



Daily Newswatch

Market Review

The FBM KLCI continued in negative tone and closed lower on Friday at 1,621.2 (-0.1%) as profit-taking activities persisted among investors, while regional markets showed mixed results. For index constituents, the top 3 underperformance were led by YTLP (-3.0%), YTL (-2.8%) and GENTING (-2.0%). Among the sector, Technology (-2.1%) was the most underperforming sector as poor corporate results led to reversal in recent gains. All in all, the overall broader market breadth turned more negative, with 653 losers outpacing 338 gainers.

Economics

- **China:** Price growth stays near zero as deflation persists
- **US:** Consumer sentiment advances to highest level since April
- **China:** Latest stimulus falls short of expectations
- **Malaysia:** Unemployment rate unchanged at 3.2% in September 2024
- **US:** Fed cuts rates by 25 bps; Powell says wouldn't resign if asked by Trump

Companies

- **REDtone:** Ceases to be substantial shareholder in HeiTech Padu
- **JF Tech:** Buys into Singapore-based semiconductor firms for RM26m
- **Cypark:** CFO resigns after just three months in role
- **Sarawak Cable:** Trading in Sarawak Cable to be suspended from Nov 18
- **Steel Hawk:** Bags offshore living quarters maintenance job from Petra Energy
- **Fajarbaru:** Pulls out of RM192m affordable housing project in Putrajaya
- **Millux:** Company linked to Exsim's Lim brothers buys 63.9% stake in Milux

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,621.2	(0.1)	11.5
Dow Jones	43,989.0	0.6	16.7
Nasdaq CI	19,286.8	0.1	28.5
S&P 500	5,995.5	0.4	25.7
FTSE 100	8,072.4	(0.8)	4.4
Nikkei 225	39,500.4	0.3	18.0
Shanghai CI	3,452.3	(0.5)	16.0
HSI	20,728.2	(1.1)	21.6
STI	3,724.4	1.4	14.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,695.9	(28.6)
Value traded (RM m)	1,863.6	(45.5)
Gainers	338	
Losers	653	
Unchanged	490	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
3REN	0.450	(2.2)	67.7
MICROLN	0.150	7.1	45.7
GENETEC	0.860	(7.0)	36.7
TALAMT	0.025	0.0	28.4
DXN	0.490	(4.9)	26.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.220	0.5	69.4
TENAGA	14.400	0.3	59.3
MAYBANK	10.500	(0.8)	58.7
GENTIG	2.230	(0.9)	15.8
YTL	2.050	(2.8)	38.5

Currencies	Last Close	% Chg
USD/MYR	4.3825	0.5
USD/JPY	152.64	0.2
EUR/USD	1.0718	(0.8)
USD/CNY	7.1845	(0.6)
US Dollar Index	105.00	0.5

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.9	(2.3)
Gold (USD/troy oz)	2,685	(0.8)
CPO (MYR/metric t)	5,160	2.4
Bitcoin (USD/BTC)	77,350	1.2

Economics

China: Price growth stays near zero as deflation persists

China's consumer inflation was anemic in October, while factory-gate prices continued falling, suggesting the government's latest round of stimulus is far from sufficient to free the economy from the grip of deflation. The consumer price index (CPI) rose 0.3% from a year earlier, the National Bureau of Statistics said on Saturday, compared with a 0.4% gain in the previous month. The median forecast of economists surveyed by *Bloomberg* was for the reading to stay unchanged from September. The core CPI — which excludes volatile food and fuel prices — increased 0.2%. Producer inflation slid for a 25th straight month, with a 2.9% drop year-on-year, more than the 2.5% decrease predicted by economists. (*Bloomberg*)

US: Consumer sentiment advances to highest level since April

US consumer sentiment climbed to a seven-month high in early November, boosted by Americans' optimism about the future of the economy and their finances. The University of Michigan's preliminary November sentiment index advanced to 73, exceeding all but one estimate in a *Bloomberg* survey of economists. The group's expectations index surged to 78.5, the highest level since mid-2021, data showed Friday. The upbeat picture also reflected Americans' forecasts for slower inflation. Consumers expect prices will climb 2.6% over the next year, the lowest since 2020. Expectations for average price gains over the next five to 10 years, however, inched higher to 3.1%. The preliminary survey was conducted Oct 22 to Nov 4, just before Americans re-elected Donald Trump as president. (*Bloomberg*)

China: Latest stimulus falls short of expectations

Investors hoping China would announce extra fiscal buffers for an economy girding for another Donald Trump presidency were disappointed on Friday. China's top legislative body, the standing committee of the National People's Congress (NPC), did as was expected, approving bills to allow local governments to allocate 10tn yuan (US\$1.4tn) towards reducing off-balance sheet, or "hidden", debt. But investors had built their anticipation around the timing of the NPC and Trump's win just a couple of days earlier, and hence expectations of something special to pre-empt another round of fractious Sino-US tensions and trade barriers. "I think markets are on the disappointed side as there were rumours that the policy could be larger if Trump won the US election," said Lynn Song, ING's chief economist for Greater China. (*Reuters*)

Malaysia: Unemployment rate unchanged at 3.2% in September 2024

Malaysia's unemployment rate remained stable in September this year, as the number of jobless people fell while the labour force expanded, latest data showed. The unemployment rate stood at 3.2%, a level generally considered as full employment, the Department of Statistics Malaysia said in a statement. The number of unemployed individuals, meanwhile, was marginally lower at 555,300, compared to 558,500 a month earlier. "The country's labour market remains strong," thanks to the robust economy, said Chief Statistician Datuk Seri Mohd Uzir Mahidin, noting the rising number of employed persons and decline in the unemployed people. (*The Edge*)

US: Fed cuts rates by 25 bps; Powell says wouldn't resign if asked by Trump

US Federal Reserve (Fed) chair Jerome Powell said he would not resign from his role if asked to do so by a re-elected Donald Trump, following the Fed's decision on Thursday to lower interest rates by a quarter percentage point. When asked at a post-meeting press conference whether he would step down if requested by Trump, Powell replied forcefully, "No." He also said removal or demotion of any Fed board leaders, including himself, is "not permitted under the law". Powell said the US presidential election will have "no effects" on the central bank's policy decisions in the near-term, noting it's too early to know the timing or substance of any potential fiscal policy changes. Fed officials unanimously lowered the federal funds rate to a range of 4.5% to 4.75%. The second-straight rate cut followed a larger, half-point reduction in September, extending efforts to keep the US economic expansion on solid footing. (*Bloomberg*)

Companies

REDtone: Ceases to be substantial shareholder in HeiTech Padu

REDtone Digital Bhd has ceased to be a substantial shareholder of HeiTech Padu Bhd after disposing of a 1.0% stake in the open market. According to REDTone's bourse filing, the stake, comprising 1.1m shares, was disposed of on Thursday. Following this sale, REDtone is left with 5.5m shares or a 4.9% stake in HeiTech. Tycoon Tan Sri Vincent Tan's Berjaya Group Bhd has a deemed interest in HeiTech Padu via REDtone. REDtone had emerged as a substantial shareholder in HeiTech Padu via the purchase of a 6.4% stake, comprising 7.1m shares, in the open market between June 27 and Aug 23 this year, for a total of RM15.4m. The average price worked out to be RM2.16 per share. *(The Edge)*

JF Tech: Buys into Singapore-based semiconductor firms for RM26m

JF Technology Bhd is acquiring stakes in Singapore-based companies for a combined value of about RM26m, in a bid to expand its business and market reach globally. The integrated circuit maker is buying all stakes in Singapore-based Transcend Target Companies — consisting of Transcend Technologies (S) Pte Ltd and Transcend Tech Asia Pacific Pte Ltd (TTAP) — for S\$6m (RM19.9m), it said in a filing on Friday. TTAP also owns a 95.5% stake in Transcend Technologies Inc Philippines. In a separate filing, JF Tech said it is also buying an 80% stake in front-end wafer testing Q3 Probe Pte Ltd from Spire Manufacturing Inc, which is incorporated in the US but based in Singapore, for US\$1.4m (RM6m). *(The Edge)*

Cypark: CFO resigns after just three months in role

Renewable energy producer Cypark Resources Bhd announced on Friday that its chief financial officer (CFO) Vinie Chong Pui Ling has resigned, just three months after her appointment on Aug 15. The company said Chong is stepping down to "pursue other interests". Chong's last day with the company will be Dec 31, 2024, according to Cypark's filing with Bursa Malaysia. Prior to joining Cypark, Chong served as group CFO at Cenergi SEA Bhd, a renewable energy firm under Khazanah Nasional Bhd. *(The Edge)*

Sarawak Cable: Trading in Sarawak Cable to be suspended from Nov 18

Sarawak Cable Bhd said trading in its shares will be suspended from Nov 18, ahead of the court hearing of an application to place the company under judicial management (JM). The suspension, which would include the transfer of shares, will be lifted if the court does not grant the JM order at the hearing on Nov 20, the company said in a bourse filing on Friday. "Otherwise, the trading suspension and transfer suspension will remain until the expiry of the JM order as may be granted by the Kuala Lumpur High Court," it added. Sarawak Cable noted that all trades conducted prior to the trading suspension on Nov 18 will continue to be cleared and settled. *(The Edge)*

Steel Hawk: Bags offshore living quarters maintenance job from Petra Energy

Oil and gas services provider Steel Hawk Bhd has secured a subcontract from Petra Energy Bhd to provide offshore living quarters maintenance and repair services for EPOMS offshore facilities in Sarawak. The three-year subcontract, awarded on a call-out basis, has no fixed contract value, according to Steel Hawk's filing with Bursa Malaysia on Friday. The contract includes an option to extend for two additional years, on a one-year plus one-year basis, it noted. The contract was awarded to Steel Hawk's wholly-owned subsidiary, Steel Hawk Engineering Sdn Bhd, by Petra Energy's unit, Petra Resources Sdn Bhd. *(The Edge)*



Fajarbaru: Pulls out of RM192m affordable housing project in Putrajaya

Construction and property development outfit Fajarbaru Builder Group Bhd has pulled out from participating in the affordable housing development in Putrajaya dubbed Residensi Cemara, which is estimated to have a gross development value of RM192m. No reason was given. In a filing with Bursa Malaysia on Friday, Fajarbaru said Perbadanan Putrajaya has accepted its wholly-owned subsidiary Fajarbaru Land (M) Sdn Bhd's withdrawal as the developer for the proposed development. Fajarbaru Land had on Jan 24 this year accepted a letter of offer from Perbadanan Putrajaya in respect of the appointment of Fajarbaru Land as the developer for Residensi Cemara, comprising 480 units of Residensi Madani and 320 units of Residensi Wilayah, with a development period of three years. These units are part of the government-sponsored housing programme. *(The Edge)*

Milux: Company linked to Exsim's Lim brothers buys 63.9% stake in Milux

Home appliance distributor Milux Corp Bhd received an unconditional mandatory takeover offer on Friday from ABS Capital Sdn Bhd to acquire all the remaining shares it does not own, at 43.2 sen per share. The takeover offer was triggered after ABS entered into eight share purchase agreements to acquire a 63.9% stake in Milux from executive vice chairman Datuk Wira Ling Kah Chok and seven other shareholders, at 43.2 sen per share, totalling RM64.9m, according to a notice issued on behalf of ABS by Maybank Investment Bank. *(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
KIP REIT	REIT	0.91	0.07	7.91
Hektar REITS	REIT	0.53	0.04	7.43
British American Tobacco (M)	Consumer	8.13	0.60	7.33
Datasonic Group	Technology	0.41	0.03	7.32
MAG Holdings	Consumer	1.19	0.09	7.23
Magnum	Consumer	1.19	0.09	7.23
Amway (M)	Consumer	6.90	0.50	7.20
Genting Malaysia	Consumer	2.23	0.16	7.09
Sports Toto	Consumer	1.58	0.10	6.58
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

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 Bhd	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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Published & Printed By:

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