 Oct
OB Holdings Bhd	ACE Market	0.24	120.0	0	15 Oct	29 Oct
3Ren Bhd	ACE Market	0.28	110.0	45.0	23 Oct	6 Nov

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