



Daily Newswatch

Market Review

The FBM KLCI snapped its 4-day consecutive gains and closed lower yesterday at 1,623.3 (-0.7%), underpinned by profit-taking activities among investors following recent gains. For index constituents, the top 3 underperformance were led by YTL (-5.0%), MRDIY (-4.5%) and PMETAL (-3.3%). Sector-wise, Telecommunication & Media (-1.4%), Consumer Products & Services (-1.4%) and Industrial Products & Services (-1.2%) were the top 3 laggards. In summary, the overall broader market breadth turned bearish, with 641 losers outpacing 466 losers.

Economics

- **US:** Initial jobless claims tick up, remaining at pre-Covid levels
- **US:** Labour costs rise more than expected on cooler productivity
- **Global:** Treasury rout pauses after Trump victory as focus turns to Fed
- **UK:** Bank of England cuts rates but sees higher inflation after Reeves' budget

Companies

- **Ekovest:** Lim weighing sale of toll-road assets for RM5bn
- **Eco World:** Inks RM742m land acquisition deal with Boustead Properties
- **KKB Engineering:** Bags jobs totalling RM93m from Petros, other firms
- **Mah Sing:** Acquires 5.24-acre Old Klang Road land for transit-oriented M Aurora
- **Microlink:** Bags RM84m contract to develop screening system for Immigration Department
- **Farm Price:** Proposes one-for-two bonus issue of warrants

<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	1,623.3	(0.7)	11.6
Dow Jones	43,729.3	(0.0)	16.0
Nasdaq CI	19,269.5	1.5	28.4
S&P 500	5,973.1	0.7	25.2
FTSE 100	8,140.7	(0.3)	5.3
Nikkei 225	39,381.4	(0.3)	17.7
Shanghai CI	3,470.7	2.6	16.7
HSI	20,953.3	2.0	22.9
STI	3,673.5	2.0	13.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,776.2	11.1
Value traded (RM m)	3,417.7	16.9
Gainers	466	
Losers	641	
Unchanged	507	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
3REN	0.460	16.5	124.4
GENETEC	0.925	(2.6)	105.1
EKOVEST	0.390	5.4	93.5
TOPG	1.120	(3.4)	60.7
INARI	3.190	6.7	54.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.180	(0.2)	183.2
INARI	3.190	6.7	171.8
TENAGA	14.360	(0.1)	162.5
MAYBANK	10.580	(0.2)	132.5
PBBANK	4.500	0.2	117.7

Currencies	Last Close	% Chg
USD/MYR	4.4043	(0.0)
USD/JPY	153.11	(0.1)
EUR/USD	1.0801	(0.0)
USD/CNY	7.1424	0.5
US Dollar Index	104.51	(0.6)

Commodities	Last Close	% Chg
Brent (USD/barrel)	75.6	0.9
Gold (USD/troy oz)	2,706	(0.0)
CPO (MYR/metric t)	5,017	(0.4)
Bitcoin (USD/BTC)	75,923	(0.0)

Economics

US: Initial jobless claims tick up, remaining at pre-Covid levels

US unemployment benefit applications rose by 3,000 to 221,000 for the week ending November 2, staying near pre-pandemic levels. Continuing claims, reflecting the number of people receiving benefits, reached 1.89 million, the highest since November 2021, partly due to impacts from recent storms and strikes. The four-week moving average of new claims dropped to 227,250, indicating some stabilisation after the storm and Boeing strike disruptions. *(Bloomberg)*

US: Labour costs rise more than expected on cooler productivity

US worker productivity grew at a slower-than-expected pace of 2.2% in the third quarter, while unit labour costs increased by 1.9%, contributing to higher inflationary pressures. Year-over-year, productivity rose by 2%, the slowest in over a year, and unit labour costs surged 3.4%, the highest since late 2022. The Federal Reserve is expected to lower interest rates by a quarter point in its upcoming meeting, though strong economic data and political factors, such as the re-election of Donald Trump, may limit future rate cuts. These trends highlight the ongoing tension between economic growth and inflation risks. *(Bloomberg)*

Global: Treasury rout pauses after Trump victory as focus turns to Fed

A sharp selloff in Treasuries paused as investors shifted focus from Donald Trump's presidential win to upcoming interest rate decisions from central banks, including the Federal Reserve. US bond yields held steady after a 17-basis-point surge, while UK and euro-area bonds saw mixed movements amid global economic uncertainty. The Federal Reserve and Bank of England are expected to implement a quarter-point rate cut, with market participants looking for clues on how Trump's policies, including tax cuts and tariffs, might affect inflation and growth projections. In Europe, Germany's snap election and the UK's fiscal policy are adding to market volatility, with concerns over potential increased fiscal stimulus and its impact on inflation. *(Bloomberg)*

UK: Bank of England cuts rates but sees higher inflation after Reeves' budget

The Bank of England (BOE) cut interest rates to 4.75% from 5% in an 8-1 vote, signalling that future rate cuts would be gradual due to concerns about inflation. Governor Andrew Bailey emphasised the importance of maintaining inflation control while indicating that rates would decrease slowly if economic conditions aligned with forecasts. The BOE projected that recent government budget measures would boost economic growth modestly in 2024 but contribute to higher inflation, delaying the return to its 2% target by a year. Although the BOE adjusted its growth outlook for 2025 upward, it acknowledged that higher market borrowing costs following the budget announcement could temper these forecasts. *(Reuters)*

Companies

Ekovest: Lim weighing sale of toll-road assets for RM5bn

Malaysian tycoon Lim Kang Hoo is exploring selling his toll-road business, in a deal that could value the assets at as much as RM5bn (US\$1.1bn), according to people with knowledge of the matter. Lim, the biggest shareholder of Kuala Lumpur-listed Ekovest Bhd, is working with a financial adviser on the potential divestment of a majority holding in closely held Konsortium Lebuhraya Utara-Timur (KL) Sdn Bhd, also known as Kesturi, said the people, asking not to be named as the process is private. The assets may attract interest from other industry players, the people said. *(Bloomberg)*

Eco World: Inks RM742m land acquisition deal with Boustead Properties

Eco World Development Group Bhd's 81%-owned subsidiary Mutiara Balau Sdn Bhd is acquiring 10 parcels of land in the Semenyih corridor for RM742.4m cash, from Boustead Properties Bhd and its sister companies. In a statement on Thursday, Eco World said to facilitate the deal, Mutiara Balau had entered into two conditional sale and purchase agreements to acquire the parcels of land. This follows Eco World's participation in a request for proposal process, initiated by Boustead Properties, for the development of the land, measuring 847.249 acres in Semenyih. *(The Edge)*

KKB Engineering: Bags jobs totalling RM93m from Petros, other firms

KKB Engineering Bhd has secured contracts worth a combined RM93m from several companies with key projects in the industrial and infrastructure sectors. In a Bursa Malaysia filing on Thursday, KKB noted that the latest contracts include a three-year price agreement from Petroleum Sarawak Bhd (Petros), a sub-contract from Bina Puri Builder Sdn Bhd — a wholly owned unit of Bina Puri Holdings Bhd, and a purchase order from Greenchain Capital Sdn Bhd. The Petros term contract — which is for the re-conditioning, re-qualification and re-painting of liquefied petroleum gas (LPG) cylinders — will extend until the third quarter of 2027. *(The Edge)*

Mah Sing: Acquires 5.24-acre Old Klang Road land for transit-oriented M Aurora

Mah Sing Group Bhd has acquired a 5.2-acre (2.1-hectare) freehold parcel in Old Klang Road here for approximately RM113m from Team Keris Bhd to develop a new transit-oriented development (TOD) named M Aurora. The sale and purchase agreement was inked on Thursday, and the project is expected to be open for registration in the first quarter of 2025. A statement on Thursday said M Aurora will have an estimated gross development value of RM660m and offer two-, three- and four-bedroom layouts, with indicative built-up sizes of 702, 852 and 1,005 sq ft, respectively. Selling prices start from RM468,800. The project will also offer retail lots, including drive-thru units. *(The Edge)*

Microlink: Bags RM84m contract to develop screening system for Immigration Department

Microlink Solutions Bhd secured an RM83.5m contract from the Ministry of Home Affairs to develop an advanced passenger screening system for the Immigration Department, which is expected to boost the company's revenue and earnings for the fiscal year ending March 2025. The contract was awarded to its wholly-owned unit, Microlink Systems Sdn Bhd, and is pending a formal agreement. Despite an 8% increase in revenue to RM61.5m for the first quarter of FY2025, the company reported a net loss of RM4.4m due to lower margins, marking its third consecutive quarterly loss. *(The Edge)*

Farm Price: Proposes one-for-two bonus issue of warrants

Farm Price Holdings Bhd, listed on the ACE Market in May, plans to issue up to 225m bonus warrants on a 1-for-2 basis, with the entitlement date to be announced later. These warrants will be issued at no cost to shareholders and have an exercise price of 50 sen each, representing a 6.94% discount to the recent average share price. If fully exercised, the company's issued shares would increase to 675m, potentially raising RM153.0m. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.05	0.20	9.80
Sentral REIT	REIT	0.80	0.06	8.05
KIP REIT	REIT	0.92	0.07	7.87
Hektar REITS	REIT	0.53	0.04	7.43
British American Tobacco (M)	Consumer	8.10	0.60	7.36
Datasonic Group	Technology	0.41	0.03	7.32
Amway (M)	Consumer	6.86	0.50	7.24
MAG Holdings	Consumer	1.20	0.09	7.17
Magnum	Consumer	1.20	0.09	7.17
Genting Malaysia	Consumer	2.25	0.16	7.02
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
REXIT	Technology	0.79	0.05	6.37
Sports Toto	Consumer	1.58	0.10	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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