



Daily Newswatch

Market Review

The FBM KLCI mirrored regional jitters to end lower at 1,601.9 (-0.8%) as the US election nears with polls indicating a closely contested race. Among the index constituents, SIME (-5.3%), MAXIS (-4.7%) and SDG (-3.4%) were among the top three decliners. Sector-wise, the top decliners were led by Plantation (-1.1%), Property (-0.9%) and Technology (-1.2%). In summary, the overall broader market breadth turned negative, with 671 losers outweighing 363 gainers.

Economics

- Malaysia:** Gross loan growth moderates in September 2024, M3 expands slower
- Japan:** BOJ to sit tight as Japan, US elections elevate uncertainty
- China:** Mega banks post profit gains even as margins deteriorate
- Malaysia:** Collected RM500m in anti-dumping duties between 2016 to June 2024

Companies

- Sapura Reources:** Shahrman quits after two months' leave of absence
- AME Elite, KLK:** To jointly develop industrial park in Ijok
- SunCon:** Wins additional RM347m data centre works in Johor
- MN Holdings:** Secures RM63m contract from TNB for energy storage development
- FGV:** Names Fakhrunniam Othman as new group CEO
- Haily:** Bags RM65m housing construction job in Johor
- Deleum:** Unit wins two Petronas jobs for Pan Malaysia services
- Duopharma:** Secures RM87m additional supply contracts from Pharmaniaga
- Ge Shen:** Signs agreement to sell Johor industrial land for RM7.6m
- YTL Power:** Clarifies 1Bestarinet project secured via open tender

Upcoming key economic data releases

	Date
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	1,601.9	(0.8)	10.1
Dow Jones	41,763.5	(0.9)	10.8
Nasdaq CI	18,095.2	(2.8)	20.5
S&P 500	5,705.5	(1.9)	19.6
FTSE 100	8,110.1	(0.6)	4.9
Nikkei 225	39,081.3	(0.5)	16.8
Shanghai CI	3,279.8	0.4	10.2
HSI	20,317.3	(0.3)	19.2
STI	3,558.9	0.0	9.8

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,520.0	1.4
Value traded (RM m)	2,961.1	30.8
Gainers	363	
Losers	671	
Unchanged	474	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PHB	0.005	(50.0)	92.1
TWL	0.025	0.0	87.7
MYEG	0.835	(3.5)	63.2
NE	0.660	(2.2)	35.9
NICE	0.200	8.1	32.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.040	(0.1)	290.4
CIMB	7.990	(1.2)	248.5
MAYBANK	10.500	0.4	192.2
GAMUDA	8.540	1.5	165.4
PBBANK	4.420	(0.9)	119.6

Currencies	Last Close	% Chg
USD/MYR	4.378	0.0
USD/JPY	151.9	0.1
EUR/USD	1.0885	0.0
USD/CNY	7.118	(0.0)
US Dollar Index	103.98	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.8	0.9
Gold (USD/troy oz)	2,746	0.1
CPO (MYR/metric t)	4,800	1.3
Bitcoin (USD/BTC)	70,265	0.5

Economics

Malaysia: Gross loan growth moderates in September 2024, M3 expands slower

Malaysia's gross loan growth moderated in September 2024 amid slower expansion in lending to business and corporate bonds issuance, according to the central bank. Credit to the private, non-financial sector rose 4.8% year-on-year in September, compared to August's 5.2% increase, Bank Negara Malaysia (BNM) said in a statement. Business loans grew 4.5% compared to a 5.1% increase a month earlier, mainly due to deceleration in large firms' borrowings. Still, business loan disbursements were higher in September, with loans to the services sector remaining "forthcoming", while lending moderated for the manufacturing and construction sectors, BNM noted. (*The Edge*)

Japan: BOJ to sit tight as Japan, US elections elevate uncertainty

The Bank of Japan (BOJ) is widely expected to stand pat on Thursday in the face of elevated uncertainty, as financial markets brace for the US presidential election after Japan's polls resulted in a lack of clarity over its next government. Governor Kazuo Ueda and his fellow board members are set to keep the central bank's benchmark interest rate unchanged at 0.3% at the end of the two-day meeting, according to all but one of 53 economists surveyed by *Bloomberg*. The BOJ gathering comes after Sunday's election saw the ruling Liberal Democratic Party (LDP) suffer its worst result in 15 years. The political instability because of the ruling coalition losing its majority likely gives more reason for Ueda to wait and see. He had already indicated he wants to monitor the result of the US election and its implications for the economy and financial markets. (*Bloomberg*)

China: Mega banks post profit gains even as margins deteriorate

China's biggest state-controlled lenders delivered gains in profit in the third quarter even as already record-low net interest margins continued to deteriorate. Industrial & Commercial Bank of China Ltd posted a 3.8% gain in profits, according to a statement Wednesday. Smaller rivals Agricultural Bank of China Ltd, Bank of Communications Co, Bank of China Ltd and China Construction Bank Corp delivered increases ranging from just above 1% to almost 6%. China's US\$61tn (RM267.6tn) banking industry has been battling record low margins, sinking profits and rising bad debt as they have been called on to backstop the sluggish economy. Lenders have been directed to offer cheap loans to the cash-strapped local government financing vehicles and to enact broad cuts to mortgage rates. (*Bloomberg*)

Malaysia: Collected RM500m in anti-dumping duties between 2016 to June 2024

Malaysia had collected an estimated RM500m in anti-dumping duties between 2016 and June 2024, to mitigate the effects of "unfair" imports, said the Ministry of Investment, Trade and Industry (MITI). Its Deputy Minister Liew Chin Tong said this significant figure highlights the substantial impact of unfair trade practices on the domestic industries and reinforces the critical need for strong trade defense mechanisms. (*Bernama*)

Companies

Sapura Resources: Shahrman quits after two months' leave of absence

Datuk Shahrman Shamsuddin, managing director of property and aviation outfit Sapura Resources Bhd, has resigned with immediate effect, having been put on garden leave for nearly two months. Shahrman, who together with his brother Tan Sri Shahril Shamsudin holds an indirect 51.5% in Sapura Resources, had been put on garden leave since Sept 11, as the company initiated investigations against him. In a filing with Bursa Malaysia on Wednesday, Sapura Resources said Shahrman has also resigned as director of the company, relinquishing directorship of the company's subsidiaries, including SRB One Sdn Bhd, Aero Handlers Sdn Bhd, Aerodome Services Sdn Bhd and Sapura Technics Sdn Bhd, which is currently under winding-up proceedings by the court. (*The Edge*)

AME Elite, KLK: To jointly develop industrial park in Ijok

AME Elite Consortium Bhd is working together with Kuala Lumpur Kepong Bhd in a joint venture (JV) to develop a new industrial park in Ijok, Selangor. The collaboration marks KLK's inaugural venture into industrial property development and represents an expansion for AME Elite outside of Johor and Penang, where it is a major industrial property developer. "This strategic partnership between AME Elite and KLK marks a significant step in our strategic expansion across Malaysia," said AME Elite group chief executive officer Dylan Tan Teck Eng in a joint statement on Wednesday. (*The Edge*)

SunCon: Wins additional RM347m data centre works in Johor

Sunway Construction Group Bhd has been awarded additional tenant improvement works (TIWs) for its data centre construction project at the Sedenak Tech Park (STeP) in Johor for RM347m. Based on SunCon's bourse filing on Wednesday, the contract was awarded by Yellowwood Properties Sdn Bhd, which brings up the contract amount from RM3.2bn initially to RM3.5bn now. It also said the completion date for the contract remains unchanged, with all phases of both the notice to proceed (NTP) works and TIWs scheduled for completion by February 2026. (*The Edge*)

MN: Secures RM63m contract from TNB for energy storage development

Utilities engineering services firm MN Holdings Bhd has secured an RM63m contract from Tenaga Nasional Bhd to develop a battery energy storage system (BESS). The contract was awarded to MN Holdings, a wholly-owned subsidiary of MN Power Transmission Sdn Bhd, according to the company's filing on Wednesday. BESS is an energy storage system that uses batteries to store and distribute electricity. Under the contract, MN Holdings will carry out the extension of a new 1 x 132-kilovolt (kV) overhead line BESS interconnection facilities bay for TNB, at its existing transmission main intake 132/11kV Santong (air insulated switchgear, or AIS). (*The Edge*)

FGV: Names Fakhrunniam Othman as new group CEO

FGV Holdings Bhd has appointed Fakhrunniam Othman as group chief executive officer (CEO) of the plantation group effective Nov 1. Fakhrunniam, 57, is currently the group divisional director of FGV's logistics and support division, a position he has held since Jan 1, 2023. His career spanned over 31 years which started with Caltex Oils Malaysia Ltd in 1992. He also has extensive experience with FGV Group since joining as an accountant with Felda Holdings Bhd (FHB) in 2000. (*The Edge*)

Haily: Bags RM65m housing construction job in Johor

Haily Group Berhad has secured a contract worth RM65m for the construction and completion of a housing project in Tebrau, Johor. This comprises 206 units of double-storey terrace houses and one power substation. The contract was secured through its wholly-owned subsidiary Haily Construction Sdn Bhd on Wednesday, which had accepted the Letter of Award for the project from Akipro Architect Sdn Bhd, on

behalf of Austin Senibong Development Sdn Bhd. (*The Edge*)

Deleum: Unit wins two Petronas jobs for Pan Malaysia services

Deleum Bhd's 86.7%-owned indirect subsidiary Deleum Technology Solutions Sdn Bhd (DTS) has bagged two contracts for the provision of Pan Malaysia offshore maintenance, construction, modification (MCM) and hook-up commissioning (HUC) services. The contract value was not disclosed. In a bourse filing on Wednesday, Deleum said the contracts are for Package A1 - Peninsular Malaysia Asset (PMA), which is oil-related, and Package A4 - Sarawak Asset (SKA), which is gas-related. The two contracts were awarded by Petronas Carigali Sdn Bhd to DTS. The scope of works includes the provision of manpower, tools and equipment, materials, consumables and other related services. (*The Edge*)

Duopharma: Secures RM87m additional supply contracts from Pharmaniaga

Duopharma Biotech Bhd has secured five additional supply contracts from Pharmaniaga Bhd, totalling RM87.7m, to provide 10 pharmaceutical and non-pharmaceutical products to government offices and facilities that Pharmaniaga operates. All additional contracts will remain valid and binding until Dec 31, 2026, or any other date specified by the government, Duopharma said in a filing with Bursa Malaysia. Pharmaniaga's wholly owned subsidiary Pharmaniaga Logistics Sdn Bhd awarded 4 letters of offer (LOOs) to Duopharma (M) Sdn Bhd, and one LOO to Duopharma Manufacturing (Bangi) Sdn Bhd. (*The Edge*)

Ge Shen: Signs agreement to sell Johor industrial land for RM7.6m

Contract manufacturer Ge-Shen Corporation Bhd announced on Wednesday that it is selling a plot of industrial land in Johor for RM7.6m. The land in Tebrau, measuring about 0.5 hectare, also has a factory sitting idle, Ge-Shen said in an exchange filing. The sale to Sim-Ray Engineering Sdn Bhd would provide the company an opportunity to unlock and realise the value of its investment in the property, Ge-Shen noted. (*The Edge*)

YTL Power: Clarifies 1Bestarinet project secured via open tender

YTL Power International Bhd has clarified that the company was awarded the 1Bestarinet project through an open tender process, brushing off accusations of misconduct. The electric utility company said the tender was awarded to YTL Power as the most technically compliant and cost-effective bid among 18 bidders, highlighting the company's capabilities and merit. "We would like to clarify that we have diligently carried out our contractual obligations to the government since the project's inception. "To the best of our knowledge, we have not breached any contractual terms or violated any laws," it said in a filing to Bursa Malaysia at Wednesday. (*The Star*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	7.21	0.61	8.40
Sentral REIT	REIT	0.80	0.06	8.05
Datasonic Group	Technology	0.39	0.03	7.79
KIP REIT	REIT	0.93	0.07	7.74
Hektar REITS	REIT	0.54	0.04	7.29
MAG Holdings	Consumer	1.18	0.09	7.29
Magnum	Consumer	1.18	0.09	7.29
Amway (M)	Consumer	6.95	0.50	7.15
REXIT	Technology	0.71	0.05	7.04
Genting Malaysia	Consumer	2.25	0.16	7.02
Paramount Corporation	Property	1.03	0.07	6.50
Sports Toto	Consumer	1.52	0.10	6.45
UOA REITS	REIT	1.00	0.06	6.43
Tambun Indah Land	Property	0.94	0.06	6.38
Gas Malaysia	Utilities	3.74	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		
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
Metro Healthcare	ACE Market	0.25	156.6	-	04 Nov	15 Nov
Supreme Consolidated Bhd	ACE Market	0.25	70.0	-	15 Nov	29 Nov

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