



# Daily Newswatch

## Market Review

Last Friday, the FBMKLCI sunk into a sea of red with a decline of -0.8% to 1,611.1, amid bearish investor sentiments given the fear of US economy recession. Among the index constituents, stocks that underperformed the most includes YTLPWR (-4.5%), PMETAL (-4.2%) and YTL (-3.9%). Sectors that dragged the most include Construction (-5.0%), Technology (-4.6%), and Property (-3.8%). Overall, the broader market breadth were deeply negative with 1,316 losers against a paltry 155 gainers.

## Economics

- US:** Unemployment rate hits 4.3% as job growth slows considerably
- Malaysia:** Anwar to meet Putin to discuss economic cooperation
- US:** Bonds surge after soft jobs data raises pressure on Fed to cut rates
- China:** State Council issues plan to create carbon control system

## Companies

- WCT:** Proposes RM163m private placement
- Awantec:** Supply Google Workspace Enterprise Starter licence to Sabah Net for RM9.97m
- XL Holdings:** Scraps plan to acquire 25% stake in Sabah-based firm
- Perak Transit:** Raise RM1.5bn via sukuk
- YBS:** Plans RM25.6m private placement

### Upcoming key economic data releases

	Date
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	1,611.1	(0.8)	10.8
Dow Jones	39,737.3	(1.5)	5.4
Nasdaq CI	16,776.2	(2.4)	11.8
S&P 500	5,346.6	(1.8)	12.1
FTSE 100	8,174.7	(1.3)	5.7
Nikkei 225	35,909.7	(5.8)	7.3
Shanghai CI	2,905.3	(0.9)	(2.3)
HSI	16,945.5	(2.1)	(0.6)
STI	3,381.5	(1.1)	4.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	5,167.6	47.4
Value traded (RM m)	3,980.2	46.6
Gainers	155	
Losers	1,316	
Unchanged	267	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
HUBLINE	0.100	(23.1)	296.4
VELESTO	0.215	(2.3)	92.1
MYEG	0.970	(4.0)	72.0
TAWIN	0.030	0.0	71.0
TOPGLOV	0.980	(4.9)	55.6

Top 5 Turnover	Last Close	Daily chg %	Value (RM m)
CIMB	7.400	(0.4)	176.6
MAYBANK	10.240	(0.2)	152.6
PBBANK	4.280	0.5	136.1
YTLPOWR	4.490	(4.5)	128.2
IJM	3.230	(7.4)	113.5

Currencies	Last Close	% Chg
USD/MYR	4.497	1.6
USD/JPY	146.53	1.9
EUR/USD	1.0911	1.1
USD/CNY	7.1694	1.1
US Dollar Index	103.21	(1.2)

Commodities	Last Close	% Chg
Brent (USD/barrel)	76.8	(3.4)
Gold (USD/troy oz)	2,443	(0.1)
CPO (MYR/metric t)	4,021	0.8
Bitcoin (USD/BTC)	60,871	0.8

## Economics

### **US: Unemployment rate hits 4.3% as job growth slows considerably**

The US unemployment rate jumped to near a three-year high of 4.3% in July amid a significant slowdown in hiring, heightening fears the labour market was deteriorating and potentially making the economy vulnerable to a recession. Non-farm payrolls increased by 114,000 jobs last month after rising by a downwardly revised 179,000 in June, the Labor Department's Bureau of Labor Statistics said. *(Reuters)*

### **Malaysia: Anwar to meet Putin to discuss economic cooperation**

Prime Minister Datuk Seri Anwar Ibrahim will meet his Russian counterpart President Vladimir Putin in Vladivostok in a few weeks to discuss economic cooperation, and to foster Malaysia-Russia bilateral relations. "A few weeks from now, I will go to Vladivostok in Russia to accept President Putin's invitation to discuss economic cooperation, positioning us as a country that defends our independent position with no feelings of hostility with anyone," Anwar said. *(Bernama)*

### **US: Bonds surge after soft jobs data raises pressure on Fed to cut rates**

A rally in US Treasuries escalated Friday after a report showed weak job-creation in July, further stoking wagers that the Federal Reserve will cut interest rates aggressively this year. The Fed policy-sensitive two-year yield slid as much as 31 basis points (bps) to 3.84%, the lowest in more than a year. Rates on Treasuries of all maturities fell at least 12bps, with the benchmark 10-year extending a move below 4% to 3.79%. *(Bloomberg)*

### **China: State Council issues plan to create carbon control system**

China's cabinet on Friday issued a work plan to accelerate the development of a carbon emissions control system to help China meet its target of hitting peak carbon emissions by 2030. It will create a so-called "dual-control" system for carbon emissions during the next five-year plan period from 2026 to 2030, the notice by the State Council said. That system will focus on the intensity of carbon emissions as well as measuring overall emissions. It said the intensity of energy consumption will no longer be taken as a binding indicator during the next five-year plan period, as China transitions to a focus on how much carbon is emitted, not simply the intensity of energy use. *(Reuters)*

## Companies

### **WCT: Proposes RM163m private placement to fund ongoing projects**

WCT Holdings Bhd plans to raise up to RM163.1m via a private placement of shares to third-party independent investors. The fundraising exercise involves issuing 141.7m new shares, equivalent to up to 10% of its 1.4bn issued shares. Of the planned RM163.1m raised, RM50m will be used to repay bank borrowings while RM112.8m has been allocated for working capital for its ongoing construction projects. *(The Edge)*

### **Awantec: Supply Google Workspace Enterprise Starter licence to Sabah Net for RM9.97m**

AwanBiru Technology Bhd, a cloud-based service provider, is supplying Google Workspace Enterprise Starter licence to Sabah Net Sdn Bhd (SNSB) for RM9.97m. Awantec told Bursa Malaysia on Friday that its wholly-owned subsidiary Awantec Systems Sdn Bhd had inked a service agreement with SNSB for the subscription to the Google Workspace Enterprise Starter licence. The agreement is for a five-year period from Aug 1, 2024, to July 31, 2029. SNSB will purchase at least 10,384 units of Google licences annually at the start of each year. *(The Edge)*

### **XL Holdings: Scraps plan to acquire 25% stake in Sabah-based firm**

XL Holdings Bhd has scrapped its plan to acquire a 25% stake in Sabah-based Samajutera Sdn Bhd, which would have allowed the fish farming group to venture into seaweed cultivation. The agreement the group signed in March to buy the stake from Ahmad Marzuki Nasir @ Abdu Salam and Wong Kiong Lien for RM15m was terminated by mutual consent due to the non-fulfilment of conditions precedent in the agreement, said XL in a bourse filing on Friday. *(The Edge)*

### **Perak Transit: Raise RM1.5bn via sukuk**

Perak Transit Bhd, developer and operator of integrated public transportation terminals, plans to raise RM1.5bn via a perpetual Sukuk Wakalah programme to fund its capital expenditure (capex) and working capital. In a filing with Bursa Malaysia on Friday, Perak Transit said the capex will be used for the construction of the integrated bus transport terminal cum commercial complex known as Terminal Seri Iskandar in Bandar Seri Iskandar, Perak, subject to a margin of advance of 70%. It will also use proceeds from the sukuk programme to refinance existing Shariah-compliant financing and/or conventional borrowings. *(The Edge)*

### **YBS: Plans RM25.6m private placement to fund lithium-ion battery project with Nasdaq-listed Enovix**

YBS International Bhd said it plans to raise up to RM25.6m through a private placement with over half of the proceeds allocated to fund the lithium-ion battery manufacturing project it is undertaking in partnership with US advanced silicon battery producer Enovix Corp. The company said it intends to issue up to 10% of its enlarged share base, or 30.5m shares, to third-party investors who will be identified later. The amount to be raised is based on an indicative price of 84 sen per share, a discount of 9.0% (or eight sen) from the stock's five-day volume-weighted average price of 92.3 sen as of July 31. Of the proceeds under the maximum scenario, YBS said over 58% or RM15m will be allocated to finance the Enovix project, RM8.3m for working capital requirements, and the remaining amount will be used for capital expenditures in the precision machining and stamping segment, as well as to cover estimated placement expenses. *(The Edge)*



## 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	2.41	0.21	8.55
KIP REIT	REIT	0.91	0.08	8.40
Amway (M)	Consumer	6.95	0.50	7.15
RHB Bank	Finance	5.71	0.40	7.08
Pavilion REIT	REIT	1.33	0.09	7.07
Hektar REITS	REIT	0.56	0.04	7.03
YTL Hospital REIT	REIT	1.23	0.09	6.99
CapitaLand Malaysia Trust	REIT	0.65	0.04	6.62
British American Tobacco (M)	Consumer	8.26	0.55	6.60
MBM Resources	Consumer	5.30	0.35	6.57
Gas Malaysia	Utilities	3.56	0.23	6.32
Ta Ann Holdings	Plantation	3.95	0.25	6.30
Sunway REIT	REIT	1.60	0.10	6.19
Sports Toto	Consumer	1.61	0.10	6.15

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		
<a href="#">EPB Group Berhad</a>	ACE Market	0.56	71.6	40.0	31 Jul	23 Aug
<a href="#">Sik Cheong Berhad</a>	ACE Market	0.27	66.0	20.0	30 Jul	13 Aug

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