



# Daily Newswatch

## Market Review

The FBM KLCI continued to end lower on Thursday, hovering just above the 1,600 level (-0.7%) as investor sentiment remained cautious amidst mixed market performance. For the index constituents, PMETAL (-4.1%), SDG (-3.2%) and MAXIS (-3.0%) were the top 3 underperformers. Among the sector, Construction (-0.9%) registered the highest loss underpinned by negative performance in construction index heavyweight counters such as IJM (-3.3%), AME (-2.4%) and GAMUDA (-0.9%). In brief, the overall broader market breadth remained negative, with 586 losers outpacing 419 gainers.

## Economics

- **US:** Kugler says Fed must focus on both inflation and jobs goals
- **US:** Markets see 80% chance of December Fed cut after inflation data
- **Australia:** Hiring gains slow even as unemployment is steady
- **Malaysia:** Labour demand in 3Q2024 hits 9.01m jobs, highest since 2018
- **EU:** Employment ticks up, GDP growth figure confirmed

## Companies

- **Bumi Armada:** Signs non-binding pact to explore merger with MISC
- **Ranhill Utilities:** China Energy scrap plan to pursue water supply facility project in Indonesia
- **LBS Blna:** Inks MOU to develop green hydrogen plant in Sabah
- **LFE Corp:** Bags subcontract works worth RM19m
- **Scomi Energy:** In talks with another potential white knight after Dhaya Maju deal falls through
- **Niche Capital Emas:** Begins gold mining ops in Kelantan

<u>Upcoming key economic data releases</u>	<u>Date</u>
Malaysia – Q3 GDP data	15 Nov
EU – Oct 2024 Inflation Rate	19 Nov
Malaysia – Oct 2024 Inflation Rate	22 Nov
US – Oct 2024 PCE Index	27 Nov
US – Nov 2024 PMI	29 Nov

	5 Last Close	Daily chg %	YTD chg %
<b>FBM KLCI</b>	1,600.7	(0.7)	10.0
<b>Dow Jones</b>	43,750.9	(0.5)	16.1
<b>Nasdaq CI</b>	19,107.7	(0.6)	27.3
<b>S&amp;P 500</b>	5,949.2	(0.6)	24.7
<b>FTSE 100</b>	8,071.2	0.5	4.4
<b>Nikkei 225</b>	38,535.7	(0.5)	15.2
<b>Shanghai CI</b>	3,379.8	(1.7)	13.6
<b>HSI</b>	19,435.8	(2.0)	14.0
<b>STI</b>	3,738.2	0.5	15.4

Market Activities	Last Close	% Chg
<b>Vol traded (m shares)</b>	3,146.1	11.2
<b>Value traded (RM m)</b>	2,691.6	21.2
<b>Gainers</b>	419	
<b>Losers</b>	586	
<b>Unchanged</b>	543	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
<b>CEB</b>	0.380	1.3	171.1
<b>LWSABAH</b>	0.880	(6.4)	99.9
<b>CLASSITA</b>	0.065	44.4	58.1
<b>MPIRE</b>	0.180	(14.3)	43.6
<b>MEGAFB</b>	0.620	5.1	35.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
<b>CIMB</b>	8.200	0.0	213.7
<b>MAYBANK</b>	10.300	(1.2)	111.3
<b>LWSABAH</b>	0.880	(6.4)	94.3
<b>TENAGA</b>	14.300	(0.7)	93.7
<b>IHH</b>	7.200	0.4	73.7

Currencies	Last Close	% Chg
<b>USD/MYR</b>	4.4855	(0.9)
<b>USD/JPY</b>	156.45	(0.1)
<b>EUR/USD</b>	1.053	0.0
<b>USD/CNY</b>	7.2271	0.1
<b>US Dollar Index</b>	106.67	0.2

Commodities	Last Close	% Chg
<b>Brent (USD/barrel)</b>	72.6	0.4
<b>Gold (USD/troy oz)</b>	2,567	0.1
<b>CPO (MYR/metric t)</b>	5,151	(0.7)
<b>Bitcoin (USD/BTC)</b>	87,232	(1.1)

## Economics

### **US: Kugler says Fed must focus on both inflation and jobs goals**

Federal Reserve Governor Adriana Kugler emphasised the need for the central bank to balance its dual mandate of controlling inflation and promoting employment, noting a cooling labour market and slower progress toward the 2% inflation target. She suggested that if inflation risks reaccelerate, the Fed should pause rate cuts, but if the labour market weakens, it may be appropriate to continue gradually lowering rates. While acknowledging some progress in disinflation, she cautioned that stubborn inflation in housing and other sectors could hinder further progress. Kugler also stressed the importance of central bank independence and transparency in ensuring long-term economic stability. *(Bloomberg)*

### **US: Markets see 80% chance of December Fed cut after inflation data**

Traders added to wagers that the Federal Reserve will cut interest rates by another quarter point next month after in-line inflation data, spurring gains for treasury debt. The rally trimmed yields on two-year notes, more closely tied to Fed rate decisions than longer tenors, by as much as 10 basis points (bps) to 4.2%. Swaps traders boosted to about 80% the probability that the Fed will cut rates again on Dec 18, up from around 56% earlier on Wednesday. Through June, they priced in nearly 62bps of cumulative reductions. The October consumer price index (CPI) data quelled concern about halting progress towards lower inflation even before President-elect Donald Trump takes office in January. Bond traders in the weeks leading up to the Nov 5 election — which pollsters said was too close to call — had lowered their expectations for additional Fed rate cuts over the coming year. *(Bloomberg)*

### **Australia: Hiring gains slow even as unemployment is steady**

Australia's job growth slowed in October, with employment rising by 15,900, below the expected 25,000 increase, while the unemployment rate remained steady at 4.1%. The participation rate slightly declined to 67.1%, and annual wage growth also slowed, signalling easing price pressures. Despite the moderation in hiring, the Reserve Bank of Australia (RBA) is expected to keep rates at a 13-year high of 4.35% at its December meeting, with future rate cuts likely to begin next year. The RBA continues to view the labour market as tight, with youth unemployment and underemployment remaining key concerns. *(Bloomberg)*

### **Malaysia: Labour demand in 3Q2024 hits 9.01m jobs, highest since 2018**

Malaysia's 2024 Q3 Labour Force Statistics report shows a 1.2% year-on-year increase in job openings, reaching 9.01m, alongside a steady decline in the unemployment rate to 3.2%. Filled positions rose by 1.2% to 8.82m, with notable growth in agriculture (1.8%), services (1.6%), and manufacturing (1.0%). The services sector led with 4.65m positions, and job vacancies rose slightly to 191,800 compared to the previous year. Additionally, the working population increased by 2.9%, with growth in the services sector reflecting ongoing economic activity. *(Bloomberg)*

### **EU: Employment ticks up, GDP growth figure confirmed**

Eurozone employment rose by 0.2% in the last quarter, surpassing expectations and bringing annual growth to 1.0%. The overall economy also grew by 0.4% in Q3, double what economists predicted, keeping hopes for a soft landing alive. Despite weak growth, firms are holding onto workers due to concerns about rehiring difficulties. However, high interest rates, an industrial recession, and low private consumption could challenge this trend, though the tight labour market, with unemployment steady at a record low of 6.3%, remains resilient. *(Reuter)*

## Companies

### **Bumi Armada: Signs non-binding pact to explore merger with MISC**

Bumi Armada Bhd said on Thursday that it has signed a non-binding agreement to explore a potential merger with state-owned MISC Bhd. Under the Memorandum of Understanding signed, the parties will have nine months to conduct due diligence and sign a definitive agreement, Bumi Armada said in an exchange filing. The merged entity is expected to remain listed on Bursa Malaysia, the company said. *(The Edge)*

### **Ranhill Utilities: China Energy scrap plan to pursue water supply facility project in Indonesia**

YTL Power International Bhd's 53.2%-owned subsidiary Ranhill Utilities Bhd has scrapped plans to jointly pursue a public-private partnership project with China Energy International Group Co Ltd (CEIG) for the proposed development of a regional drinking water supply facility project in Indonesia. This follows the expiry of a memorandum of understanding (MOU) on Oct 29. In a filing with Bursa Malaysia on Thursday, Ranhill said following the MOU expiry, neither party will have any claim against the other in respect of the memorandum. It added that the decision will not have any material financial impact to the group. Ranhill had on Oct 30 last year signed a MOU with CEIG to collaborate and jointly pursue the development of the Djuanda source-to-tap water supply system (Jatiluhur II) project and to co-develop and cooperate on other potential projects in Southeast Asia. *(The Edge)*

### **LBS Bina: Inks MOU to develop green hydrogen plant in Sabah**

LBS Bina Group Bhd said it is looking into developing a 10-gigawatt (GW) green hydrogen plant in Kota Marudu, Sabah jointly with the Sabah Forestry Development Authority (Safoda) and two other companies. The property developer said it signed a memorandum of understanding with Safoda as well as Invest Sabah Bhd and Midwest Green Sdn Bhd on Thursday to jointly explore the feasibility of developing the hydrogen plant and other renewable energy projects in Sabah. The group plans to act as the master developer for the hydrogen facility powered by solar and wind energy, as well as a future green industrial park on a potential site ranging from 15,000 acres to 30,000 acres in Kota Marudu. *(The Edge)*

### **LFE Corp: Bags subcontract works worth RM19m**

LFE Corp Bhd has won an RM18.95m subcontract from GDP Architects Sdn Bhd for electrical system installation, including supply, delivery, testing, and maintenance. The contract, managed by LFE's subsidiary, began on September 20, 2024, and is set to complete by July 19, 2025. *(The Edge)*

### **Scomi Energy: Says in talks with another potential white knight after Dhaya Maju deal falls through**

Scomi Energy Services Bhd, a PN17 company since January 2020, is in preliminary discussions with a "white knight" to develop a regularisation plan due by January 31, 2025. Previously, Scomi dropped an earlier plan to diversify into construction and add Dhaya Maju's Datuk Seri Dr. Subramaniam as a major shareholder. Its auditor, Crowe Malaysia, issued a disclaimer of opinion on the FY2024 financial statements, citing insufficient audit evidence and raising concerns about Scomi's ability to continue as a going concern if the plan fails. *(The Edge)*

### **Niche Emas Capital: Begins gold mining ops in Kelantan**

Niche Capital Emas Holdings Bhd has started gold mining at the Sokor North Gold Mine in Kelantan with its newly commissioned heap leaching plant, following extensive regulatory approvals. The mine, part of a 4,524.6-acre concession, has an initial estimate of 17,100 ounces valued at approximately RM201m, with potential for further resource discoveries. The company's joint venture with Spate Precious Metals grants Niche Capital 70% of profits from the project. *(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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