



Daily Newswatch

Market Review

The FBMKLCI rallied to close broadly higher on Wednesday at 1,614.1 (+0.4%) amid strong buying interests mainly in utility and technology stocks. Among the index constituents YTL (+3.2%), PCHEM (+2.1%) and TENAGA (+1.9%) were the top three gainers. Among the sectors, the top three best-performing sectors were Technology (+2.3%), Energy (+2.1%) and Healthcare (+2.1%). The overall broader market breadth continued its bullish momentum, with 727 gainers outweighing 381 losers.

Economics

- EU:** Business activity declines sharply in November
- US:** Debt ceiling to over complicate Fed's balance-sheet runoff
- US:** Millions of stockpiled SE Asian solar panels in US face new tariff bill

Companies

- Radium:** To develop mixed-used RM470m GDV Ampang project
- Uzma:** Bags hydraulic workover unit works from Enquest
- Mega First:** EPF now owns 5.99% stake in Mega First
- Focus Dynamics:** Proposes RM127m share capital reduction
- Public Bank:** Makes early redemption of RM500m sukuk
- Public Bank:** Completes 44.15% stake buy in LPI Capital
- UEM Sunrise:** Puts Hafizuddin Sulaiman in charge as Sufian Abdullah steps down as CEO

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,614.1	0.4	11.0
Dow Jones	45,014.0	0.7	19.4
Nasdaq CI	19,735.1	1.3	31.5
S&P 500	6,086.5	0.6	27.6
FTSE 100	8,335.8	(0.3)	7.8
Nikkei 225	39,276.4	0.1	17.4
Shanghai CI	3,364.7	(0.4)	13.1
HSI	19,742.5	(0.0)	15.8
STI	3,799.9	0.4	17.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,603.2	8.4
Value traded (RM m)	3,304.0	(0.1)
Gainers	727	
Losers	381	
Unchanged	522	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZENTECH	0.010	0.0	139.2
TOPGLOV	1.220	4.3	77.7
RL	0.365	7.4	67.3
ARMADA	0.595	4.4	51.5
YNHPROP	0.655	(13.2)	44.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.200	(0.1)	201.9
TENAGA	13.640	1.9	176.0
PBBANK	4.530	0.4	114.3
RHBBANK	6.570	0.8	97.2
TOPGLOV	1.220	4.3	94.4

Currencies	Last Close	% Chg
USD/MYR	4.4528	0.4
USD/JPY	150.52	0.0
EUR/USD	1.0512	0.0
USD/CNY	7.264	0.3
US Dollar Index	106.34	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.5	(1.5)
Gold (USD/troy oz)	2,650	(0.0)
CPO (MYR/metric t)	5,287	(1.0)
Bitcoin (USD/BTC)	98,422	0.6

Economics

US: Debt ceiling to over complicate Fed's balance-sheet runoff

The US debt ceiling is once again emerging as the Federal Reserve (Fed) continues to unwind its balance sheet, putting the central bank in a tough spot — only this time it's trickier. The debt limit will be reinstated on Jan 2, prompting the Treasury Department to deploy a series of extraordinary measures that include spending down its cash pile and reducing the amount of T-bills it issues to preserve its borrowing capacity. Because the Treasury's cash balance, known as the Treasury General Account, or TGA, is one of the major liabilities on the Fed's balance sheet, such measures will boost mainly bank reserves parked at the central bank and demand for the overnight reverse repurchase agreement facility, or RRP. That means markets will be flush with cash as the Fed continues shrinking its own balance sheet in a process known as quantitative tightening, or QT. *(Bloomberg)*

US: Millions of stockpiled SE Asian solar panels in US face new tariff bill

The bill may soon come due for millions of Southeast Asian solar panels imported duty-free into the US that haven't been installed by a Dec 3 deadline. With the cutoff's arrival on Tuesday, companies that imported those panels between mid-November 2022 and June 6, 2024, and haven't deployed them are on the hook for tariffs ranging from 30%, to more than 230%. The US Customs and Border Protection has vowed to "vigorously enforce" the requirement meant to deter stockpiling of duty-free panels, raising the risk of audits, inspections, and potentially billions of dollars in retroactive tariffs for importers. "That bill will shock a lot of people," said Tom Beline, a trade attorney and partner in Cassidy Levy Kent's Washington office. Robust enforcement is "tremendously important" to ensure that the two-year tariff moratorium doesn't mean we're "living with a stockpile of panels that would never be installed". *(Bloomberg)*

EU: Business activity declines sharply in November

Business activity across the eurozone fell sharply last month as the bloc's dominant services sector joined the manufacturing sector in contracting, according to a survey which showed a broadbased decline. HCOB's final composite Purchasing Managers' Index for the currency union, compiled by S&P Global and seen as a good gauge of overall economic health, sank to 48.3 in November from October's 50.0. That was slightly ahead of a 48.1 preliminary estimate but still firmly below the 50-mark separating growth from contraction. A PMI covering the services industry fell last month to 49.5 from 51.6, its first sub-50 reading since January. Suggesting no imminent turnaround, overall demand fell steeply, with the composite new business index dropping to 46.8 from 47.9, its lowest reading this year. *(Reuters)*

Companies

Radium: To develop mixed-used RM470m GDV Ampang project

Radium Development Bhd will develop a mixed-used property venture in Ampang, Selangor, with a RM470m gross development value (GDV). In a statement on Wednesday, the company said the development comprises 1,128 residential units, including 340 affordable serviced apartment units, and commercial space on the 1.04-hectare (2.56-acre) leasehold parcel it acquired via its indirect wholly owned subsidiary Mayang Sepakat Sdn Bhd, for RM45m. It is Radium's first project outside Kuala Lumpur and aligns with the company's expansion and its plan to strengthen its foothold in key Klang Valley locations. *(Bernama)*

Uzma: Bags hydraulic workover unit works from Enquest

Uzma Bhd has been awarded a contract by Enquest Petroleum Production Malaysia Ltd to supply hydraulic workover unit (HWU) equipment and services for Enquest's offshore East Malaysia workover campaign. The contract was awarded to Uzma's wholly owned subsidiary, Uzma Engineering Sdn Bhd. The group's filing with Bursa Malaysia did not disclose the value and the tenure of the contract. "The contract is effective on Nov 12, 2024 and shall remain valid until the completion of the campaign unless earlier terminated in accordance with the terms and conditions of the contract," said Uzma. *(The Edge)*

Mega First: EPF now owns 5.99% stake in Mega First

The Employees Provident Fund (EPF) has emerged as a substantial shareholder in Mega First Corporation Bhd after raising its direct stake in the utility conglomerate company to 5.99%, comprising 56.5m shares. This came as EPF, via Citigroup Nominees (Tempatan) Sdn Bhd, acquired 10m shares of Mega First on Dec 2, the group's filing on Wednesday showed. The transaction price was not disclosed in the filing. For reference, Mega First's share price closed at RM4.30 on Monday. *(The Edge)*

Focus Dynamics: Proposes RM127m share capital reduction

ACE Market-listed Focus Dynamics Group Bhd has proposed a share capital reduction to wipe out up to RM126.8m of the company's accumulated losses. The food & beverage (F&B) outlet operator said the exercise is expected to enhance the group's credibility with its bankers, customers, suppliers, investors and other stakeholders. "The proposed capital reduction will enable the company to reduce its accumulated losses to more appropriately reflect the value of the underlying assets and financial position of the company and the group," it said in a filing with Bursa Malaysia on Wednesday. The exercise entails the reduction of up to RM126.8m of the group's issued share capital via the cancellation of its issued share capital, which is lost and unrepresented by available assets. The corresponding credit of up to RM126.8m arising from such cancellation will be used to set-off against its accumulated losses. *(The Edge)*

Public Bank: Makes early redemption of RM500m sukuk

Public Bank Bhd will redeem its RM500m subordinated sukuk murabahah on Dec 18, five years earlier than its maturity date of Dec 18 in 2029. The third-largest bank in the country by assets on Wednesday said that the subordinated notes had a coupon rate of 3.7% per annum. "The notice of early redemption has been given to the noteholders that Public Bank will fully redeem the outstanding principal together with the accrued interest on Dec 18, 2024," it said. The bank previously said that the subordinated notes will be utilised for its working capital, general bank and other corporate purposes, according to its past filing. *(The Edge)*



Public Bank: Completes 44.15% stake buy in LPI Capital

Public Bank Bhd said on Wednesday it has completed the acquisition of 175.9m shares, representing a 44.2% stake, in insurer LPI Capital Bhd. Public Bank inked a conditional sale and purchase agreement on Oct 10 with the estate of the late Tan Sri Teh Hong Piow and its private vehicle Consolidated Teh Holdings Sdn Bhd to purchase the stake at RM9.8 per share, or RM1.7bn, cash. The RM9.8 price tag values LPI at 1.7 times its book value and 12.4 times its 2023 earnings. The LPI stake acquisition was approved by Public Bank's shareholders at an extraordinary general meeting held on Nov 28, with 99.6% of voting shares in favour of the proposal. *(The Edge)*

UEM Sunrise: Puts Hafizuddin Sulaiman in charge as Sufian Abdullah steps down as CEO

UEM Sunrise Bhd has announced the resignation of its chief executive officer, Sufian Abdullah, which will take effect from Feb 28, 2025. The property developer said in a statement on Wednesday that Sufian, who was appointed to the post on Feb 2, 2021, had tendered his resignation on Nov 29 to pursue other opportunities. The process to identify a new CEO is underway, and an announcement will be made in due course, it said. In the meantime, it is putting chief financial officer Hafizuddin Sulaiman as the officer in charge during the transition period. An oversight committee, comprising board members Christina Foo, Datuk Azmar Talib, and Datuk Amran Hafiz Affifudin, has also been established to assist Hafizuddin in his interim role. *(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		
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
Carlo Rino Group Bhd	ACE Market	0.27	171.9	-	5 Dec	18 Dec
Winstar Capital Bhd	ACE Market	0.35	56.6	17.4	3 Dec	19 Dec

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Published & Printed By:

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