



Daily Newswatch

Market Review

The FBM KLCI remained in consolidation mode as it closed relatively flat on Tuesday at 1,608.4 (-0.1%) amid the weak performance of its regional peers. Among the index constituents, PCHEM (-4.1%), PMETAL (-4.0%) and GENM (-3.2%) were the top 3 laggards. Sector-wise, the top 3 underperformers were Industry Products & Services (-1.5%), Energy (-0.9%) and Telecommunication & Media (-0.8%). All in all, the overall broader market breadth turned more bearish, with 602 losers outpacing 413 gainers.

Economics

- **EU:** UK business closures surge after budget hit to employers
- **China:** Planning to slash homebuying taxes in fiscal stimulus
- **Malaysia:** Poised to become ASEAN's regional hub for EV manufacturing
- **US:** Treasury yields climb anew with focus on inflation under Trump

Companies

- **T7 Global:** Secures pan-Malaysia services contract from IPC Malaysia BV
- **Tiong Nam Logistics:** Declares 1-for-40 treasury shares to reward shareholders
- **Paragon GLobe:** Undertake RM733m GDV residential project in Johor
- **FajarBaru:** Reveals reason it pulled out of RM192m affordable housing project in Putrajaya
- **Sapura Industrial:** Enters into JV with Mili Tech for EV business
- **Sapura Energy:** Accepts creditors' terms on proposed US\$705m SapuraOMV disposal

<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	1,608.4	(0.1)	10.6
Dow Jones	43,911.0	(0.9)	16.5
Nasdaq CI	19,281.4	(0.1)	28.4
S&P 500	5,984.0	(0.3)	25.5
FTSE 100	8,025.8	(1.2)	3.8
Nikkei 225	39,376.1	(0.4)	17.7
Shanghai CI	3,422.0	(1.4)	15.0
HSI	19,846.9	(2.8)	16.4
STI	3,711.5	(0.7)	14.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,991.1	11.8
Value traded (RM m)	2,540.6	25.2
Gainers	413	
Losers	602	
Unchanged	531	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CAPITALA	1.030	5.1	68.0
MPIRE	0.215	7.5	46.9
AZAMJAYA	1.240	13.8	41.7
VELESTO	0.180	(2.7)	40.8
3REN	0.410	(5.7)	38.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.100	0.0	131.8
CIMB	8.200	0.5	99.5
MAYBANK	10.480	1.4	97.0
GAMUDA	8.900	0.7	81.9
CAPITALA	1.030	5.1	68.8

Currencies	Last Close	% Chg
USD/MYR	4.4383	(0.6)
USD/JPY	154.63	(0.0)
EUR/USD	1.0615	(0.1)
USD/CNY	7.2346	(0.3)
US Dollar Index	106.02	0.5

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.9	0.1
Gold (USD/troy oz)	2,598	(0.0)
CPO (MYR/metric t)	5,224	(0.9)
Bitcoin (USD/BTC)	87,960	(0.4)

Economics

EU: UK business closures surge after budget hit to employers

Company insolvencies are surging in the UK after the Labour government reduced tax breaks and increased levies for owners. At least 1,022 companies filed to shut down in the week ended Nov. 8, a rise of 64% from a year earlier, according to notices filed to the Gazette. That's a potential headache for Chancellor of the Exchequer Rachel Reeves, who will try to turn the page on her budget of higher taxes with a speech to businesses this week that will champion economic growth and the importance of free trade. The chancellor will also set out a plan to partner with the financial sector and reform pensions in an attempt to stoke economic growth. (*Bloomberg*)

China: Planning to slash homebuying taxes in fiscal stimulus

China is planning to cut taxes for home purchases as the government dials up fiscal support to revive a moribund housing market, according to people familiar with the matter. Regulators are working on a proposal that would allow megacities including Shanghai and Beijing to cut the deed tax for buyers to as low as 1% from a current level of as much as 3%, the people said, requesting not to be identified because the matter is private. City governments have leeway to tweak the rules, the people added. The plan, hinted at last Friday by Finance Minister Lan Fo'an, underscores Beijing's increased willingness to use fiscal tools to shore up the sluggish economy along with monetary easing. Lan pledged to carry out "more forceful" fiscal policies next year after unveiling a 10tn yuan (US\$1.4tn or RM6.1tn) debt swap for local governments, signalling bolder steps could come after US President-elect Donald Trump takes office. (*Bloomberg*)

Malaysia: Poised to become Asean's regional hub for EV manufacturing

Malaysia has significant potential to become a regional hub for electric vehicle (EV) manufacturing in ASEAN, thanks to its 40-year history in automotive production since 1983 and its strong semiconductor cluster, said Deputy Minister of Investment, Trade and Industry Liew Chin Tong. He said the country aims to foster greater integration between the automotive and semiconductor industries, with the goal of becoming a leading hub for designing chips specifically for the automotive sector. "Malaysia is a very interesting place; we are the sixth largest exporter of semiconductor products in the world. While we may not have a homegrown brand, we play a very big role, especially in the backend," he said in a keynote address before officiating the E-Mobility Asia exhibition here, today. (*The Star*)

US: Treasury yields climb anew with focus on inflation under Trump

US Treasury yields rose, particularly on short-term bonds, following Donald Trump's presidential victory, as investors anticipated that his policies, such as tax cuts and tariffs, could spur inflation. This renewed focus on inflation comes just days after the Federal Reserve's interest rate cut and ahead of October inflation data due on Wednesday. Strategists at LPL Financial warned that stronger economic data or additional policy details from the Trump administration could push yields higher, while negative surprises would be needed to reverse the trend. Wall Street analysts are maintaining a neutral stance on Treasuries, awaiting clarity on Trump's policies, with some speculating that aggressive fiscal measures could reignite "bond vigilantes." (*Bloomberg*)

Companies

T7 Global: Secures pan-Malaysia services contract from IPC Malaysia BV

T7 Global Bhd has secured a five-year contract from IPC Malaysia BV for the provision of pan-Malaysia maintenance, construction, modification (MCM) and hook-up commissioning (HUC) services. The contract is for Package B3 and was secured via its wholly-owned unit Tanjung Offshore Services Sdn Bhd, according to the oil and gas service provider's filing on Tuesday. The contract is effective from Oct 25, 2024 to Oct 24, 2029, with an optional extension of three years, followed by another two years. *(The Edge)*

Tiong Nam Logistics: Declares 1-for-40 treasury shares to reward shareholders

Logistics and warehousing services provider Tiong Nam Logistics Holdings Bhd have declared a share dividend to reward its shareholders, on the basis of one treasury share for every 40 existing shares held. The share dividend will involve the distribution of up to 12.9m treasury shares to all shareholders of Tiong Nam. The ex-date for the dividend is Nov 26, and the shares will be credited on Dec 18. *(The Edge)*

Paragon GLobe: Undertake RM733m GDV residential project in Johor

Paragon Globe Bhd said it has secured the rights to develop 67.4 acres of land in Iskandar Puteri, Johor, for a residential project with an estimated gross development value of RM733.1m. The development rights were obtained through an agreement between the group's wholly-owned unit, Paragon Globe Properties Sdn Bhd (PGPSB), and Iskandar Capital Sdn Bhd (ICSB). This grants the Johor-based property developer the rights to develop two prime freehold parcels: an 11.5-acre site about 450m from Jalan Ismail Sultan and a 55.92-acre site about 450m from Lebuhraya Kota Iskandar. *(The Edge)*

FajarBaru: Reveals reason it pulled out of RM192m affordable housing project in Putrajaya

The reason Fajarbaru Builder Group Bhd 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, was that it had deemed the project "not sustainable" following a change in requirements. The construction and property development outfit revealed that its withdrawal as the developer of the project was due to a change in the requirements made by Perbadanan Putrajaya. "After careful consideration, the board of directors has found that the development is not sustainable and has decided to pursue a much more viable opportunity," it said in a filing with Bursa Malaysia on Tuesday. Fajarbaru was participating in the development through its wholly-owned subsidiary Fajarbaru Land (M) Sdn Bhd. *(The Edge)*

Sapura Industrial: Enters into JV with Mili Tech for EV business

Sapura Industrial Bhd is acquiring Mili Tech Sdn Bhd's business for RM372,136 to establish a joint venture focused on refurbishing, recycling, and servicing electric and hybrid vehicle batteries. The payment includes issuing 225,000 shares worth RM225,000 and RM147,136 in cash. The JV aligns with Sapura's growth strategy and supports Malaysia's push for increased EV adoption, aiming to enhance service capabilities and sustainability. Sapura believes this partnership will drive future business growth, while MTSB brings expertise in EV servicing and parts. *(The Edge)*

Sapura Energy: Accepts creditors' terms on proposed US\$705m SapuraOMV disposal

Sapura Energy Bhd has agreed to sell its 50% stake in SapuraOMV Upstream Sdn Bhd to TotalEnergies for US\$705.3m (RM3.4bn) to aid its debt restructuring. The net proceeds will be secured in a segregated account to pay down debts, with court validation confirming the arrangement's benefit to creditors. This divestment is expected to yield a net gain of RM793m and provide temporary financial relief as the company develops a regularisation plan to address its PN17 status. As of July 2024, Sapura Energy had RM1.7bn in cash, RM10.9bn in current borrowings, and RM17.2bn in accumulated losses, contributing to a shareholders' deficit of RM3.7bn. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.00	0.20	10.05
Sentral REIT	REIT	0.80	0.06	8.05
KIP REIT	REIT	0.91	0.07	7.91
Hektar REITS	REIT	0.53	0.03	6.42
British American Tobacco (M)	Consumer	8.03	0.60	7.42
Datasonic Group	Technology	0.40	0.03	7.50
MAG Holdings	Consumer	1.20	0.09	7.17
Magnum	Consumer	1.20	0.09	7.17
Amway (M)	Consumer	6.87	0.50	7.23
Genting Malaysia	Consumer	2.11	0.16	7.49
Sports Toto	Consumer	1.54	0.10	6.75
UOA REITS	REIT	0.99	0.06	6.46
Paramount Corporation	Property	1.05	0.07	6.38
Tambun Indah Land	Property	0.92	0.06	6.52
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		
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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