



# Daily Newswatch

## Market Review

The FBM KLCI managed to outperform most regional stock markets, staying in positive territory and closing at 1,611.5 (+0.2%) despite a generally cautious broader market trend. Among the index constituents, TENAGA (+2.1%), MAXIS (+2.0%) and YTLPOWR (+1.6%) were the top 3 outperformers. Sector-wise, the positive performance was led by Utilities (+1.0%), Consumer Products & Services (+0.6%) and Technology (+0.5%). Nevertheless, the overall broader market breadth remained negative, with 566 losers outnumbering 435 gainers.

## Economics

- **US:** Trump picks Musk, entrepreneur Ramaswamy for govt efficiency effort
- **China:** Cuts taxes for home purchases in fiscal policy support
- **Japan:** Yen weakens to 155 against Dollar, raising intervention risk
- **US:** CPI to show another firm reading, leaving Fed path up in air
- **EU:** The next US president is both a shock and a catalyst

## Companies

- **Dayang:** Gets two more Pan Malaysia services contracts
- **Bumi Armada:** Could buy MISC's offshore energy assets
- **Aizo:** Secures RM24.1m infrastructure contract
- **Pasdec:** To dispose of industrial land for RM73.5m
- **Carlsberg:** Invests RM343m for capacity expansion and optimisation of energy usage
- **Scientex:** Establishes RM1.5bn multi-currency sukuk programme

### Upcoming key economic data releases

	<u>Date</u>
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	1,611.5	0.2	10.8
Dow Jones	43,958.2	0.1	16.6
Nasdaq CI	19,230.7	(0.3)	28.1
S&P 500	5,985.4	0.0	25.5
FTSE 100	8,030.3	0.1	3.8
Nikkei 225	38,721.7	(1.7)	15.7
Shanghai CI	3,439.3	0.5	15.6
HSI	19,823.5	(0.1)	16.3
STI	3,720.3	0.2	14.8

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,829.3	(5.4)
Value traded (RM m)	2,221.6	(12.6)
Gainers	435	
Losers	566	
Unchanged	514	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
LWSABAH	0.940	44.6	233.4
MPIRE	0.210	(2.3)	45.6
JPG	1.250	(13.8)	42.6
MEGAFB	0.590	(6.3)	32.5
3REN	0.410	0.0	30.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
LWSABAH	0.940	44.6	199.4
CIMB	8.200	0.0	105.4
TENAGA	14.400	2.1	71.1
PBK	4.470	0.7	61.6
GAMUDA	8.800	(1.1)	60.7

Currencies	Last Close	% Chg
USD/MYR	4.4473	(0.2)
USD/JPY	155.41	0.0
EUR/USD	1.0564	0.0
USD/CNY	7.2338	0.0
US Dollar Index	106.48	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.3	0.5
Gold (USD/troy oz)	2,580	0.3
CPO (MYR/metric t)	5,185	(0.7)
Bitcoin (USD/BTC)	90,142	1.7

## Economics

### **US: Trump picks Musk, entrepreneur Ramaswamy for govt efficiency effort**

Billionaire Elon Musk and entrepreneur Vivek Ramaswamy will lead a new Department of Government Efficiency tasked to “dismantle government bureaucracy, slash excess regulations, cut wasteful expenditures, and restructure federal agencies”, US President-elect Donald Trump announced on Tuesday. On the campaign trail, Trump said the government efficiency effort would develop a plan to eliminate “fraud and improper payments”, conducting a “complete financial and performance audit” of the federal government. On Tuesday, Trump said the panel would partner with the White House’s Office of Management and Budget and said their work will conclude no later than July 4, 2026 — the nation’s 250th anniversary. The structure may allow Musk to avoid resigning from his companies including Tesla Inc, the world’s largest electric vehicle manufacturer, and SpaceX, which dominates the worldwide rocket launch market — and federal conflict-of-interest rules that could have mandated divestiture. *(Bloomberg)*

### **China: Cuts taxes for home purchases in fiscal policy support**

China is cutting home purchase deed taxes to stimulate the housing market, reducing the tax to 1% for first- and second-time buyers of flats under 140 square meters. The policy, which will take effect in December, is aimed at supporting falling property prices and boosting transactions in major cities like Beijing and Shanghai. Additionally, the government will eliminate the distinction between ordinary and luxury homes, lowering costs for home upgrades, and scrap value-added taxes on properties owned for over two years. These measures follow a broader push by Beijing to use fiscal and monetary policies to bolster the economy, with recent housing market improvements signaling some success. *(Bloomberg)*

### **Japan: Yen weakens to 155 against Dollar, raising intervention risk**

The yen weakened past 155 per dollar for the first time since July, raising concerns that Japan may intervene in the currency markets to slow its depreciation. The decline follows Donald Trump’s re-election and a surge in US Treasury yields, which is increasing the interest-rate gap between Japan and the US. Japan’s foreign exchange officials have warned about sudden, one-sided moves, with intervention likely if the yen reaches 160 per dollar. The ongoing yen weakness could also prompt the Bank of Japan to reconsider its stance on interest rates, with Governor Kazuo Ueda acknowledging the impact of exchange rates on Japan’s inflation. *(Bloomberg)*

### **US: CPI to show another firm reading, leaving Fed path up in air**

US consumer prices are expected to show continued firm underlying inflation in October, with core CPI rising by 0.3%, keeping debates alive over the Federal Reserve’s future interest rate cuts. Investors have reduced the likelihood of a rate cut in December to around 60%, down from 80% before the presidential election. Key components influencing the report include rents, which may see a slight increase due to seasonal factors, and rising hotel rates driven by displacement from recent hurricanes. Additionally, used car prices, boosted by higher demand for replacement vehicles, could contribute to a larger-than-expected monthly gain in the CPI. *(Bloomberg)*

### **EU: The next US president is both a shock and a catalyst**

The European Union’s approach to crises, like Brexit, has often been one of inaction and “waiting and seeing,” exemplified by Angela Merkel’s passive leadership style. However, the re-election of Donald Trump presents a serious challenge to the EU, with potential threats such as tariffs, a weakened NATO, and reduced support for Ukraine, all of which could harm Europe’s economy and security. Europe’s weak position is compounded by its economic stagnation and reliance on outdated policies, as evidenced by its failure to adapt to modern industries and innovation. To thrive and assert its influence globally, the EU must unify and reform, addressing its banking, defense, and green industries, with Trump’s presidency possibly serving as a catalyst for much-needed change. *(Bloomberg)*

## Companies

### **Dayang: Gets two more Pan Malaysia services contracts**

Dayang Enterprise Bhd has secured two more contracts to provide pan Malaysia services to the national oil and gas company Petronas and its production-sharing contractors. The contracts involve offshore maintenance, construction, and modification (MCM) as well as hook-up and commissioning (HUC) services for Package A3 for the Sarawak asset (SKA Oil) and Package A5 for the Sabah asset (SBA Southern). The values of the contracts were not specified. Dayang said both contracts will last five years effective from Sept 27, 2024 and come with options to extend for an additional three years and subsequently another two years. *(The Edge)*

### **Bumi Armada: Could buy MISC's offshore energy assets**

Bumi Armada Bhd, an oilfield services provider controlled by tycoon T Ananda Krishnan, is considering buying MISC Bhd's offshore energy business, according to people with knowledge of the matter. Talks between the companies are at an advanced stage, and a non-binding agreement may be signed as soon as this week, said the people, asking not to be identified because the process is private. While details such as valuation are still being discussed, a potential transaction will likely involve a share swap that will give MISC a significant minority stake in Bumi Armada, the people said. *(Bloomberg)*

### **Aizo: Secures RM24.1m infrastructure contract**

Minetech Construction Sdn Bhd (MCSB), a wholly-owned subsidiary of Aizo Group Bhd – formerly known as Minetech Resources Bhd, has clinched a letter of award from China State Construction Engineering (M) Sdn Bhd to undertake external infrastructure works in Jalan Pantai Dalam, Kuala Lumpur. With a contract sum of RM24.1m, MCSB was appointed as the subcontractor for the phased development project, the "Cadangan Pembangunan Berfasa di atas Lot PT 50001". The project comprises three high-rise residential towers and supporting infrastructure, including car parking, resident facilities, a swimming pool as well as a rooftop mechanical area. *(The Star)*

### **Pasdec: To dispose of industrial land for RM73.5m**

Pasdec Holdings Bhd is disposing of an industrial piece of land measuring 59.2 acres in Kuantan, Pahang to Petroluxe Refinery (M) Sdn Bhd (PRSB) for RM73.5m. In a filing with Bursa Malaysia, Pasdec said the proposed disposal will enable the group to unlock the value of the property, adding that PRSB will build an integrated refinery and petrochemical facilities complex on the land. *(The Star)*

### **Carlsberg: Invests RM343m for capacity expansion and optimisation of energy usage**

Carlsberg Brewery Malaysia Bhd invested RM200m to upgrade its bottling and canning lines and RM143m on energy-efficient technologies, enhancing production capacity and reducing water and energy usage. Managing director Stefano Clini noted the upgrades have improved production speed, cut manufacturing costs, and positively impacted working capital. *(The Edge)*

### **Scientex: Establishes RM1.5bn multi-currency sukuk programme**

Scientex Bhd has launched a multi-currency Islamic medium-term notes programme valued at RM1.5bn, with proceeds intended for capital expenditure, refinancing, investments, and working capital. The Sukuk Wakalah Programme, lodged with the Securities Commission Malaysia, features a perpetual tenure with each issuance lasting over one year and may be rated or unrated based on the issuer's choice. RHB Investment Bank Bhd is serving as the principal adviser and arranger, while RHB Islamic Bank Bhd acts as the shariah adviser. *(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		
Metro Healthcare Bhd	ACE Market	0.25	156.6	-	04 Nov	15 Nov
<a href="#">Supreme Consolidated Bhd</a>	ACE Market	0.25	70.0	-	15 Nov	29 Nov

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