



Daily Newswatch

Market Review

The FBMKLCI turned positive yesterday, closing higher at 1,625.6 (+0.8%). The surge was led by the financial sector and bolstered by the strength of the Ringgit, along with the potential interest rate cut in the US this quarter. Top gainers among the index constituents include CIMB (+3.1%), PETDAG (+2.5%) and PBB (+1.5%). Among the sectors, the top-performing sectors include Financial Services (+1.2%), Utilities (+0.5%), and Plantation (+0.5%). Nevertheless, the broader market remained negative with 602 losers against 480 gainers.

Economics

- **EU:** Euro-Zone inflation sees surprise uptick in headache for ECB
- **US:** New US rule on foreign chip equipment exports to China to exempt some allies
- **US:** Consumer confidence up on improved economic outlook
- **Japan:** Bank of Japan raises interest rates
- **China:** Weak factory PMI exposes pain points in export juggernaut

Companies

- **CelcomDigi:** Submits proposal to MCMC for second 5G network deployment
- **Bintai Kinden:** Receives nod for restructuring of banking facilities
- **Infomina:** Bags RM34.7m contract for JPN tech support
- **Yong Tai:** Sells courtyard by Marriott Melaka for RM160m, proposes special issue to raise RM57m
- **Atrium REIT:** Manager announces CEO's retirement
- **MGRC:** Inks collaboration with IMU University for Graduate Trainee Program

Upcoming key economic data releases

	Date
US – Fed Interest Rate Decision	1 Aug
US – Jul 2024 Nonfarm Payrolls	2 Aug
US – Jul 2024 Unemployment Rate	2 Aug
Malaysia – Jun 2024 Unemployment Rate	9 Aug
US – Jul 2024 PPI	13 Aug
US – Jul 2024 CPI	14 Aug
Malaysia – Q2 GDP	16 Aug
Malaysia – Jul 2024 CPI	22 Aug
Malaysia – Jul 2024 PPI	28 Aug
US – Jul 2024 PCE	30 Aug
EU – Jul 2024 Unemployment Rate	30 Aug

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,625.6	0.8	11.7
Dow Jones	40,842.8	0.2	8.4
Nasdaq CI	17,599.4	2.6	17.2
S&P 500	5,522.3	1.6	15.8
FTSE 100	8,368.0	1.1	8.2
Nikkei 225	39,101.8	1.5	16.8
Shanghai CI	2,938.7	2.1	(1.2)
HSI	17,344.6	2.0	1.7
STI	3,455.9	0.4	6.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,421.1	5.6
Value traded (RM m)	3,617.0	16.4
Gainers	480	
Losers	602	
Unchanged	494	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VELOCITY	0.065	(13.3)	346.4
TOPGLOV	1.030	(5.5)	148.6
VELESTO	0.215	(2.3)	107.6
BWYS	0.350	2.9	56.5
HUBLINE	0.130	4.0	51.9

Top 5 Turnover	Last Close	Daily chg %	Value (RM m)
TENAGA	14.080	(0.1)	215.1
CIMB	7.430	3.1	209.9
TOPGLOV	1.030	(5.5)	152.8
MAYBANK	10.220	1.4	125.2
GAMUDA	7.860	(0.8)	100.4

Currencies	Last Close	% Chg
USD/MYR	4.5905	0.7
USD/JPY	150.01	(0.0)
EUR/USD	1.0826	0.0
USD/CNY	7.2266	0.2
US Dollar Index	104.10	(0.4)

Commodities	Last Close	% Chg
Brent (USD/barrel)	80.8	3.5
Gold (USD/troy oz)	2,447	(0.0)
CPO (MYR/metric t)	4,028	(0.3)
Bitcoin (USD/BTC)	64,835	0.4

Economics

EU: Euro-Zone inflation sees surprise uptick in headache for ECB

In July 2024, euro-area inflation unexpectedly rose to 2.6%, surpassing expectations and complicating the European Central Bank's (ECB) decision-making on further interest rate cuts. Core inflation remained steady at 2.9%, and mixed economic data across the region—including unexpected growth in Germany and varying outcomes in Spain, France, and Italy—adds to the uncertainty. Services inflation, while slightly slowed, remains high and is a key concern for the ECB. Investors anticipate additional rate cuts by the end of the year, but the ECB will weigh these against further economic indicators before its September meeting. *(Bloomberg)*

US: New US rule on foreign chip equipment exports to China to exempt some allies, sources say

The Biden administration plans to unveil a new rule next month that will expand US powers to stop exports of semiconductor manufacturing equipment from some foreign countries to Chinese chipmakers, two sources familiar with the rule said. But shipments from allies that export key chipmaking equipment, including Japan, the Netherlands and South Korea, will be excluded, limiting the impact of the rule, said the sources who were not authorised to speak to media and declined to be identified. Places whose exports would be affected would include Israel, Taiwan, Singapore and Malaysia. *(Reuters)*

US: Consumer confidence up on improved economic outlook

US consumer confidence rose in July as improving expectations for the economy and labour market offset bleaker views of current conditions. The Conference Board's gauge increased to 100.3 from a downwardly revised 97.8 in June, data out on Tuesday showed. A measure of expectations for the next six months climbed to 78.2 in July, the highest since January. The largest share of consumers since the start of the year expect better business conditions. *(Bloomberg)*

Japan: Bank of Japan raises interest rates, outlines bond taper plan

The Bank of Japan (BOJ) raised interest rates on Wednesday and unveiled a detailed quantitative tightening plan, taking another landmark step towards phasing out a decade of massive stimulus. At the two-day meeting ending on Wednesday, the BOJ's board decided to raise the overnight call rate target to 0.25% from 0%-0.1% in a 7-2 vote. It also decided on a quantitative tightening (QT) plan that would roughly halve monthly bond buying to ¥3tn (RM90.6bn), from the current ¥6tn, as of January-March 2026. *(Reuters)*

China: Weak factory PMI exposes pain points in export juggernaut

China's manufacturing activity slipped to a five-month nadir in July as factories grappled with falling new orders and low prices, an official survey showed on Wednesday, pointing to a grinding second half for the world's production powerhouse. The National Bureau of Statistics (NBS) purchasing managers' index (PMI) contracted for a third month, easing to 49.4 from 49.5 in June, below the 50-mark separating growth from contraction. Sentiment remains gloomy among manufacturers as domestic demand is increasingly under siege and external pressures from trade tensions loom large for China's US\$18.6tn (RM85.7tn) economy, which grew more slowly than expected in the second quarter. *(Reuters)*

Companies

CelcomDigi: Submits proposal to MCMC for second 5G network deployment

CelcomDigi Bhd (CDB) said it submitted its proposal for the deployment of Malaysia's second 5G network to the industry regulator on Wednesday. "We believe that we have submitted a compelling case to deploy Malaysia's second 5G network, either alone or in partnership with others," CelcomDigi's chief executive officer (CEO) Datuk Idham Nawawi said. The company did not elaborate on its proposal in the statement. *(The Edge)*

Bintai Kinden: Receives nod for restructuring of banking facilities

Bintai Kinden Corp Bhd has received approval from Malayan Banking Bhd for restructuring its subsidiary's banking facilities, which includes converting overdrafts into a term loan and reinstating other credit facilities. This development is a significant step in the company's recovery, as all its banking facilities are now regularised. The company's external auditor has also issued a qualified opinion without ongoing concerns for FY2024, a positive shift from last year's material uncertainty. Despite a net profit of RM4.1m for FY2024, revenue fell sharply by 68.31% due to contract terminations and a lack of new projects. *(The Edge)*

Infomina: Bags RM34.7m contract for JPN tech support

Infomina Bhd (INFOM) has received a letter of acceptance from the Ministry of Home Affairs worth RM34.7m for the provision of technology application and infrastructure operations, maintenance and support services to the National Registration Department (JPN). In a filing with Bursa Malaysia, Infomina said the service is to provide the key support to the JPN's core application (JPN Business Utama ICT Aplikasi), including data and storage management, workload automation, report and spool management and holistic database analysis and management over three years, commencing Aug 1, 2024, to July 31, 2027. *(The Star)*

Yong Tai: Sells courtyard by Marriott Melaka for RM160m, proposes special issue to raise RM57m

Yong Tai Bhd is selling its five-star Courtyard by Marriott Melaka hotel for RM160m, which is below its market value of RM170m. The sale, involving a conditional agreement with Southern Envoy Sdn Bhd, is expected to yield a gain of RM45.9m. Additionally, Yong Tai plans to raise RM57m through a special issue of up to 190.1m new shares, with proceeds earmarked for repaying loans, financing projects, acquiring new land, and working capital. The company's financial struggles have seen it incur losses in recent years, but its share price has risen nearly 14% year-to-date. *(The Edge)*

Atrium REIT: Manager announces CEO's retirement

The manager of Atrium Real Estate Investment Trust (REIT) has announced the retirement of Chan Kum Chong as its CEO, effective Aug 31, 2024. Lee Hooi Hoong, the current chief financial officer, has been made the acting CEO with effect from Sept 1, 2024. "Lee will continue to oversee the functions of the finance department in addition to his new role as the Acting CEO. This will ensure a seamless transition and continuity of the Manager's leadership," said Atrium REIT Managers Sdn Bhd in a filing with Bursa Malaysia. Chan is stepping down from the role to pursue his personal interests. *(The Star)*

MGRC: Inks collaboration with IMU University for Graduate Trainee Program

Malaysian Genomics Resource Centre Bhd (MGRC) has partnered with IMU University through its unit MGRC Therapeutics Sdn Bhd to launch a Graduate Trainee Program (GTP). This initiative aims to provide IMU graduates in Medical Biotechnology and Biomedical Science with hands-on experience and mentorship in the genomics and biopharmaceutical industry.



Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.80	0.07	8.75
Bermaz Auto	Consumer	2.43	0.21	8.48
KIP REIT	REIT	0.91	0.08	8.35
YTL Hospital REIT	REIT	1.23	0.10	7.89
Amway (M)	Consumer	7.00	0.50	7.10
RHB Bank	Finance	5.71	0.40	7.08
Pavilion REIT	REIT	1.34	0.09	7.01
Hektar REITS	REIT	0.57	0.04	6.90
MBM Resources	Consumer	5.30	0.35	6.66
British American Tobacco (M)	Consumer	8.34	0.54	6.53
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.52
Gas Malaysia	Utilities	3.57	0.22	6.30
Ta Ann Holdings	Plantation	4.01	0.25	6.21
Malayan Banking	Finance	10.22	0.63	6.12
Sunway REIT	REIT	1.62	0.10	6.11

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		
EPB Group Berhad	ACE Market	0.56	71.6	40.0	31 Jul	23 Aug
Sik Cheong Berhad	ACE Market	0.27	66.0	20.0	30 Jul	13 Aug

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