



Daily Newswatch

Market Review

The FBM KLCI saw a follow-through selling pressure on Friday, pushing the benchmark index lower for a fifth straight session closing at 1,618.3 (-0.9%). Among the index constituents, YTLPOWER (-6.8%), YTL (-7.5%) and MAXIS (-3.4%) were among the top losers. Sector-wise, Energy (-1.5%), Utilities (-1.6%) and Financial Services (-0.7%) were the top 3 underperformers. In summary, the overall broader market breadth remained negative, with 656 losers outnumbering 354 gainers.

Economics

- **China:** Stimulus aims to boost consumption, top official says
- **China:** Refrains from cutting policy rate after record trim
- **EU:** ECB hawks push back against bets on more and bigger cuts
- **Japan:** Tokyo inflation slows below 2% ahead of Japan's election, central bank meet

Companies

- **OB Holdings:** In legal dispute over alleged breach of contract
- **Uzma:** Wins three-year drilling cementing contract for geothermal wells in the Philippines
- **Malakoff:** Extends E-Idaman stake buy cut-off date for third time
- **MN:** In JV to bid for data centre construction sub-contract
- **Resintech:** Buys industrial land for expansion
- **Gamuda:** JV named total development contractor for RM3.1bn to build Sabah hydro plant
- **Cabnet:** Gets RM22.5m mechanical-electrical installation subcontract job
- **MyEG:** Partners Philippines state-owned home mortgage operator to integrate online payments
- **Padini:** Announces retail revamp plans in Malaysia, Thailand for FY2025

Upcoming key economic data releases

	Date
US – Oct 2024 NFP	1 Nov
US – Oct 2024 Unemployment	1 Nov
US – Oct 2024 ISM Manufacturing PMI	1 Nov
Malaysia – Nov 2024 Interest Rate	6 Nov
US – Nov 2024 Fed Interest Rate	7 Nov
Malaysia – Sep 2024 Unemployment	8 Nov
US – Oct 2024 CPI	13 Nov
US – Oct 2024 PPI	14 Nov
EU – Oct 2024 GDP Growth Rate	14 Nov
EU – Oct 2024 Inflation Rate	19 Nov
Malaysia – Oct 2024 Inflation Rate	22 Nov

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,618.3	(0.9)	11.2
Dow Jones	42,114.4	(0.6)	11.7
Nasdaq CI	18,518.6	0.6	23.4
S&P 500	5,808.1	(0.0)	21.8
FTSE 100	8,248.8	(0.2)	6.7
Nikkei 225	37,913.9	(0.6)	13.3
Shanghai CI	3,299.7	0.6	10.9
HSI	20,590.2	0.5	20.8
STI	3,593.4	(0.3)	10.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,474.9	(6.8)
Value traded (RM m)	2,143.8	(6.1)
Gainers	354	
Losers	656	
Unchanged	577	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
INGENIEU	0.050	(9.1)	98.0
PERMAJU	0.030	(14.3)	61.1
FOCUS	0.025	0.0	38.5
YTLPOWER	3.000	(6.8)	34.2
YTL	1.970	(7.5)	32.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
YTLPOWER	3.000	(6.8)	105.4
CIMB	8.120	(0.1)	94.1
PBBANK	4.410	(2.4)	89.9
IHH	7.500	1.2	82.9
YTL	1.970	(7.5)	66.1

Currencies	Last Close	% Chg
USD/MYR	4.3427	0.1
USD/JPY	152.31	(0.3)
EUR/USD	1.0796	(0.3)
USD/CNY	7.1215	(0.1)
US Dollar Index	104.26	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	76.1	2.2
Gold (USD/troy oz)	2,748	0.4
CPO (MYR/metric t)	4,632	(1.2)
Bitcoin (USD/BTC)	66,977	0.3

Economics

China: Stimulus aims to boost consumption

China's recent rollout of stimulus is centred around lifting domestic demand and hitting the nation's annual growth goal, said Vice Finance Minister Liao Min, as investors await a meeting of lawmakers expected to unveil details of Beijing's crucial fiscal package. "The goals are to enhance the strength of macro policies to expand domestic demand and reach this year's gross domestic product growth target," Liao told *Bloomberg News* on Friday in Washington, on the sidelines of the International Monetary Fund (IMF) and World Bank's annual meetings. "And in the meantime, to coordinate with monetary policy to push for the restructuring of the economy, particularly to boost domestic demand including consumption." (*Bloomberg*)

China: Refrains from cutting policy rate after record trim

China's central bank kept its one-year policy rate unchanged, after slashing funding costs by the most on record a month ago, suggesting authorities are cautiously pacing monetary stimulus to support the economy. The People's Bank of China (PBOC) kept the interest rate on the medium-term lending facility (MLF) steady at 2% while draining a net 89bn yuan (US\$12.5bn or RM54.4bn) for October, according to a statement on Friday. (*Bloomberg*)

EU: ECB hawks push back against bets on more and bigger cuts

Three European Central Bank (ECB) officials tried to cool market speculation on bigger interest rate cuts on Thursday, urging the ECB to proceed gradually or at least keep its options open. The ECB has cut interest rates three times already this year and investors are speculating on bigger and faster cuts ahead, encouraged by weak economic data and comments by some policymakers in recent days. But central bank governors of Slovenia, Germany and Latvia struck a more cautious tone on Thursday. (*Reuters*)

Japan: Tokyo inflation slows below 2% ahead of Japan's election, central bank meet

Inflation in Tokyo slowed below 2% for the first time in five months largely due to energy prices, as the country heads into a general election and the Bank of Japan (BOJ) mulls data for its policy decision next week. Consumer prices excluding fresh food rose 1.8% in the capital in October, marking the second month of deceleration, the Ministry of Internal Affairs reported on Friday. The reading slightly exceeded economists' estimates of 1.7%. Tokyo's figures often serve as a leading indicator of national trends. The slowdown was primarily driven by softer growth in energy prices. Government subsidies for energy costs shaved off 0.51 percentage point from the overall price index in October. (*Bloomberg*)

Companies

OB Holdings: In legal dispute over alleged breach of contract

OB Holdings Bhd said its wholly-owned subsidiary Orient Biotech Sdn Bhd has received a dispute notice from a customer, Nature One Dairy (Hong Kong) Ltd (NOD), for allegedly breaching a purchase and supply agreement between the two. In a bourse filing on Friday, the fortified food and dietary supplement manufacturing service provider said NOD claims that Orient Biotech had infringed its intellectual property (IP) rights. The allegations stem from Orient Biotech's production of a milk powder product for a new customer, which NOD claims uses "formulations, recipes and ingredients" identical to its own, the filing read. *(The Edge)*

Uzma: Wins three-year drilling cementing contract for geothermal wells in the Philippines

Uzma Bhd said on Friday that its Philippines unit has been awarded a well services contract from the Philippines Geothermal Production Company Inc (PGPC) to provide drilling cementing services. The contract was awarded to Uzma's subsidiary Uzma Engineering Ltd, the upstream oil and gas services provider said in a filing with Bursa Malaysia. No contract value was disclosed. Under the contract, Uzma Engineering will be required to provide drilling cementing services for PGPC's geothermal fields in the Philippines. *(The Edge)*

Malakoff: Extends E-Idaman stake buy cut-off date for third time

Malakoff Corp Bhd said the deadline for the fulfilment of the condition's precedent in the group's proposed acquisition of a 49% stake in solid management company E-Idaman Sdn Bhd has been extended for a third time, to Jan 28, 2025. Malakoff's wholly-owned unit Tuah Utama Sdn Bhd had agreed to buy the stake from Metacorp Bhd for RM133.2m on Oct 27, 2023. The independent power producer initially expected the acquisition, aimed at expanding its waste management and environmental services business, to be completed within six months. *(The Edge)*

MN: In JV to bid for data centre construction sub-contract

MN Holdings Bhd has partnered with Protech Builders Sdn Bhd (PBSB) to jointly tender for sub-contract works for the construction of a data center project. However, it is unable to disclose the identity of the customer, as the customer is not agreeable to provide consent for disclosure, underground utilities and substation engineering specialist said in a bourse filing. It also did not disclose the contract value of the sub-contract works. MN Holdings said its wholly-owned subsidiary, Mutu Nusantara Sdn Bhd (MNSB) has inked a joint venture agreement (JVA) with PBSB for the said sub-contract work. *(The Edge)*

Resintech: Buys industrial land for expansion

Pipes and fittings maker Resintech Bhd has proposed the acquisition of a 4,280-sq-metre piece of leasehold industrial land in Telok Panglima Garang, Selangor to support future expansion. In a bourse filing on Friday, the company said it is buying the property, which includes a semi-detached factory and a three-storey office building, from a scrap metal trading firm, Sri Pushpam Recycling Sdn Bhd, for RM11m. The property will provide the company additional production and warehouse space, said Resintech, adding that its location of a two-minute drive from the company's current facility will help streamline business expansion. *(The Edge)*

Gamuda: JV named total development contractor for RM3.1bn to build Sabah hydro plant

Gamuda Bhd announced on Friday that its 75%-owned joint venture company has been appointed as the total development contractor for RM3.1bn to build a hydroelectric plant in Sabah. The contract, awarded by Upper Padas Power Sdn Bhd (UPPSB), involves the design and construction of a 187.5MW Ulu Padas dam in Tenom. It is a related-party transaction as Gamuda holds an indirect interest of 45% in UPPSB through UPP Holdings Sdn Bhd. Conlay Construction Sdn Bhd, a construction and property development company, will hold the remaining 25% stake in the joint venture, Gamuda said in an exchange filing, adding that detailed terms and conditions of the contract are currently being negotiated with UPPSB. (*The Edge*)

Cabnet: Gets RM22.5m mechanical-electrical installation subcontract job

Building management firm Cabnet Holdings Bhd said on Friday that it had secured an RM22.5m subcontract job in Johor Bahru. Cabnet will be responsible for mechanical and electrical installation services for an unspecified project, according to a bourse filing. The work is set to commence on Oct 25 to be completed by November 2026, it noted. (*The Edge*)

MyEG: Partners with Philippines state-owned home mortgage operator to integrate online payments

MyEG Services Bhd's joint venture company MYEG Philippines Inc (MYEG PH) has partnered with the Philippines' National Home Mortgage Finance Corporation (NHMFC) to integrate its payment system with the state-owned agency's platform. NHMFC is a Philippines government agency tasked with expanding access to affordable housing finance in the country. The two parties signed a memorandum of agreement on Oct 22, paving the way for the expansion of payment channels available to NHMFC borrowers, according to MyEG's filing on Friday. (*The Edge*)

Padini: Announces retail revamp plans in Malaysia, Thailand for FY2025

Padini Holdings Bhd announced plans to refurbish nine stores, open four new outlets, and close one location in Malaysia in the current financial year ending June 30, 2025 (FY2025) as part of efforts to streamline its retail operations. The fashion retailer will also close one of its seven stores in Thailand as part of its overseas market strategy, it said in its latest annual report. The group operates its largest market in Malaysia with over 140 stores nationwide, where inflation concerns persist amid plans to cut subsidies for RON95 petrol from the middle of next year, following a similar implementation with diesel back in June. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	7.44	0.61	8.15
Sentral REIT	REIT	0.80	0.06	8.00
KIP REIT	REIT	0.93	0.07	7.78
Datasonic Group	Technology	0.41	0.03	7.41
Hektar REITS	REIT	0.54	0.04	7.29
MAG Holdings	Consumer	1.18	0.09	7.29
Magnum	Consumer	1.18	0.09	7.29
Amway (M)	Consumer	7.05	0.50	7.05
Genting Malaysia	Consumer	2.28	0.16	6.93
REXIT	Technology	0.74	0.05	6.80
UOA REITS	REIT	0.99	0.06	6.46
Tambun Indah Land	Property	0.94	0.06	6.38
Sports Toto	Consumer	1.54	0.10	6.36
Paramount Corporation	Property	1.06	0.07	6.32
RHB Bank	Finance	6.41	0.40	6.26

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		
Sorento Capital Bhd	ACE Market	0.37	155.0	74.0	15 Oct	28 Oct
OB Holdings Bhd	ACE Market	0.24	120.0	-	15 Oct	29 Oct
3Ren Bhd	ACE Market	0.28	110.0	45.0	23 Oct	6 Nov
Azam Jaya Bhd	Main Market	0.78	78.8	50.0	24 Oct	11 Nov
Mega Fortris Bhd	Main Market	0.67	147.9	147.9	28 Oct	11 Nov
Life Water Bhd	Main Market	0.65	97.6	28.4	30 Oct	13 Nov
Metro Healthcare	ACE Market	0.25	156.6	-	4 Nov	15 Nov

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