



Daily Newswatch

Market Review

The FBM KLCI continued the positive momentum yesterday and closed higher today at 1,634.2 (+0.8%), buoyed by increased risk appetite after Bank Negara maintained the overnight policy rate (OPR) at 3%. YTL (+5.7%), YTLF (+4.0%) and PMETAL (+3.9%) were the top 3 gainers among the index constituents. Sector-wise, Technology (+6.2%) was the top-performing sector mainly driven by the expectation of a stronger US dollar after Donald Trump's claimed victory in the US Presidential election. Overall, the broader market breadth turned more positive, with 849 gainers outnumbered 352 losers.

Economics

- Malaysia:** Services producer price index up 0.3% in 3Q, official data show
- Malaysia:** Bank Negara leaves OPR unchanged at 3%
- Malaysia:** KL records RM49.5bn in export value in 9M2024
- US:** Trump wins presidential election in a deeply divided country

Companies

- Pharmaniaga:** Axes free warrants in RM654m fundraising plan
- F&N:** Flags cash flow impact from delayed milk production
- Deleum:** Buys an additional 16% stake in power and machinery unit Turboservices
- Haily:** Outstanding order book breaches RM1bn as it bags RM89.9m construction job in Johor
- Binasat:** Wins RM13.3m civil works job

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,634.2	0.8	12.3
Dow Jones	43,729.9	3.6	16.0
Nasdaq CI	18,983.5	3.0	26.5
S&P 500	5,929.0	2.5	24.3
FTSE 100	8,166.7	(0.1)	5.6
Nikkei 225	39,480.7	2.6	18.0
Shanghai CI	3,383.8	(0.1)	13.7
HSI	20,538.4	(2.2)	20.5
STI	3,603.0	0.6	11.2

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,397.7	31.3
Value traded (RM m)	2,923.9	18.2
Gainers	849	
Losers	352	
Unchanged	428	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
3REN	0.395	41.1	181.0
GENETEC	0.950	37.7	105.7
CEB	0.365	1.4	91.9
TOPGLOV	1.160	7.4	56.4
MYEG	0.885	4.7	53.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.200	1.0	149.4
TENAGA	14.380	2.1	105.9
GENETEC	0.950	37.7	90.7
PCHEM	5.000	(0.6)	88.0
PBBANK	4.490	1.4	87.1

Currencies	Last Close	% Chg
USD/MYR	4.4035	(1.3)
USD/JPY	154.5	0.1
EUR/USD	1.0731	0.0
USD/CNY	7.1753	(1.0)
US Dollar Index	105.09	1.6

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.9	(0.8)
Gold (USD/troy oz)	2,664	0.2
CPO (MYR/metric t)	5,000	0.0
Bitcoin (USD/BTC)	75,777	(0.2)

Economics

Malaysia: Services producer price index up 0.3% in 3Q, official data show

Malaysia's services producer price index (PPI) increased marginally by 0.3% year-on-year to 115.8 in the third quarter of 2024 (3Q2024), compared with a 0.7% increase in 2Q2024, said the Department of Statistics Malaysia (DOSM). Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the arts, entertainment and recreation index rose 5.4% in 3Q2024, against 7.7% in the previous quarter, contributed by the other amusement and recreation activities (0.9%). "The index of accommodation and food and beverage service activities continued to increase by 2.4% (2Q2024: 2.4%), attributed to beverage service activities (3.7%) and restaurants and mobile food service activities (2.5%)," he said in a statement on Wednesday. (*Bernama*)

Malaysia: Bank Negara leaves OPR unchanged at 3%

Bank Negara Malaysia (BNM) has kept the overnight policy rate (OPR) unchanged at 3% as widely expected as it noted the continued expansion of the global economy and the sustained strength of domestic economic activities with inflation remaining "modest". The benchmark interest rate decision was made by the Monetary Policy Committee (MPC) at its meeting on Wednesday, it said in a statement. "At the current OPR level, the monetary policy stance remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects. "The MPC remains vigilant to ongoing developments to inform the assessment on the domestic inflation and growth trajectories going into 2025. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability," BNM said. (*The Edge*)

Malaysia: KL records RM49.5bn in export value in 9M2024

Kuala Lumpur plays an important role in the country's economic growth, recording an export value of RM49.5bn, an increase of 4.9% in the first nine months of 2024 (9M2024), compared to the same period last year, according to Malaysia External Trade Development Corporation (MATRADE). MATRADE chairman Datuk Seri Reezal Merican Naina Merican said this positive growth is driven by key sectors, including refined petroleum products, integrated electronic circuits, telecommunications equipment, parts, and accessories. He noted that Kuala Lumpur is one of the critical destinations in the national export sector, given its export connectivity to major trading partners, such as China, the United States, Indonesia and Singapore last year. (*Bernama*)

US: Trump wins presidential election in a deeply divided country

Donald Trump scored a decisive victory in a deeply divided United States. In so doing, the Republican president-elect exposed a fundamental weakness within the Democratic base and beat back concerns about his moral failings, becoming the first US president with a felony conviction. The Republican former president won over frustrated voters with bold promises that his fiery brand of America-first economic populism and conservative culture would make their lives better. He will be tested immediately, however, and there are reasons to believe his plans for mass deportations and huge tariffs may hurt the very people who enabled his victory. Still, he is set to enter the White House on Jan 20, 2025, from an undisputed position of strength. With votes still being counted, he could become the first Republican in two decades to win the popular vote. (*The Star*)

Companies

Pharmaniaga : Axes free warrants in RM654m fundraising plan

Pharmaniaga Bhd has revised its regularisation plan, which aims to lift it out of Practice Note 17 (PN17) status, by adjusting the capital reduction and excluding warrants from its rights issue. The proposed plan now includes an RM520m capital reduction, as well as a rights issue set to raise up to RM353.5m. Meanwhile, an RM300m private placement proposed by the company remained unchanged. Prior to this, the pharmaceutical group had proposed a share capital reduction of RM180m as well as a rights issue with free warrants to raise up to RM354.6m. (*The Edge*)

F&N: Flags cash flow impact from delayed milk production

Fraser & Neave Holdings Bhd has flagged that its cash flow will be affected by the delayed start of milk production at its integrated dairy farm in Gemas, Negeri Sembilan, due to the sudden suspension of imports of dairy cows from the US due to concerns over an avian flu outbreak. Milk production at the farm was supposed to begin in January next year, but now the group is expecting a delay of six to 12 months due to the import issue, its chief executive officer Lim Yew Hoe told reporters during post-earnings briefing on Wednesday. Given that the barns are all ready, Lim said the group's cash flow will be affected during this period. (*The Edge*)

Deleum: Buys an additional 16% stake in power and machinery unit Turboservices

Deleum Bhd is acquiring an additional 16% equity in Turboservices Sdn Bhd from Solar Turbines International Co (STICO) for RM7.3m, raising its stake to 90%. The cash acquisition of shares in the turbomachinery outfit, funded internally, follows a willing-buyer willing-seller negotiation based on Turboservices net tangible assets. At the end of the last financial year ended Dec 31, 2023 (FY2023), Turboservices had net assets of RM52.3m, before adjusted for RM6.4m in dividend paid out. FY2023 profit after tax rose 148.9% to RM25.6m, from RM10.3m. Revenue rose 29.2% to RM522.9m from RM404.7m. Upon completion of the deal expected on Dec 15, the increased ownership will streamline management control and improve Deleum's profit share, while maintaining STICO's 10% holding, the company said. (*The Edge*)

Haily: Outstanding order book breaches RM1bn as it bags RM89.9m construction job in Johor

Haily Group Bhd has secured a contract worth RM89.9m from Mah Sing Group Bhd to build terrace homes for a housing project in Taman Tiara Indah, Johor Bharu, Johor, which pushes the value of its outstanding orders past RM1bn. The latest win raised the group's new project wins for 2024 to RM617.3m, over two times its 2023 total of RM272.1m. So, Haily now has a portfolio of 27 ongoing projects, with a cumulative value of RM1.0bn. These projects are anticipated to be completed progressively between this year and 2026, it said in a statement. (*The Edge*)

Binasat: Wins RM13.3m civil works job

Binasat Communications Bhd has secured a contract worth RM13.3m from Enertra Sdn Bhd to conduct civil works for Amazon's KUL071 132 kilowatts high-voltage substation. In a filing with Bursa Malaysia, Binasat said its scope of works for the project includes (but not limited to) prelims and general requirements, design, site prep/ civil works, road and pavements, site utilities, building and structures, fencing and security systems (external), operating and maintenance, and an optional provisional sum to cater the requirement of 100% PTX oil capacity with lump sum amount of RM217,000. (*The Star*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.06	0.20	9.76
Sentral REIT	REIT	0.80	0.06	8.05
KIP REIT	REIT	0.92	0.07	7.83
British American Tobacco (M)	Consumer	8.05	0.60	7.40
Datasonic Group	Technology	0.41	0.03	7.32
Hektar REITS	REIT	0.54	0.04	7.29
Amway (M)	Consumer	6.87	0.50	7.23
MAG Holdings	Consumer	1.22	0.09	7.05
Magnum	Consumer	1.22	0.09	7.05
Genting Malaysia	Consumer	2.30	0.16	6.87
UOA REITS	REIT	0.99	0.06	6.46
Paramount Corporation	Property	1.04	0.07	6.44
Tambun Indah Land	Property	0.94	0.06	6.38
Sports Toto	Consumer	1.57	0.10	6.37
REXIT	Technology	0.79	0.05	6.33

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		
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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