



Daily Newswatch

Market Review

The FBM KLCI ended marginally lower today at 1,641.5 (-0.1%), underpinned by the intense last-minute selling of the index heavy-weighted counters. Between the index constituents, PMETAL (-1.9%), SDG (-1.2%) and AXIATA (-1.2%) are the top 3 underperformers. Sector-wise, Health Care (-0.9%) was the most underperformed sector as it was dragged by negative performance from DPHARMA (-3.6%), KOSSAN (-2.3%) and SUPERMX (-1.8%). However, the overall broader market breadth turned positive, with 563 gainers outnumbered 471 losers.

Economics

- **Singapore:** Core inflation supports tight policy stance
- **UK:** Higher UK deficit piles pressure on chancellor before Budget
- **Japan:** Bonds are latest casualties as Fed rate fears jolt markets
- **Malaysia:** Strong support for chip sector under Budget 2025

Companies

- **TDM:** Launches RM1.5bn sukuk programme
- **LFE Corp:** Secures related-party construction contract
- **Keyfield:** Establishes RM1bn sukuk programme
- **TAS Offshore:** Secures RM49m shipbuilding contracts
- **ABM Fujiya:** Chinese battery maker to land 40% stake of its unit for RM48m
- **Capitaland:** Sustainability-linked loans total RM752m to date
- **Capital A:** Announces capital reduction of up to RM6bn, scraps unit's SPAC listing on Nasdaq
- **Master Tac:** Completes acquisition of 51% stake in Sediacom

Upcoming key economic data releases

	Date
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	1,641.5	(0.1)	12.8
Dow Jones	42,515.0	(1.0)	12.8
Nasdaq CI	18,276.7	(1.6)	21.8
S&P 500	5,797.4	(0.9)	21.5
FTSE 100	8,258.6	(0.6)	6.8
Nikkei 225	38,104.9	(0.8)	13.9
Shanghai CI	3,302.8	0.5	11.0
HSI	20,760.2	1.3	21.8
STI	3,600.8	0.4	11.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,238.4	21.4
Value traded (RM m)	2,643.0	6.1
Gainers	563	
Losers	471	
Unchanged	541	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
INGENIEU	0.055	10.0	344.3
CAPITALA	0.990	1.5	68.7
DATAPRP	0.150	(11.8)	57.9
MYEG	0.895	1.1	52.5
SIMEPROP	1.500	1.4	43.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.420	(0.3)	195.6
GAMUDA	8.500	(0.5)	149.7
CIMB	8.180	0.2	101.9
RHBBANK	6.490	1.2	77.3
MAYBANK	10.620	0.0	76.4

Currencies	Last Close	% Chg
USD/MYR	4.3512	(0.5)
USD/JPY	152.79	(0.0)
EUR/USD	1.0781	(0.0)
USD/CNY	7.1302	(0.1)
US Dollar Index	104.43	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	75.0	(1.4)
Gold (USD/troy oz)	2,717	0.0
CPO (MYR/metric t)	4,531	(0.7)
Bitcoin (USD/BTC)	66,421	(0.2)

Economics

Singapore: Core inflation supports tight policy stance

Singapore's core inflation rose to 2.8% in September, driven by healthcare and education costs, surpassing expectations and indicating persistent price pressures. Headline inflation slowed to 2%, the lowest in 3.5 years, but still above the median forecast. The Monetary Authority of Singapore (MAS) forecasts core and headline inflation to ease to 1.5%-2.5% by 2025 and considers current price risks more balanced. Despite these trends, MAS is likely to maintain tight monetary policy for now, with potential adjustments next year if conditions allow. *(Reuters)*

UK: Higher UK deficit piles pressure on Chancellor before Budget

The UK government reported a larger-than-expected deficit of £79.6bn for the first half of the fiscal year, increasing pressure on Chancellor Rachel Reeves to raise taxes and borrow more to fund higher spending. September's borrowing was £16.6bn, which, while below forecasts, marked the third-highest shortfall for the month. Although total government debt remains below the symbolic 100% of GDP mark, it stands at 98.5%, the highest level since the early 1960s. With significant overspending driven by rising costs and pay increases, Reeves faces tough decisions in her upcoming budget to address a projected fiscal black hole of £22bn. *(Bloomberg)*

Japan: Bonds are latest casualties as Fed rate fears jolt markets

Japan's bond yields, particularly on 40-year government debt, have surged to a 16-year high amid a global debt selloff linked to changing expectations for US interest rate cuts. The rise in yields is influenced by uncertainties surrounding Japan's upcoming lower house election and the prospect of further policy normalisation by the Bank of Japan. Concerns about stronger-than-expected US economic data and potential fiscal deficits are also driving yields higher globally. Analysts suggest that ongoing political uncertainties and the yen's weakness could lead to further increases in Japanese bond yields in the near future. *(Bloomberg)*

Malaysia: Strong support for chip sector under Budget 2025

Malaysia's Budget 2025 allocates significant resources to support the National Semiconductor Strategy (NSS) under the New Industrial Master Plan 2030 (NIMP 2030), including a RM1 billion sovereign fund for the electrical and electronics sector and training funds for universities. Tax incentives and support for mid-tier companies are also part of the initiatives aimed at boosting the sector. Investment, Trade and Industry Minister Tengku Zafrul expressed confidence in achieving the targets, noting strong export growth and the manufacturing sector's contribution to a 5% GDP increase. He also emphasised fiscal discipline through measures like agency mergers and expects the country to meet its fiscal targets for 2024. *(Bernama)*

Companies

TDM: Launches RM1.5bn sukuk programme

TDM Bhd plans to raise up to RM1.5bn through a Sukuk Wakalah Programme to fund borrowings, capital expenditure, investments, and general corporate purposes, with a 30-year tenure from its first issuance. The programme, guided by Affin Hwang and Maybank Investment Bank, aims to enhance operational efficiency and optimise TDM's financial structure. (*The Edge*)

LFE Corp: Secures related-party construction contract

LFE Corp Bhd has secured an RM81.7m construction contract from Puncakcity Development Sdn Bhd, appointing its subsidiary LFE Engineering as the main contractor for building works over 32 months. The deal involves related parties, as LFE Corp's executive chairman Chuah Chong Ewe, who holds a 14.38% stake in the company, is also a director of Puncakcity Development with a 70% stake. This marks LFE Corp's third contract with Puncakcity this year, following earlier wins for piling and earthworks contracts. (*The Edge*)

Keyfield: Establishes RM1bn sukuk programme

Keyfield International Bhd has filed for a RM1bn sukuk Wakalah programme with the Securities Commission Malaysia to fund investments, capital expenditure, and working capital, particularly for oil and gas, non-oil and gas offshore projects, and maritime services. The sukuk, rated AA3 with a stable outlook by RAM Rating Services, has a 30-year programme tenure with individual sukuk having tenures of one year or more. CEO Datuk Darren Kee highlighted the programme's role in providing access to competitive debt capital markets, supporting the company's financial stability. (*The Edge*)

TAS Offshore: Secures RM49m shipbuilding contracts

TAS Offshore Bhd has secured contracts to build eight tugboats worth RM49.1m for new customers from Indonesia, with delivery expected in the second quarter of 2025. The contracts are anticipated to boost the company's earnings and net assets for FY2025. In FY2024, Indonesia accounted for 84.3% of TAS Offshore's revenue, with smaller contributions from Singapore and Malaysia. (*The Edge*)

ABM Fujiya: Chinese battery maker to land 40% stake of its unit for RM48m

ABM Fujiya Bhd announced that Chinese battery maker Jujiang Power Technology Co Ltd will acquire a 40% stake in its wholly-owned unit, Fuya Energy Sdn Bhd, for RM48m. This transaction will primarily offset previous cash advances from Jujiang, meaning no new cash proceeds will be received. Jujiang's expertise in lithium battery production is expected to boost Fuya Energy's revenue and profits. The deal is contingent on shareholder approval and is expected to be completed within a year, with the funds previously used to help finance a factory completed in December 2022. (*The Edge*)

Capitaland: Sustainability-linked loans total RM752m to date

Capitaland Malaysia Trust (CLMT) has secured RM752m in sustainability-linked loans, which will reduce financing costs as it improves the sustainability of its portfolio. CEO Tan Choon Siang highlighted the company's commitment to sustainable finance and transitioning to a low-carbon business. CLMT received a three-star rating in the 2024 Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment, exceeding the global average with a score of 78 out of 100. The REIT is implementing green leases, using renewable energy, and aiming for 100% green certification of its properties by 2030. (*The Star*)

Capital A: Announces capital reduction of up to RM6bn, scraps unit's SPAC listing on Nasdaq

Capital A Bhd has proposed a capital reduction of up to RM6bn to offset its accumulated losses as part of a regularisation plan aimed at exiting PN17 status. CEO Tony Fernandes highlighted the group's focus on growing its four core businesses—CAPAS, Teleport, MOVE, and its branding company—which will support AirAsia and the future of Asian aviation. Additionally, the group has decided to cancel its US\$1.2bn SPAC deal to list AirAsia's brand manager on Nasdaq, but may revisit listing its core businesses after completing the regularisation plan. (*The Star*)

Master Tac: Completes acquisition of 51% stake in Sediacom

Master TEC Group Bhd has completed its acquisition of a 51% equity interest in Sediacom Sdn Bhd by subscribing to 1.0m new ordinary shares for RM3.7m, fully funded through internally generated funds. CEO Tee Kok Hwa highlighted that this acquisition enhances Master Tec's service offerings and enables the company to deliver more comprehensive infrastructure solutions while securing larger projects. With Sediacom's expertise and healthy order book, Master Tec aims to expand its market share and drive sustainable growth in the power infrastructure sector, ultimately strengthening its competitive edge and creating long-term value for shareholders. (*The Star*)



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	7.43	0.61	8.16
Sentral REIT	REIT	0.80	0.06	8.00
KIP REIT	REIT	0.92	0.07	7.87
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
Datasonic Group	Technology	0.43	0.03	7.06
Amway (M)	Consumer	7.05	0.50	7.05
Genting Malaysia	Consumer	2.31	0.16	6.84
REXIT	Technology	0.76	0.05	6.58
UOA REITS	REIT	0.99	0.06	6.50
Tambun Indah Land	Property	0.95	0.06	6.32
Paramount Corporation	Property	1.07	0.07	6.26
Sports Toto	Consumer	1.57	0.10	6.24

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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