



# Daily Newswatch

## Market Review

The FBM KLCI recovered earlier losses and closed higher today at 1,620.7 (+0.3%), driven by strong late buying activities that lifted the benchmark index to its intraday high. Market expectations suggest that Bank Negara's Monetary Policy Committee (MPC) will maintain the Overnight Policy Rate (OPR) unchanged during its meeting tomorrow. Among the index constituents, MAXIS (+2.8%), SDG (+2.0%) and PPB (+1.7%) were among the top three outperformers. Sector-wise, the top-performing sectors were led by Health Care (+0.7%), Financial Services (+0.6%) and Plantation (+0.4%). Overall, the broader market breadth remained positive, with 512 gainers outnumbered 476 losers.

## Economics

- **China:** Services growth picks up more than expected after stimulus
- **US:** Equity funds record biggest weekly outflow in five weeks
- **Malaysia:** Islamic finance set to revitalise economy with three core principles
- **EU:** UK services sector lost steam in lead up to the budget, PMI shows

## Companies

- **Smile-link, MCOM:** To be suspended after failing to meet results deadline
- **IOI Corp:** Allocates land in Johor for solar power plant
- **TCS Group:** Secures RM86m construction contract from Sime Darby Property
- **Aneka Jaringan:** Secures RM39m construction contract in Kuala Lumpur
- **T7 Global:** ExxonMobil awards T7 Global Pan-Malaysia offshore maintenance services contract
- **Gagasan Nadi Cergas:** Buys student hostel management concession for RM185m

### 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	1,620.7	0.3	11.4
Dow Jones	42,221.9	1.0	12.0
Nasdaq CI	18,439.2	1.4	22.8
S&P 500	5,782.8	1.2	21.2
FTSE 100	8,172.4	(0.1)	5.7
Nikkei 225	38,474.9	1.1	15.0
Shanghai CI	3,387.0	2.3	13.9
HSI	21,007.0	2.1	23.2
STI	3,581.6	0.3	10.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,587.1	7.1
Value traded (RM m)	2,474.5	15.0
Gainers	512	
Losers	476	
Unchanged	496	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CEB	0.360	4.3	70.7
SORENTO	0.425	7.6	47.4
AIZO	0.155	6.9	39.9
TAWIN	0.025	66.7	36.7
OBHB	0.270	1.9	36.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	8.690	0.5	179.2
CIMB	8.120	1.0	150.0
TENAGA	14.080	0.0	128.2
MAYBANK	10.540	1.0	101.0
PCHEM	5.030	(8.0)	98.8

Currencies	Last Close	% Chg
USD/MYR	4.3385	0.2
USD/JPY	151.56	0.0
EUR/USD	1.092	(0.1)
USD/CNY	7.1047	(0.0)
US Dollar Index	103.42	(0.4)

Commodities	Last Close	% Chg
Brent (USD/barrel)	75.5	0.6
Gold (USD/troy oz)	2,744	(0.0)
CPO (MYR/metric t)	4,907	(0.1)
Bitcoin (USD/BTC)	69,476	0.5

## Economics

### **China: Services growth picks up more than expected after stimulus**

China's service activity expanded at the fastest pace since July, a private survey showed, a sign that consumer demand may be on the mend after Beijing's recent barrage of stimulus measures to shore up growth. The Caixin China services purchasing managers' index rose to 52 in October from 50.3 the previous month, according to a statement released by Caixin and S&P Global on Tuesday. The expansion exceeded a median forecast of 50.5 by economists in a *Bloomberg* survey. A reading above 50 suggests growth. "Supply and demand continued to grow as the market improved," Wang Zhe, senior economist at Caixin Insight Group, said in a statement. "Businesses expressed confidence in macroeconomic conditions in the near term." (*Bloomberg*)

### **US: Equity funds record biggest weekly outflow in five weeks**

US equity funds saw substantial outflows in the week to Oct 30 as investors exercised caution ahead of Tuesday's presidential election and a Federal Reserve policy decision on Wednesday. According to LSEG data, investors divested a net US\$5.8bn (RM25.5bn) worth of US equity funds during the week, the most since the seven days to Sept 25. Investors ditched US growth funds worth a net US\$4.1bn in the largest weekly selloff since Oct 2. Value funds also saw US\$2.2bn of net outflows. The industrial, gold and precious metals, and healthcare sectors suffered net outflows amounting to US\$779m, US\$392m and US\$278m respectively. The consumer discretionary sector attracted US\$478m worth of net inflows. (*Reuters*)

### **Malaysia: Islamic finance set to revitalise economy with three core principles**

Islamic finance holds substantial potential to revitalise the economy through three core principles — Maqasid Shariah, innovation, and global integration, said Bank Negara Malaysia (BNM). BNM governor Datuk Seri Abdul Rasheed Ghaffour outlined these principles as embedding Maqasid Shariah in economic and sustainable reforms, advancing innovation for value-based solutions, and enhancing global integration for mutual development and shared prosperity. (*Bernama*)

### **EU: UK services sector lost steam in lead up to the budget, PMI shows**

Britain's services sector lost momentum in the run-up to the new government's first budget in October, with business activity growing at the weakest rate in 11 months and the first fall in employment since December, a survey showed on Tuesday. The S&P Global UK Services Purchasing Managers Index stood at 52.0 last month from September's 52.4 — the slowest pace of increase since November 2023. October's reading was slightly higher than a preliminary estimate of 51.8. The composite PMI — which combines the services data with last week's downwardly revised manufacturing survey — also fell to an 11-month low, slipping to 51.8 from September's 52.6. (*Reuters*)

## Companies

### **Smile-link, MCOM: To be suspended after failing to meet results deadline**

Trading in the shares of Smile-Link Healthcare Global Bhd and MCOM Holdings Bhd will be suspended on Friday (Nov 8) due to the two LEAP Market companies' failure to submit their annual audited financial statements for the period ended June 30, 2024, said Bursa Malaysia Securities. Smile-Link and MCOM have also failed to submit their auditors' and directors' reports for the financial period within the stipulated time frame, Bursa Securities said in filings by the two companies. Trading in their shares from Friday at 9am until further notice, the exchange regulator said, adding that if the companies failed to submit the relevant statements within six months from the expiry of the timeframe, the exchange may commence delisting procedures against them. (*The Edge*)

### **IOI Corp: Allocates land in Johor for solar power plant**

IOI Corp Bhd said on Tuesday that it allocated part of its aged plantation landbank in Johor to build a solar power plant in a move to venture into the renewable energy sector. The group did not disclose the land size, saying the project is still in its early stages. IOI Corp's total landbank in Johor spans 23,961ha, according to the group's latest annual report. IOI Corp managing director and CEO Datuk Lee Yeow Chor said the solar power project will be developed through a consortium comprising three or four partners. (*The Edge*)

### **TCS Group: Secures RM86m construction contract from Sime Darby Property**

TCS Group Holdings Bhd has secured an RM86.4m contract from Sime Darby Property Bhd for the construction of 60 units of two-storey semi-detached factories at the Elmina Business Park in Sungai Buloh. The two-year contract will commence in December, said TCS, adding that it will fund the works via internally generated funds and borrowings. In a statement, TCS managing director Datuk Tee Chai Seng said this new job further supports the company's growth momentum, providing strong earnings visibility for the next two to three years. (*The Edge*)

### **Aneka Jaringan: Secures RM39m construction contract in Kuala Lumpur**

Construction firm Aneka Jaringan Holdings Bhd has secured an RM39m contract to undertake earthwork, piling, pile caps and contiguous bored piling works in Jalan Pantai Sentral, Kuala Lumpur. The three-phase contract was awarded to its wholly-owned subsidiary, Aneka Jaringan Sdn Bhd, by GDP Architects Sdn Bhd on behalf of Murni Lapisan Sdn Bhd, the company said in its filing to Bursa Malaysia. The contract is set to commence on Nov 7, 2024, with completion expected by Mar 6, 2026, according to the bourse filing. (*The Edge*)

### **T7 Global: ExxonMobil awards T7 Global Pan-Malaysia offshore maintenance services contract**

T7 Global Bhd has secured a contract from ExxonMobil Exploration and Production Malaysia Inc. for an enabling agreement for the provision of Pan-Malaysia offshore maintenance, construction, modification (MCM) and hook-up commissioning (HUC) services. The contract is for Package B2 — Guntong and awarded to its wholly-owned unit Tanjung Offshore Services Sdn Bhd, said the oil and gas service provider in a bourse filing. The contract is effective from Dec 1, 2024 for five years, with an optional extension of three years, followed by another two years. (*The Edge*)

### **Gagasan Nadi Cergas: Buys student hostel management concession for RM185m**

Gagasan Nadi Cergas Bhd is acquiring Serata Ehsan Sdn Bhd and Seri Delima Anggun Sdn Bhd for RM185m to gain full ownership of Konsortium PAE Sepakat Sdn Bhd, which manages student hostel concessions at seven polytechnics. This acquisition aims to expand Gagasan Nadi's portfolio from two to nine hostels and enhance profitability through economies of scale. Expected to be completed by Q3 2025, the acquisition will be financed through internal funds, sukuk, or bank borrowings and is anticipated to yield an annual return of around 7%. (*The Edge*)



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.03	0.20	9.90
Sentral REIT	REIT	0.80	0.06	8.05
British American Tobacco (M)	Consumer	8.05	0.65	8.02
KIP REIT	REIT	0.93	0.07	7.78
Datasonic Group	Technology	0.39	0.03	7.69
Hektar REITS	REIT	0.53	0.04	7.36
Amway (M)	Consumer	6.91	0.50	7.19
MAG Holdings	Consumer	1.21	0.09	7.11
Magnum	Consumer	1.21	0.09	7.11
Genting Malaysia	Consumer	2.28	0.16	6.93
Paramount Corporation	Property	1.03	0.07	6.50
Sports Toto	Consumer	1.56	0.10	6.41
UOA REITS	REIT	1.00	0.06	6.40
Tambun Indah Land	Property	0.95	0.06	6.32
REXIT	Technology	0.80	0.05	6.29

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
<a href="#">Life Water Bhd</a>	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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