



Daily Newswatch

Market Review

The FBM KLCI ended in negative territory today at 1,642.5 (-0.2%), as it continued its consolidation phase amid the lack of buying catalysts. Among the index constituents, the top decliners were PETDAG (-1.9%), YTL (-1.3%) and TENAGA (-1.2%). Sector-wise, the negative performance was led by Property (-0.4%), Utilities (-0.3%) and Energy (-0.2%). All in all, the overall broader market breadth remained negative, with 509 losers outweighing 460 gainers.

Economics

- **Malaysia:** BNM's international reserves at US\$119.6bn as at Oct
- **US:** America's most famous inflation gauge is easing but some of the biggest expenses are left out
- **US:** Four Fed policymakers favour more rate cuts, but differ on pace
- **Global:** IMF lowers global growth forecast, warns of increasing risks

Companies

- **Green Ocean:** Proposes RM92.5m share capital reduction
- **Teo Seng:** Proposes one-for-one bonus issue as share price reaches new peak
- **Gamuda:** JV wins RM4.3bn MRT job in Taiwan
- **Willowglen MSC:** Secures RM16.4m security system contract
- **HSS Engineers:** Unit inks JV with OPUS International
- **Bahvest:** Signs exclusive gold mining agreement with substantial shareholder's vehicle

Upcoming key economic data releases

	<u>Date</u>
Malaysia – Sep 2024 CPI	24 Oct
US – Oct 2024 NFP	1 Nov
US – Oct 2024 Unemployment	1 Nov
US – Oct 2024 ISM Manufacturing PMI	1 Nov
Malaysia – Nov 2024 Interest Rate	6 Nov
US – Nov 2024 Fed Interest Rate	7 Nov
Malaysia – Sep 2024 Unemployment	8 Nov
US – Oct 2024 CPI	13 Nov
US – Oct 2024 PPI	14 Nov
EU – Oct 2024 GDP Growth Rate	14 Nov
EU – Oct 2024 Inflation Rate	19 Nov
Malaysia – Oct 2024 Inflation Rate	22 Nov

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,642.5	(0.2)	12.9
Dow Jones	42,924.9	(0.0)	13.9
Nasdaq CI	18,573.1	0.2	23.7
S&P 500	5,851.2	(0.0)	22.7
FTSE 100	8,306.5	(0.1)	7.4
Nikkei 225	38,412.0	(1.4)	14.8
Shanghai CI	3,285.9	0.5	10.5
HSI	20,499.0	0.1	20.2
STI	3,587.4	(0.8)	10.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,666.7	(11.7)
Value traded (RM m)	2,492.1	13.9
Gainers	460	
Losers	509	
Unchanged	540	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NICE	0.175	6.1	79.8
MYEG	0.885	(0.6)	74.1
ALPHA	0.360	(1.4)	32.8
AIZO	0.145	0.0	30.5
BAHVEST	0.800	2.6	25.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	8.540	4.1	165.7
CIMB	8.160	(0.5)	147.5
TENAGA	14.460	(1.2)	144.3
PBBANK	4.550	(0.4)	79.5
IHH	7.230	0.4	78.7

Currencies	Last Close	% Chg
USD/MYR	4.328	(0.5)
USD/JPY	151.08	0.0
EUR/USD	1.0797	(0.0)
USD/CNY	7.1235	(0.0)
US Dollar Index	104.08	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	76.0	2.4
Gold (USD/troy oz)	2,747	(0.1)
CPO (MYR/metric t)	4,517	1.5
Bitcoin (USD/BTC)	67,523	0.0

Economics

Malaysia: BNM's international reserves at US\$119.6bn as at Oct

Malaysia's international reserves stood at US\$119.6 bn (RM516.9bn) as of Oct 15, 2024, compared to US\$119.7bn on Sept 30, 2024. The reserves position was sufficient to finance 4.8 months of imports of goods and services, and is 0.9 times the total short-term external debt, Bank Negara Malaysia (BNM) said in a statement on Tuesday. The main components of the reserves were foreign currency reserves (US\$106.6bn), followed by International Monetary Fund reserves position (US\$1.3bn), special drawing rights or SDRs (US\$5.9bn), gold (US\$3.3bn) and other reserve assets (US\$2.5bn). (*Bernama*)

US: America's most famous inflation gauge is easing but some of the biggest expenses are left out

Price pressures have eased substantially over the past two years, but a disconnect remains between what US inflation data show and what millions of Americans experience with their finances. That's in part because price levels are still higher than they were before the pandemic. Another explanation: the government's key inflation measure excludes a few major everyday costs that have surged in recent years. Property taxes, tips and interest charges from credit cards to auto loans aren't factored into the Bureau of Labor Statistics' consumer price index. The CPI also leaves out a key aspect of home insurance, as well as brokerage fees and under-the-table payments to babysitters and dog walkers — costs that can add up. (*Bloomberg*)

US: Four Fed policymakers favour more rate cuts, but differ on pace

Four US Federal Reserve (Fed) policymakers on Monday expressed support for further interest-rate cuts, but appeared to differ on how fast or far they believe any cuts should go. Three of them, citing the strength of the economy and an uncertain outlook, expressed a preference for going slow, using words like "modest" and "gradual" to describe their views on the right pace of rate cuts. The fourth, San Francisco Fed president Mary Daly, said she feels Fed policy is "very tight" and does not believe that a strong economy, as long as inflation continues to fall, should keep the central bank from continuing to reduce rates. (*Reuters*)

Global: IMF lowers global growth forecast, warns of increasing risks

The International Monetary Fund (IMF) has downgraded its global growth forecast for next year to 3.2%, citing risks from geopolitical conflicts, trade protectionism, and ongoing economic uncertainty. While inflation is expected to decrease to 4.3% in 2025, the IMF warns that the world economy's current growth levels are insufficient to address poverty and climate change. The forecast for the euro area was reduced due to weak manufacturing in Germany and Italy, while Mexico's projections were cut significantly due to tighter monetary policy. The IMF praised central banks for managing inflation without causing recessions, though it highlighted potential risks from monetary policy effects and rising global debt. (*Bloomberg*)

Companies

Green Ocean: Proposes RM92.5m share capital reduction

Loss-making Green Ocean Corp Bhd has proposed to undertake a RM92.5m share capital reduction to wipe out the food and beverage (F&B) distributor's accumulated losses. The ACE Market-listed company has been in the red for four consecutive years, racking up losses totalling RM60.8m by end-September 2023. The RM92.5m to be credited from the share capital reduction will be used to set off the accumulated losses and give rise to retained earnings of RM31.4m based on audited financial statements for the 15-month financial period ended Sept 30, 2023. (*The Edge*)

Teo Seng: Proposes one-for-one bonus issue as share price reaches new peak

Teo Seng Capital Bhd proposed a one-for-one bonus issue of up to 300m shares to reward shareholders. As of Sept 30, the egg producer has an issued share capital of RM60m comprising 300m shares. In a Bursa Malaysia filing, Teo Seng said its share price adjusted for the bonus issue must not be less than 50 sen, based on the daily volume-weighted average market price (VWAMP) for the three-month period before the application date, to comply with Bursa's listing requirements. (*The Star*)

Gamuda: JV wins RM4.3bn MRT job in Taiwan

Gamuda Bhd and its joint-venture partners have been awarded a RM4.3bn contract by the New Taipei City Government to deliver the Xizhi Donghu MRT in Taiwan, with Gamuda holding a 75% share. The contract also includes potential additional works worth RM10.8bn, which could bring the total project value to RM15.1bn. The seven-year project involves elevated viaducts, six stations, and system works to enhance Taiwan's urban transport network. (*The Edge*)

Willowglen MSC: Secures RM16.4m security system contract

Willowglen MSC Bhd's wholly-owned subsidiary Willowglen Services Pte Ltd has secured a contract of about RM16.4m from Kandenko Co Ltd Singapore for the supply and installation of hardware and software for the security system for electrical facilities. The date of commencement is on Oct 22, 2024, and will be completed by May 30, 2028. (*The Star*)

HSS Engineers: Unit inks JV with OPUS International

HSS Engineers Bhd's wholly-owned subsidiary HSS Engineering Sdn Bhd has entered into a joint venture and shareholders' agreement with OPUS International (M) Bhd, a sub-subsiary of UEM Edgenta Bhd, to provide engineering and technical services. The principal activities of the joint venture company would be to provide engineering and project management consultancy and advice and other ancillary services relating to engineering and construction projects. It would also provide assets management consultancy and advise and related services, and provide energy efficiency and sustainability-related services. Under the agreement, HSS Engineering will have a 40% stake in the joint venture company while OPUS will own the majority 60%. (*The Star*)

Bahvest: Signs exclusive gold mining agreement with substantial shareholder's vehicle

Bahvest Resources Bhd had entered into an exclusive prospecting and contract of works agreement with Aurelius Borneo Mining Sdn Bhd, which is involved in gold mining. Prospecting is the first stage of the geological analysis of a territory in search of gold. According to the salient terms of the agreement, it was stipulated that Bahvest's wholly owned subsidiary Wullersdorf Resources Sdn Bhd (WRSB) shall collaborate with Aurelius exclusively to explore, prospect, sample, survey and drill for gold-containing ore at Mt Andrassy in Tawau, Sabah, spanning across 18,000 hectares. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.16	0.20	9.31
British American Tobacco (M)	Consumer	7.42	0.61	8.17
Sentral REIT	REIT	0.80	0.06	8.00
KIP REIT	REIT	0.91	0.07	7.91
MAG Holdings	Consumer	1.18	0.09	7.63
Magnum	Consumer	1.18	0.09	7.63
Hektar REITS	REIT	0.53	0.04	7.36
Amway (M)	Consumer	6.99	0.50	7.11
Datasonic Group	Technology	0.43	0.03	7.06
Genting Malaysia	Consumer	2.30	0.16	6.87
REXIT	Technology	0.77	0.05	6.49
UOA REITS	REIT	1.00	0.06	6.40
Paramount Corporation	Property	1.06	0.07	6.32
Tambun Indah Land	Property	0.95	0.06	6.32
MBM Resources	Consumer	6.05	0.38	6.25

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		
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
Azam Jaya Bhd	Main Market	0.78	78.8	50.0	24 Oct	11 Nov
Mega Fortris Bhd	Main Market	0.67	147.9	147.9	28 Oct	11 Nov
Life Water Bhd	Main Market	0.65	97.6	28.4	30 Oct	13 Nov

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Published & Printed By:

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