



# Daily Newswatch

## Market Review

The FBM KLCI slightly advanced amid cautious trading in the broader market, closing at a high of 1,636.5 (+0.2%). Among the index constituents, the top gainers were PETDAG (+1.9%), PBBANK (+1.9%) and CDG (+1.4%). Sector-wise, the positive performance was led by Telecommunications and Media (+0.9%) and Financial Services (+0.4%). Overall, the broader market breadth was negative, with 654 losers outweighing 341 gainers.

## Economics

- Malaysia:** Govt aims to increase wages in the agriculture sector through technology adoption
- EU:** Cooling jobs market feeds calls for faster ECB cuts
- US:** Big banks say consumers are still strong despite economic fears

## Companies

- Critical Holdings:** Secures mechanical and electrical services job from IJM unit
- Pan Malaysia:** Clinches RM47m subcontract in Damansara Perdana
- EA Technique:** In final stages of tendering for several high-value contracts
- BCB:** Acquires 54.7-acre Kluang land for RM31m
- Capital A:** Shareholders approve disposal of RM6.8bn aviation assets to AirAsia X

### Upcoming key economic data releases

	Date
EU – Aug 2024 Inflation	17 Oct
US – Sep 2024 Retail Sales	17 Oct
Malaysia – Q3 2024 GDP Estimate	18 Oct
Malaysia – Sep 2024 CPI	24 Oct

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,636.5	0.2	12.5
Dow Jones	43,065.2	0.5	14.3
Nasdaq CI	18,502.7	0.9	23.3
S&P 500	5,859.9	0.8	22.9
FTSE 100	8,292.7	0.5	7.2
Nikkei 225	39,605.8	0.6	18.4
Shanghai CI	3,284.3	2.1	10.4
HSI	21,092.9	(0.7)	23.7
STI	3,595.9	0.6	11.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,243.0	(2.4)
Value traded (RM m)	2,090.8	(22.0)
Gainers	341	
Losers	654	
Unchanged	497	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
EA HOLDINGS	0.005	0.0	92.6
KEY ALLIANCE	0.005	(50.0)	83.0
MYEG	0.895	(2.7)	57.0
PUBLIC BANK	4.390	1.9	52.2
SINKUNG	0.190	(9.5)	46.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
PUBLIC BANK	4.390	1.9	229.3
CIMB	8.250	0.4	177.3
GAMUDA	8.160	0.1	75.0
GENTING	2.270	(3.4)	68.5
TNB	14.480	0.1	61.7

Currencies	Last Close	% Chg
USD/MYR	4.297	(0.2)
USD/JPY	149.73	0.0
EUR/USD	1.0908	(0.0)
USD/CNY	7.0891	(0.3)
US Dollar Index	103.30	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	77.5	(2.0)
Gold (USD/troy oz)	2,650	0.1
CPO (MYR/metric t)	4,400	0.7
Bitcoin (USD/BTC)	66,055	0.2

## Economics

### **Malaysia:** Govt aims to increase wages in agriculture sector through technology adoption

The Malaysian government aims to increase wages and productivity levels within the agriculture sector by encouraging farmers to adopt technological advancements in modern farming practices, said Economy Minister Rafizi Ramli. To achieve this, Rafizi said the Ministry of Economy has undertaken a pilot project involving idle federal lands in 16 locations across the country that were revitalised using modern agricultural technology. "So what we did was that we took these lands and allocated them for modern farming. The federal government used federal allocation to put together the modern infrastructure, and instead of the participants putting their own money, they were employed on site in a way that it functions almost like a cooperative. (*The Edge*)

### **Europe:** Eurozone's cooling jobs market feeds calls for faster ECB cuts

Cracks are finally appearing in the eurozone's labour market after years of unexpected resilience — spurring the European Central Bank (ECB) to lower interest rates more speedily. Despite still record-low joblessness following the inflation shock and a struggling economy, policymakers see signs of a shift that's helped persuade them to back another reduction in borrowing costs this week. While lacking the dual mandate through which the Federal Reserve targets both price stability and full employment, a jolt to Europe's jobs market can nevertheless have a significant impact on the ECB's inflation outlook. (*Bloomberg*)

### **US:** Big US banks say consumers are still strong, despite economy fears

US consumers remain resilient with solid spending in the third quarter, two of the country's biggest lenders said on Friday, although there are signs higher inflation has stretched some Americans on lower incomes. Strong earnings from JPMorgan Chase and Wells Fargo and upbeat comments from their top executives should further ease investor worries that elevated borrowing costs were weighing on consumers and pushing the economy to the cusp of a downturn, even as JPMorgan hiked provisions for soured loans. "Overall, we see the spending patterns as being sort of solid," said Jeremy Barnum, chief financial officer of JPMorgan, the country's largest lender and a bellwether for the US economy, adding spending had normalised from a post-pandemic bounce when Americans splurged on travel and eating out. (*Bloomberg*)

## Companies

### **Critical Holdings:** Secures mechanical and electrical services job from IJM unit

ACE Market-listed Critical Holdings Bhd said it has bagged a RM62.5m contract from IJM Corp Bhd (to provide mechanical and electrical services for a semiconductor plant in mainland Penang. The company said its wholly-owned subsidiary, Critical M&E Engineering Sdn Bhd, will undertake the supply and maintenance of mechanical and electrical services for the new semiconductor plant — for a renowned US-based multinational company — located at the Batu Kawan Bandar Cassia Technology Park in Prai. The Penang-based mechanical, electrical and process utilities (MEP) design and engineering services provider did not name the multinational company in its statement on Monday. (*The Edge*)

### **Pan Malaysia:** Clinches RM47m subcontract in Damansara Perdana

Pan Malaysia Holdings Bhd now trading under the name of Exsim Hospitality Bhd, has secured a RM47.4m subcontract to provide interior design fit-out works to guest rooms at an office property in Damansara Perdana. The group said its wholly owned subsidiary, Exsim Concepto Sdn Bhd (ECSB), received the letter of award from Discovery Media Sdn Bhd for the subcontract under a project involving the development of 560 office units. The subcontract, which has a completion period of 24 months, is expected to positively impact its future net assets, earnings and gearing, said the group in a filing with the stock exchange. (*The Edge*)

### **EA Technique:** In final stages of tendering for several high-value contracts

EA Technique (M) Bhd said it is in final stages of tendering for several high-value contracts, including the anticipated project with Petroliam Nasional Bhd (Petronas) for the Nautica Tembikai floating storage and offloading (FSO) vessel. The marine transportation and offshore storage company, which is on track to exit its Practice Note 17 (PN17) status by the first quarter of 2025, said it has diversified its client base by recently registering as an official vendor with Brunei Shell. The client diversification opens new avenues for long-term contracts at higher charter rates, it said in a statement. (*The Edge*)

### **BCB:** Acquires 54.7-acre Kluang land for RM31m

Property developer BCB Bhd has acquired four parcels of freehold land in Kluang, Johor, spanning a total of 54.7 acres, for RM3m, cash. BCB said it has signed four sale and purchase agreements with Country Green Realty Sdn Bhd for the acquisition, according to its bourse filing on Monday. BCB intends to develop residential units and retail shops on the site that is expected to have a gross development value of RM245m upon full completion. The construction is anticipated to commence in the financial year 2027, with the project set to span over a five-year period, BCB noted. This follows BCB's earlier purchase in May of 59 parcels of freehold land in Batu Pahat, Johor, measuring 286.8 acres, for RM83.7m from oil palm cultivator Lian Hup Seng Sdn Bhd. BCB plans to finance its current land acquisition through a combination of internally generated funds and bank borrowings, with the final funding structure to be determined by management at a later date. (*The Edge*)

### **Capital A:** Shareholders approve disposal of RM6.8bn aviation assets to AirAsia X

Shareholders of Capital A Bhd have approved the proposed disposal of its aviation business, worth some RM6.8bn, to AirAsia X Bhd At the company's extraordinary general meeting (EGM) on Monday, the disposal resolutions were passed with shareholders and proxies attending the meeting holding 99.9%, voting in favour. The corporate exercise intended to facilitate Capital A's exit from Practice Note 17 (PN17) status is now pending AAX shareholders' approval at its EGM on Oct 16 (Wednesday). Capital A chief executive officer Tan Sri Tony Fernandes said, via his LinkedIn account, that it was a great day for the airline group. "After five long years of Covid I see light at the end of this dark tunnel." "The shareholders approved by 99.9%. We are almost at the finish line. If AirAsia X shareholders approve it, then we create a very powerful aviation group and Capital A, which has huge potential growth." (*The Edge*)



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	7.53	0.63	8.41
Sentral REIT	REIT	0.79	0.06	8.15
KIP REIT	REIT	0.93	0.07	7.78
MAG Holdings	Consumer	1.17	0.09	7.69
Magnum	Consumer	1.17	0.09	7.69
Hektar REITS	REIT	0.53	0.04	7.43
Amway (M)	Consumer	6.89	0.50	7.21
Datasonic Group	Technology	0.43	0.03	6.98
Genting Malaysia	Consumer	2.27	0.16	6.96
UOA REITS	REIT	0.99	0.06	6.46
Paramount Corporation	Property	1.05	0.07	6.38
CapitaLand Malaysia Trust	REIT	0.68	0.04	6.37
RHB Bank	Finance	6.27	0.40	6.36
MBM Resources	Consumer	5.95	0.38	6.35
Tambun Indah Land	Property	0.96	0.06	6.28

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		
Northeast Group Bhd	ACE Market	0.50	169.0	51.8	3 Oct	15 Oct
Sorento Capital Bhd	ACE Market	0.37	155.0	74.0	15 Oct	28 Oct
<a href="#">OB Holdings Bhd</a>	ACE Market	0.24	120.0	0	15 Oct	29 Oct
3Ren Bhd	ACE Market	0.28	110.0	45.0	23 Oct	6 Nov

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