



Daily Newswatch

Market Review

On Wednesday, the FBM KLCI closed slightly higher at 1,604.3(+0.1%), with gains in utility stocks helping to mitigate the selling pressure in the plantation sector. For index constituents, significant positive performance is seen in YTL (+7.2%) and YTLPOWR (+6.9%) as investors react to positive earnings guidance from management. With strong gain in YTL-related counters, utilities (+1.8%) remains the best-performing sector. The overall broader market breadth turned positive for the first of this week, with 590 gainers outweighing 480 losers.

Economics

- **Malaysia:** Producer price index continues to fall at 2.4% in October
- **US:** Fed cites volatility, uncertainty as reasons to go slow on rate cuts
- **EU:** ECB's Schnabel sees only limited room for further rate cuts
- **US:** GDP grows at solid 2.8% pace, helped by consumer spending
- **Australia:** CPI gauge misses estimate as RBA set to stand pat

Companies

- **Kerjaya Prospek:** Declares seven sen dividend following 30% higher 3Q profit
- **Petronas Gas:** Posts 3Q net profit of RM493.7m, 18c div/share
- **Meta Bright:** Partners with Tunas Manja on rooftop solar PV installations
- **Binastra:** Clinches RM68m sewage treatment contract
- **JF Technology:** Plans RM46m private placement to fund new investment and capital expenditure
- **Affin Bank:** Sarawak emerges as largest shareholder of Affin with 31.25% stake

<u>Upcoming key economic data releases</u>	<u>Date</u>
US – Nov 2024 PMI	29 Nov
US – Nov 2024 Manufacturing PMI	Dec 2
US – Nov 2024 Unemployment Rate	Dec 7
Malaysia – Oct 2024 Unemployment Rate	Dec 9
US – Dec 2024 CPI	Dec 11
US – Dec 2024 PPI	Dec 12
US – Dec 2024 FOMC	Dec 19
Malaysia – Nov 2024 Inflation Rate	Dec 20
Malaysia – Nov 2024 PPI	Dec 24

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,604.3	0.1	10.3
Dow Jones	44,722.1	(0.3)	18.7
Nasdaq CI	19,060.5	(0.6)	27.0
S&P 500	5,998.7	(0.4)	25.8
FTSE 100	8,274.8	0.2	7.0
Nikkei 225	38,135.0	(0.8)	14.0
Shanghai CI	3,309.8	1.5	11.3
HSI	19,603.1	2.3	15.0
STI	3,708.1	(0.1)	14.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,191.8	25.6
Value traded (RM m)	2,963.6	24.8
Gainers	590	
Losers	480	
Unchanged	494	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
GENETEC	1.170	33.7	146.5
JCY	0.405	14.1	59.9
MBSB	0.745	2.8	54.4
YTL	2.090	7.2	46.1
YTLPOWR	3.420	6.9	42.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.370	0.2	220.1
MAYBANK	10.180	(0.4)	187.8
TENAGA	13.980	(0.4)	160.5
GENETEC	1.170	33.7	153.9
YTLPOWR	3.420	6.9	143.1

Currencies	Last Close	% Chg
USD/MYR	4.4432	0.3
USD/JPY	151.33	(0.2)
EUR/USD	1.0563	(0.0)
USD/CNY	7.2452	0.1
US Dollar Index	106.08	(0.9)

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.8	0.0
Gold (USD/troy oz)	2,637	0.0
CPO (MYR/metric t)	4,985	1.2
Bitcoin (USD/BTC)	96,002	(0.4)

Economics

Malaysia: Producer price index continues to fall at 2.4% in October

Malaysia's Producer Price Index (PPI) fell by 2.4% in October 2024, continuing the decline from September, mainly due to a significant drop in the mining sector (-17.3%) and a decrease in the manufacturing sector (-2.6%). However, the agriculture, forestry, and fishing sector saw a 13.8% increase, driven by the growth of perennial crops. On a month-on-month basis, the PPI decreased by 0.7%, with the agriculture sector showing a notable rise of 6.0%, while global commodity prices are expected to decline in the coming years. *(Bernama)*

US: Fed cites volatility, uncertainty as reasons to go slow on rate cuts

Federal Reserve officials were divided during their November meeting over how much further to cut interest rates, with some suggesting a gradual reduction while others considered pausing cuts if inflation remained high or accelerating cuts if the economy weakened. The Fed's decision to reduce the benchmark rate by 0.25% to 4.50%-4.75% was influenced by stronger-than-expected economic data, which raised concerns that current rates may not be restricting economic activity enough. While many officials agreed on the uncertainty around the neutral interest rate, market expectations for a rate cut in December have decreased, with the odds now just above 50%. *(Reuters)*

EU: ECB's Schnabel sees only limited room for further rate cuts

The European Central Bank (ECB) needs to be wary of cutting interest rates too far, as borrowing costs are already near a level that no longer restrains the economy and going lower could backfire, according to executive board member Isabel Schnabel. Officials can continue to loosen monetary policy, but should do so only gradually to avoid taking rates below the so-called neutral threshold, Schnabel said in an interview. Easing too much could squander valuable policy space, the hawkish policymaker warned. "Given the inflation outlook, I think we can gradually move towards neutral if the incoming data continue to confirm our baseline," Schnabel said in her Frankfurt office. "I would warn against moving too far, that is into accommodative territory." *(Bloomberg)*

US: GDP grows at solid 2.8% pace, helped by consumer spending

The U.S. economy grew at a solid pace of 2.8% in the third quarter of 2024, driven primarily by a 3.5% increase in consumer spending, the highest this year. However, inflation remained moderate, with the personal consumption expenditures (PCE) price index rising at 1.5%, and the core PCE climbing 2.1%. While some economists worry about potential inflationary pressures from President-elect Donald Trump's fiscal plans, the economy's resilience, evidenced by strong consumer demand and business investment, has helped reduce recession fears, with the labor market still relatively stable. *(Bloomberg)*

Australia: CPI gauge misses estimate as RBA set to stand pat

Australia's consumer price index (CPI) rose 2.1% in October, below the expected 2.3%, with government rebates helping to lower costs for electricity and rent. However, the trimmed mean core inflation, which excludes volatile items, increased to 3.5%, signaling ongoing price pressures. The Reserve Bank of Australia (RBA) is expected to maintain interest rates at 4.35% until at least May 2025, as policymakers remain cautious about inflation risks despite recent declines in some costs, including energy and rents. *(Bloomberg)*

Companies

Kerjaya Prospek: Declares seven sen dividend following 30% higher 3Q profit

Kerjaya Prospek Group Bhd's net profit grew by 29.6% in the third quarter, primarily driven by its construction segment amid improved progress across ongoing projects. Net profit for the three months ended Sept 30, 2024 (3QFY2024), stood at RM46.1m, compared with RM35.6m in the same period a year earlier, as revenue climbed 39.4% to RM504.8m, from RM362.2m. The group, which is principally involved in the construction of commercial and high-rise residential buildings, property development, and the manufacturing of lighting and kitchen solutions, also declared a seven sen dividend for the quarter under review, amounting to RM88.3m in total. *(The Edge)*

Petronas Gas: Posts 3Q net profit of RM493.7m, 18c div/share

Petronas Gas Bhd expects strong financial performance in 2024, supported by stable contracts and operational efficiency, while focusing on cost optimisation amid inflation. In Q3 2024, the company reported a net profit of RM493.7m, up from RM468.5m in Q3 2023, with revenue rising to RM1.7bn. For the first three quarters, the group posted a net profit of RM1.4bn on RM4.9bn in revenue, driven by higher gas processing revenue, though offset by lower utilities segment revenue, and declared an 18 sen per share interim dividend. *(The Star)*

Meta Bright: Partners with Tunas Manja on rooftop solar PV installations

Meta Bright Group Bhd, a property development to renewable energy group, is partnering grocery and retail operator Tunas Manja Sdn Bhd (TMG) to implement cost-effective energy efficiency initiatives. Through the partnership, Meta Bright will focus on the installation of rooftop solar photovoltaic (PV) systems at TMG-owned and -operated buildings under the Net Energy Metering (NEM) 3.0 Programme. The first installation under this partnership will take place at TMG Mart Wisma Air Putih in Kuantan, with plans to extend the initiative to other TMG locations. Meta Bright will take the lead in developing, designing, financing, installing and maintaining the PV systems for TMG's properties. *(The Edge)*

Binastra: Clinches RM68m sewage treatment contract

Construction company Binastra Corp Bhd bagged a contract on Thursday to redevelop a sewage treatment plant in Taman Bukit Cheras, Kuala Lumpur. The company said the RM67.6m contract, awarded by F3 Cheras Development Sdn Bhd, involves the construction of new sewer force mains, gravity sewer mains and pumping stations. It also encompasses upgrading existing sewage facilities and decommissioning outdated infrastructure across multiple sites, said Binastra in a statement. *(The Edge)*

JF Technology: Plans RM46m private placement to fund new investment and capital expenditure

JF Technology Bhd plans to raise RM46.35m through a private placement of up to 92.71m shares at 50 sen per share to fund business expansion and new investments. The company will allocate RM27m for future investments in complementary industries, RM15m for factory expansions and equipment upgrades, RM3.25m for working capital, and RM1.1m for placement-related expenses. The placement is expected to be completed by Q2 2025, with Malacca Securities acting as the principal adviser and placement agent. *(The Edge)*

Affin Bank: Sarawak emerges as largest shareholder of Affin with 31.25% stake

The Sarawak state government has become the largest shareholder in Affin Bank Bhd, acquiring 165.1m shares (6.87%) from Lembaga Tabung Angkatan Tentera (LTAT). This, combined with the 20.08% stake held by its unit SG Assetfin Holdings Sdn Bhd (SAH), brings its total holding in Affin to 31.25%. This makes Sarawak the first state government in Malaysia to hold the largest stake in a bank. As a result, LTAT's stake in Affin has decreased to 22.01%, and Boustead Holdings has divested its entire stake. The shares were sold at a discount of 4.05% to 17% compared to the last market price of RM2.96. *(The Edge)*



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
TMK Chemical Bhd	Main Market	1.75	220.0	-	29 Nov	12 Dec
TopVision Eye Specialist Bhd	ACE Market	0.33	54.2	-	3 Dec	16 Dec
Vanzo Holdings Bhd	ACE Market	0.15	93.4	46.7	4 Dec	17 Dec
Winstar Capital Bhd	ACE Market	0.35	56.6	17.4	3 Dec	19 Dec

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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my