



Daily Newswatch

Market Review

The FBM KLCI extended its decline on Wednesday closing at 1,598.2 (-0.3%), breaching the 1,600 psychological support level amid weakness in the broader market. Among the index constituents, YTL (-2.0%), PPB (-1.4%) and NESTLE (-1.3%) were the top 3 decliners. Among the sector, the top 3 decliners were led by Utilities (-0.6%), Financial Services (-0.5%) and Property (-0.5%). Nevertheless, the overall broader market breadth turned negative once again, with 546 losers outnumbering 457 gainers.

Economics

- **US:** Trump to unleash nearly 40% tariffs on China in early 2025, hitting growth
- **EU:** ECB says eurozone trade faces increasing financial-stability risks
- **EU:** Eurozone wage growth surges in test for ECB rate cuts
- **Malaysia:** BNM stands ready to deal with currency volatility, ensure orderly forex market

Companies

- **Reservoir Link:** To provide well continuity services to Petronas
- **Velesto:** Collaborates with Petronas to implement automation, robotics on its drilling rigs
- **Sarawak Cable:** Bursa lifts suspension of Sarawak Cable shares
- **Sapura Energy:** Bags contract from PETRONAS Carigali

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

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,598.2	(0.3)	9.9
Dow Jones	43,268.9	(0.3)	14.8
Nasdaq CI	18,987.5	1.0	26.5
S&P 500	5,917.0	0.4	24.1
FTSE 100	8,105.6	0.1	4.8
Nikkei 225	38,352.3	(0.2)	14.6
Shanghai CI	3,368.0	0.7	13.2
HSI	19,705.0	0.2	15.6
STI	3,743.6	(0.4)	15.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,719.3	(3.8)
Value traded (RM m)	2,444.6	17.3
Gainers	457	
Losers	546	
Unchanged	527	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CEB	0.360	(6.5)	118.2
EAH	0.005	0.0	61.3
PERMAJU	0.040	0.0	36.9
CAPITALA	1.070	3.9	31.7
OVERSEA	0.050	0.0	30.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	10.120	(1.2)	250.8
CIMB	8.210	(0.4)	140.7
TENAGA	14.300	(0.8)	93.8
PBBANK	4.410	(0.7)	71.5
SUNWAY	4.900	1.0	64.3

Currencies	Last Close	% Chg
USD/MYR	4.4713	0.0
USD/JPY	155.81	(0.7)
EUR/USD	1.0555	(0.4)
USD/CNY	7.2468	(0.1)
US Dollar Index	106.62	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.6	0.4
Gold (USD/troy oz)	2,625	(0.3)
CPO (MYR/metric t)	4,926	(1.8)
Bitcoin (USD/BTC)	93,673	1.5

Economics

US: Trump to unleash nearly 40% tariffs on China in early 2025, hitting growth

The United States could impose nearly 40% tariffs on imports from China early next year, a *Reuters* poll of economists showed, potentially slicing growth in the world's second-biggest economy by up to one percentage point. The poll, the first on China's economy by *Reuters* since Donald Trump's sweeping election victory on Nov 5, also predicts that the President-elect will resist starting off with blanket 60% tariffs on Chinese goods. Trump, who is due to take office in January, pledged during campaigning to slap hefty tariffs on Chinese imports as part of a package of "America First" trade measures, causing unease in Beijing and heightening growth risks for China. (*Reuters*)

EU: ECB says eurozone trade faces increasing financial-stability risks

Rising trade frictions pose an additional risk to the euro-area economy and threaten to amplify vulnerabilities in the region's financial system, the European Central Bank (ECB) warned. Macroeconomic risks have shifted from concerns about inflation remaining high to fears over weaker-than-expected growth, the ECB cautioned in its bi-annual Financial Stability Review. Geopolitical uncertainty is further clouding the prospects for the 20-nation bloc. At the same time, rising global trade tensions are also "increasing the likelihood of tail events," Wednesday's report said. "In a context of elevated macro-financial and geopolitical uncertainty, there could be a sudden sharp reversal in risk sentiment, given high asset valuations and concentrated risk exposures in the financial system." (*Bloomberg*)

EU: Eurozone wage growth surges in test for ECB rate cuts

Key gauge of eurozone wages jumped by the most since the common currency was introduced in 1999 — complicating the European Central Bank's (ECB) plans for interest-rate cuts as inflation eases. Third quarter negotiated pay rose 5.4% from a year ago, the ECB said on Wednesday. That's up from 3.5% in the previous three months and was largely driven by Germany. The data come less than four weeks before the ECB's final policy meeting of the year, with officials tipped to lower the deposit rate for a fourth time. The surge in pay, however, could dampen expectations among investors and analysts for a spate of rate reductions in 2025. While most officials have signalled that more cuts are likely, particularly as the economy struggles to gain traction, the pace and extent is becoming increasingly controversial. (*Bloomberg*)

Malaysia: BNM stands ready to deal with currency volatility, ensure orderly forex market

Bank Negara Malaysia (BNM) said on Wednesday it is prepared to deal with currency volatility while ensuring the orderly functioning of the foreign exchange market. The central bank's Financial Markets Committee (FMC) continues to monitor the domestic financial market conditions amid the unfolding US presidential election outcome and concerns surrounding China's economic growth prospects, BNM said in a statement. "The FMC viewed positively that Malaysia's strong economic fundamentals and growth prospects further enhance the financial market's resilience against external shocks," the statement said. "In this regard, BNM stands ready to manage market volatility and ensure orderly market functioning." (*The Edge*)

Companies

Reservoir Link: To provide well continuity services to Petronas

Reservoir Link Energy Bhd said one of its subsidiaries has been appointed as a panel contractor for integrated well continuity services by national oil-and-gas company Petronas. The appointment will run for five years until October 9, 2029, Reservoir Link said in a statement. Under the agreement, Reservoir Link will provide services, including slickline, electric wireline, wellhead maintenance, perforation, and workover for production enhancement and abandonment. The potential value of the services was not disclosed. *(The Edge)*

Velesto: Collaborates with Petronas to implement automation, robotics on its drilling rigs

Velesto Energy Bhd said it is exploring the implementation of robotics and mechanised automation process for its drilling rig operations. The jack-up rig operator has inked a memorandum of understanding (MOU) with Petroliam Nasional Bhd (Petronas) through the Malaysia Petroleum, Management (MPM) and the National Oilwell Varco LP (NOV) for the implementation. The MOU aims to establish a collaborative framework that leverages NOV's drilling automation system and other energy carbon optimisation solutions including robotics technology, on Velesto-operated rigs. Under the MOU, Petronas will provide steer and operational guidance on the deployment of the technology, whereas Velesto will oversee the integration and optimisation of these systems on its drilling rigs. *(The Edge)*

Sarawak Cable: Bursa lifts suspension of Sarawak Cable shares

Bursa Malaysia has filed an application to the High Court seeking clarifications on the legal implications of the court's appointment of an interim judicial manager for Sarawak Cable Bhd, which it suspended from trading on Tuesday, and has allowed the stock to resume trading on Thursday. In a bourse filing on Monday, Sarawak Cable announced it had received a letter from Cheang and Ariff, the solicitors acting on behalf of Bursa, on the bourse operator's application. Bursa, it said, is seeking an order from the High Court to declare that the appointment of the interim judicial manager does not affect the rights of shareholders who have fully paid for their shares, and that the appointment does not prohibit them from trading in their shares on the stock exchange. *(The Edge)*

Sapura Energy: Bags contract from PETRONAS Carigali

Sapura Energy Bhd has been awarded a contract from PETRONAS Carigali Sdn Bhd for the provision of Pan Malaysia offshore maintenance, construction, modification and hook-up and commissioning services. In a filing with Bursa Malaysia, Sapura Energy said the contract is for Package C2 (Sarawak Asset (SKA) – Oil) It said the contract was awarded in the third quarter of 2024 for a period of five years from the effective date of the contract. *(The Star)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.13	0.20	9.44
Sentral REIT	REIT	0.79	0.06	8.10
British American Tobacco (M)	Consumer	7.37	0.60	8.09
KIP REIT	REIT	0.90	0.07	8.04
Datasonic Group	Technology	0.39	0.03	7.69
Genting Malaysia	Consumer	2.16	0.16	7.41
Amway (M)	Consumer	6.90	0.50	7.20
MAG Holdings	Consumer	1.22	0.09	7.05
Magnum	Consumer	1.22	0.09	7.05
Sports Toto	Consumer	1.57	0.11	6.88
CapitaLand Malaysia Trust	REIT	0.65	0.04	6.62
REXIT	Technology	0.77	0.05	6.49
Hektar REITS	REIT	0.53	0.03	6.48
Paramount Corporation	Property	1.06	0.07	6.32
UOA REITS	REIT	0.98	0.06	6.22

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		
Supreme Consolidated Bhd	ACE Market	0.25	70.0	-	15 Nov	29 Nov
Cropmate Bhd	ACE Market	0.20	260.0	-	22 Nov	5 Dec

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