



Daily Newswatch

Market Review

Last-minute buying mainly in financial and plantation heavyweights helped lift the FBMKLCI to end today's session on a positive note at 1,615.6 (+0.1%), erasing losses from the earlier sessions. Among the index constituents KLK (+1.6%), AXIATA (+1.3%) and MRDIY (+1.1%) were the top three gainers. Among the sectors, the top three best-performing sectors were Healthcare (+1.5%), Telecommunications & Media (+1.4%) and Energy (+0.4%). The overall broader market breadth turned neutral, with 538 gainers matching 537 losers.

Economics

- EU:** PM Barnier to resign as France's political crisis deepens
- US:** Fed's Powell expects good relations with Trump administration
- Malaysia:** Value-added GDP of manufacturing sector increases 5.5% to RM97.4bn in third quarter of 2024

Companies

- T7 Global:** Unit bags Petrofac contract
- Deleum:** Acquires 70% stake in Indonesian machinery firm for RM31m
- Dialog:** Secures RAJA Cluster SFA production sharing contract
- HB Global:** Forms JV to develop AI-powered farming in Pahang
- NationGate:** Launches locally manufactured AI servers
- Fiamma:** Forms JV with Chinese company to bring in VINO air-conditioners
- Maxland:** Inks 60-year lease for data centre project in Kulim Hi-Tech Park
- Pavillion REIT:** Proposes acquisition of Bukit Bintang hotels for RM480m
- Progressive Impact:** Bags RM8.2m lab ops services contract in Saudi Arabia
- 99 Speedmart, Gamuda:** In FBM KLCI review, Genting and Genting Malaysia out

<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	1,615.6	0.1	11.1
Dow Jones	44,765.7	(0.6)	18.8
Nasdaq CI	19,700.7	(0.2)	31.2
S&P 500	6,075.1	(0.2)	27.4
FTSE 100	8,349.4	0.2	8.0
Nikkei 225	39,304.8	(0.2)	17.5
Shanghai CI	3,368.9	0.1	13.2
HSI	19,560.4	(0.9)	14.7
STI	3,822.7	0.6	18.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,242.3	(10.0)
Value traded (RM m)	2,742.9	(17.0)
Gainers	538	
Losers	537	
Unchanged	519	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CRPMATE	0.210	5.0	216.8
SUPERMX	0.985	11.3	75.1
ARMADA	0.620	4.2	68.1
MYEG	0.910	0.6	63.5
JCY	0.500	3.1	60.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.190	(0.1)	140.5
PBBANK	4.570	0.9	126.8
TENAGA	13.600	(0.3)	122.8
SUPERMX	0.985	11.3	72.7
99SMART	2.510	2.4	65.5

Currencies	Last Close	% Chg
USD/MYR	4.4225	0.1
USD/JPY	150.17	(0.0)
EUR/USD	1.058	(0.1)
USD/CNY	7.2581	0.1
US Dollar Index	105.71	(0.6)

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.1	(0.3)
Gold (USD/troy oz)	2,632	0.0
CPO (MYR/metric t)	5,350	0.3
Bitcoin (USD/BTC)	97,212	(1.8)

Economics

EU: PM Barnier to resign as France's political crisis deepens

French Prime Minister Michel Barnier will resign on Thursday after far-right and leftist lawmakers voted to topple his government, plunging the eurozone's second-largest economy deeper into political crisis. Barnier, a veteran politician who was formerly the European Union's Brexit negotiator, will be the shortest-serving prime minister in modern French history after he hands in his resignation at around 10am (0900 GMT). No French government had lost a confidence vote since Georges Pompidou's in 1962. The political turmoil further weakens a European Union already reeling from the implosion of Germany's coalition government and comes weeks before US President-elect Donald Trump returns to the White House. The hard left and far right punished Barnier in a no-confidence vote on Wednesday evening for trying to push an unpopular budget through an unruly hung parliament without a vote. The draft budget had sought €60bn (US\$63bn or RM278.9bn) in savings in a drive to shrink a gaping deficit. *(Reuters)*

US: Fed's Powell expects good relations with Trump administration

US Federal Reserve (Fed) chair Jerome Powell downplayed the prospects of tension with the incoming Trump administration, and said he expects officials can move cautiously as they continue lowering interest rates. "We can afford to be a little more cautious as we try to find neutral," Powell said about the level for rates that neither spurs nor restrains the economy. The Fed's preferred measure of underlying inflation accelerated in October on an annual basis, offering support for a careful approach to further reductions. Meanwhile, Powell noted downside risks to the jobs market appear to have receded. *(Bloomberg)*

Malaysia: Value added GDP of manufacturing sector increases 5.5% to RM97.4bn in third quarter

The value added gross domestic product (GDP) for the manufacturing sector increased to RM97.4bn in the third quarter of 2024 compared to the same period in 2023, said the Ministry of Investment, Trade and Industry (Miti). The ministry said the amount showed an increase of 5.5% or RM5.1bn from the RM92.3bn recorded last year. "Since the New Industrial Master Plan 2030 (NIMP 2030) was launched over a year ago, Malaysia has achieved impressive success in the manufacturing sector. *(Bernama)*

Companies

T7 Global: Unit bags Petrofac contract

T7 Global Bhd's wholly-owned subsidiary Tanjung Offshore Services Sdn Bhd has secured a contract from Petrofac (Malaysia-PM304) Limited for the provision of Pan-Malaysia maintenance, construction, modification (MCM) and hook-up and commissioning (HUC) services for B3 package. It said in a bourse filing the contract commences on Oct 30, 2024, for a primary period of five years with the addition of three- and two-year extension options. For Petrofac, the contract duration shall remain valid until Sept 22, 2026. *(The Star)*

Deleum: Acquires 70% stake in Indonesian machinery firm for RM31m

Deleum Bhd has expanded its footprint in the power and machinery business in Indonesia via the acquisition of 70% equity interest in PT OSA Industries Indonesia (OSAI) from OSA Industries Pte Ltd for US\$7m (RM31m). OSAI is a supplier of valves and valve maintenance services in Indonesia, including for the oil and gas industry. Since 2017, it has been the sole channel partner for Baker Hughes valves, such as safety and control valves, ball valves and actuators. In a filing with Bursa Malaysia, Deleum said OSAI's business runs parallel to that of its indirect subsidiary Penaga Dresser Sdn Bhd, thus presenting the opportunity to leverage knowledge, competencies and capabilities across both entities, expand the availability of resources and tap into economies of scale. *(The Star)*

Dialog: Secures RAJA Cluster SFA production sharing contract

Dialog Group Bhd has inked a contract with Petrolia Nasional Bhd (PETRONAS) to assume 100% participating interest and the role of operator in the RAJA Cluster small field asset (SFA) production sharing contract (PSC). The group said its wholly-owned subsidiary Dialog Resources Sdn Bhd entered into the agreement with Malaysia Petroleum Management (MPM) that would include the pre-development study, development and production of discovered resources over the full life of the RAJA Cluster SFA PSC followed by abandonment upon its expiry. It said the 14-year contract, which commenced on Dec 2, 2024, comes with a two-year pre-development phase that allows Dialog Resources to finalise the field development plan and move into a subsequent two-year development phase with first commercial production expected by the end of the development phase. *(The Star)*

HB Global: Forms JV to develop AI-powered farming in Pahang

HB Global Ltd said it has partnered with a company belonging to the Regent of Pahang to jointly develop artificial intelligence (AI) technology-driven agriculture activities on 500 acres of land in Pekan, Pahang. The joint venture entity, HB Global Capital Sdn Bhd, will be 55%-owned by HB Global and 45% by HIS Holdings Sdn Bhd, whose sole shareholder is Tengku Hassanal Ibrahim Alam Shah ibni Al-Sultan Abdullah. Tengku Hassanal Ibrahim Alam Shah is also the owner of the 500-acre land, said HB Global in a stock exchange filing on Thursday. HB Global, a Singapore-based frozen food manufacturer listed on Bursa Malaysia's Main Market, said it will lead the development and operation of the project, while HIS Holdings will procure the land and oversee related approvals. *(The Edge)*

NationGate: Launches locally manufactured AI servers

NationGate Holdings Bhd has launched its latest artificial intelligence (AI) servers catering for clients from start-ups to hyperscale data centres. The launch sees NationGate emerging as the first in Malaysia to manufacture the servers. The servers will be powered by industry-leading graphics processing units (GPUs). NationGate added that it is an original equipment manufacturer (OEM) partner to the industry-leading GPUs' manufacturer. *(The Edge)*



Fiamma: Forms JV with Chinese company to bring in VINO air-conditioners

Fiamma Holdings Bhd is forming a joint venture (JV) company to bring heating, ventilation, and air conditioning (HVAC) solutions under the VINO brand into Malaysia. In a filing statement, Fiamma said the local JV company will be named VINO Air-Conditioning (M) Sdn Bhd, with Fiamma holding a 70% equity stake and Hong Kong-based Great Trillion Investment Ltd holding the remaining 30% stake. Great Trillion is a unit of China-based Zhuhai Samyou Environmental Technology Co Ltd. *(The Edge)*

Maxland: Inks 60-year lease for data centre project in Kulim Hi-Tech Park

Maxland Bhd's wholly-owned subsidiary Maxland Data Sdn Bhd has entered into a 60-year lease agreement with Kulim Technology Park Corp Sdn Bhd (KTPC) for the lease of a 4.6-acre industrial tract in Kulim Hi-Tech Park in Kedah for a lease price of RM10.0ml. In a filing with Bursa Malaysia, the group said the lease term will commence on Dec 15, 2024 and end on Dec 14, 2094, with an option to renew for another 39 years upon mutual written agreement of the parties. Maxland said it plans to establish a data centre in Kulim Hi-Tech Park. *(The Star)*

Pavillion REIT: Proposes acquisition of Bukit Bintang hotels for RM480m

Pavillion Real Estate Investment Trust (REIT) has proposed to acquire two hospitality assets - the Banyan Tree Kuala Lumpur (BTKL) and Pavillion Hotel Kuala Lumpur (PHKL)- in the Bukit Bintang area, for a combined RM480m. In a statement, Pavillion REIT Management Sdn Bhd said the REIT's trustee, MTrustee Bhd, had entered into a conditional sales and purchase agreement with Lumayan Indah Sdn Bhd for the acquisition of BTKL at a purchase consideration of RM140ml, and a separate conditional agreement with Harmoni Perkasa Sdn Bhd for the acquisition of PHKL for RM340m. *(The Star)*

Progressive Impact: Bags RM8.2m lab ops services contract in Saudi Arabia

Progressive Impact Corp Bhd's wholly-owned subsidiary Saudi ASMA Environmental Solutions LLC has secured a contract from Makkah Municipality for the operations and maintenance of public health pests laboratory services in Makkah in Saudi Arabia. It said in a bourse filing the contract, valued at SAR6.9m (RM8.2m, shall commence on Dec 31, 2024, for a period of about 60 months. "Pursuant to the Award, Saudi ASMA's obligations under the contract shall involve the recruitment of manpower, procurement of vehicles, laboratory devices, insurance and the provision of operation and maintenance of public health pests laboratory services in Makkah," it said. *(The Star)*

99 Speedmart, Gamuda: In FBM KLCI review, Genting and Genting Malaysia out

Gamuda Bhd and 99 Speed Mart Retail Holdings Bhd have been included in the FTSE Bursa Malaysia KLCI, while Genting Bhd and its 49.3%-owned associate, Genting Malaysia Bhd, have been dropped following the semi-annual review of the FTSE Bursa Malaysia Index Series in December. All constituent changes will take effect on Dec 23, 2024. The next review is scheduled for June 2025 *(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		
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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