



Daily Newswatch

Market Review

On Monday, the FBM KLCI dipped further and closed at 1,609.3 (-0.7%) as broad market sentiment turned cautious driven by mixed regional markets performance and the weaker Ringgit. Among the index constituents, GENM (-2.2%), TENAGA (-2.1%) and MRDIY (-1.9%) were the top 3 losers. Sector-wise, Technology (-1.8%), Property (-1.3%) and REIT (-1.3%) were the top 3 laggards. In short, the overall broader market breadth remained negative, with 685 losers outnumbering 357 gainers.

Economics

- Japan:** Dampening corporate mood, rising bankruptcies cloud BOJ's rate hike path
- China:** Nears record US\$1tn trade surplus as Trump returns
- Japan:** BOJ gives no clear hint of December rate hike

Companies

- Xin Hwa:** Estimates 4%-5% revenue impact from suspension of cargo transport unit's licence
- Kerjaya Prospek:** In JV to undertake 36-acre mixed development in Penang
- Destini:** Bags MINDEF contract worth RM33m
- Ecoscience:** Bags RM200m pellet plant construction job
- KTI Landmark:** Wins RM50m construction job

Upcoming key economic data releases

	Date
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	1,609.3	(0.7)	10.6
Dow Jones	44,293.1	0.7	17.5
Nasdaq CI	19,298.8	0.1	28.6
S&P 500	6,001.4	0.1	25.8
FTSE 100	8,125.2	0.7	5.1
Nikkei 225	39,533.3	0.1	18.1
Shanghai CI	3,470.1	0.5	16.6
HSI	20,426.9	(1.5)	19.8
STI	3,739.5	0.4	15.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,676.3	(0.7)
Value traded (RM m)	2,029.6	8.9
Gainers	357	
Losers	685	
Unchanged	480	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
AZAMJAYA	1.090	39.7	68.3
MEGAFB	0.655	(2.2)	63.7
VELESTO	0.185	(2.6)	59.6
TALAMT	0.030	20.0	57.1
CEB	0.370	2.8	53.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.160	(0.7)	103.2
AZAMJAYA	1.090	39.7	73.4
PBBANK	4.410	(1.8)	73.3
MAYBANK	10.340	(1.5)	66.4
JPG	1.350	7.1	59.3

Currencies	Last Close	% Chg
USD/MYR	4.4105	(0.6)
USD/JPY	153.66	0.0
EUR/USD	1.0657	0.0
USD/CNY	7.2149	(0.4)
US Dollar Index	105.54	0.5

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.8	(2.8)
Gold (USD/troy oz)	2,622	0.1
CPO (MYR/metric t)	5,270	2.1
Bitcoin (USD/BTC)	89,164	1.3

Economics

Japan: Dampening corporate mood, rising bankruptcies cloud BOJ's rate hike path

Japan's service-sector sentiment worsened and bankruptcy cases rose in October, data showed on Monday, casting doubt on the central bank's view the country was on track to meet its 2% inflation target driven by robust domestic demand. The findings align with concerns voiced by some Bank of Japan (BOJ) board members at last month's policy meeting that intensifying labour shortages could constrain growth, rather than lead to higher wages. "There's a risk Japan's economic growth will slow if labour supply constraints force firms to shrink operations by withdrawing from low-profit businesses," one member was quoted as saying in a summary of opinions released on Monday. (*Reuters*)

China: Nears record US\$1tn trade surplus as Trump returns

China's trade surplus is on track to hit a fresh record this year, increasingly leaving it on a collision course with some of the world's biggest economies by aggravating an imbalance in global commerce that risks provoking US President-elect Donald Trump. The difference between Chinese exports and imports is set to reach almost US\$1tn (RM4.4tn) if it continues to widen at the same pace as it has in the year to date, according to *Bloomberg* calculations. The goods trade surplus soared to US\$785bn in the first 10 months, according to data released last week, the highest on record for that period and an increase of almost 16% from 2023. (*Bloomberg*)

Japan: BOJ gives no clear hint of December rate hike

Bank of Japan (BOJ) board members discussed the need for caution on raising its benchmark rate and offered no clear hint of a move next month, a summary of opinions from its October policy meeting showed. "It cannot be judged at this point that markets are stabilising," one of the nine board members said at the gathering, according to the summary released by the central bank on Monday. The central bank left interest rates untouched at the meeting held shortly before the US presidential election. "As the bank has been expecting to raise the policy interest rate at a moderate pace, it has time to monitor the future course of the US economy, including that after the presidential election," the same member said. (*Bloomberg*)

Companies

Xin Hwa: Estimates 4%-5% revenue impact from suspension of cargo transport unit's licence

Xin Hwa Holdings Bhd said a three-month suspension of its cargo transport unit's licence is expected to impact about 4% to 5% of the group's annual revenue, with losses estimated at around 21% — being the gross profit that it would have made from the affected revenue. The cargo transport unit Xin Hwa Trading & Transport Sdn Bhd (XHTT) is also a major subsidiary, Xin Hwa said in a bourse filing on Monday in response to queries from Bursa Malaysia. Last week, Xin Hwa announced that XHTT's licence had been suspended by the Johor Bahru Land Public Transport Agency (Apad) due to its failure to comply with safety requirements, specifically in ensuring that all goods vehicles under its operation were maintained in a condition deemed safe for use. (*The Edge*)

Kerjaya Prospek: In JV to undertake 36-acre mixed development in Penang

Kerjaya Prospek Group Bhd has entered into a joint venture (JV) with Aspen Vision Development Sdn Bhd to undertake a mixed development on a 36-acre plot of land in Seberang Perai Tengah, Penang. In a bourse filing on Monday, Kerjaya Prospek said its wholly owned subsidiary Futuprop Sdn Bhd, and Aspen Vision, will form a 55:45 special purpose vehicle (SPV) named Rivanis Ventures Sdn Bhd to undertake the development. The development, to span seven years from end-2024, will see the construction of 338 affordable housing units, 1,680 residential units, service apartments, as well as retail shops and offices. The JV will acquire land for the development from Railway Asset Corp, a unit under the Ministry of Transport, for RM156.5m, in the form of RM54.1m in cash; and the entire 338 units of affordable homes, valued at RM102.4m. (*The Edge*)

Destini: Bags MINDEF contract worth RM33m

Destini Bhd has secured a contract worth RM33.1m with the Ministry of Defence (MINDEF) for comprehensive maintenance services for airborne safety and survival equipment. The three-year contract begins on Nov 11, 2024, and will extend through to Nov 10, 2027. As part of the contract terms, Destini will provide a performance bond of RM550,800 and participate in the Professional Training and Education for Growing Entrepreneurs — Ready to Work (PROTÉGÉ-RTW) programme, which is a national initiative aimed at workforce readiness. (*The Edge*)

Ecoscience: Bags RM200m pellet plant construction job

Ecoscience International Bhd has accepted a letter of award from Wilhelmina Energy Malaysia Sdn Bhd for the engineering, procurement and construction of the TG2 pellet plant in Kuantan, Pahang, worth RM200m. In a filing with Bursa Malaysia, the constructor of palm oil mills and facilities said the completion date for the construction work shall be 24 months from the commencement date of Dec 2, 2024. (*The Star*)

KTI Landmark: Wins RM50m construction job

KTI Landmark Bhd has accepted a letter of award from Jawat Johan Sdn Bhd for a sub-contract of works for the Labuan Air Base RKAT construction project, worth RM50m. In a filing with Bursa Malaysia, KTI said the tenure of the contract is 14 months from Nov 25, 2024, to Jan 25, 2026. "This marks the second award received by KTI as the IBS specialist sub-contractor for the "Rumah Keluarga Angkatan Tentera" project. The previous project awarded was RKAT Kem Lok Kawi from Jawala Corporation in February 2024. (*The Star*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.04	0.20	9.85
Sentral REIT	REIT	0.79	0.06	8.10
KIP REIT	REIT	0.90	0.07	8.00
Datasonic Group	Technology	0.41	0.03	7.41
British American Tobacco (M)	Consumer	8.08	0.60	7.38
Genting Malaysia	Consumer	2.18	0.16	7.25
MAG Holdings	Consumer	1.19	0.09	7.23
Magnum	Consumer	1.19	0.09	7.23
Amway (M)	Consumer	6.92	0.50	7.18
Sports Toto	Consumer	1.56	0.10	6.67
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.56
Paramount Corporation	Property	1.03	0.07	6.50
Hektar REITS	REIT	0.53	0.03	6.48
UOA REITS	REIT	1.00	0.06	6.43
Tambun Indah Land	Property	0.94	0.06	6.38

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		
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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