



Daily Newswatch

Market Review

The FBM KLCI bounced back on Friday, recovering from three consecutive days of losses, and closed at 1,589.8 (+0.1%) as investors seized the chance to buy beaten-down stocks. Among the index constituents, PCHEM (+1.9%), QL (+1.7%) and TENAGA (+1.5%) were the top 3 gainers. Sector-wise, the top 3 gainers were led by Construction (2.3%), Industrial Products and Services (+0.7%), and Technology (+0.9%). In summary, the overall broader market breadth remained negative, with 553 losers outnumbering 479 gainers.

Economics

- **Japan:** Inflation holds above target, fanning December rate hike
- **Japan:** Cabinet approves stimulus in show of progress for Ishiba
- **US:** Debt load tops Fed's survey of financial stability risks
- **Malaysia:** Inflation in Malaysia picks up slightly in October
- **Malaysia:** PM will meet South Korea's conglomerate leaders, attract foreign investment

Companies

- **Solarvest:** Bags RM142m EPCC job for 30MWac solar plant in Kedah
- **Icon Offshore:** Signs definitive agreements for acquisitions worth over RM400m
- **Lagenda Properties:** Secures right to develop another Kota Tinggi plot for RM99.6m
- **Top Glove:** In JV for high-density polyethylene glove biz
- **PICorp:** Secures RM14.7m contract from Air Selangor

Upcoming key economic data releases

Date

US – Oct 2024 PCE Index	27 Nov
US – Nov 2024 PMI	29 Nov

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,589.8	0.1	9.3
Dow Jones	44,296.5	1.0	17.5
Nasdaq CI	19,003.7	0.2	26.6
S&P 500	5,969.3	0.3	25.1
FTSE 100	8,262.1	1.4	6.8
Nikkei 225	38,283.9	0.7	14.4
Shanghai CI	3,267.2	(3.1)	9.8
HSI	19,230.0	(1.9)	12.8
STI	3,746.0	0.2	15.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,589.2	(24.8)
Value traded (RM m)	2,284.4	(8.5)
Gainers	479	
Losers	553	
Unchanged	509	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZENTECH	0.010	(33.3)	58.4
YTL	1.770	(3.3)	45.4
GTRONIC	0.545	6.9	38.0
MYEG	0.910	0.0	37.5
CEB	0.355	(4.1)	31.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TNEAGA	14.000	1.4	151.6
CIMB	8.220	0.1	99.0
MAYBANK	10.200	0.0	84.9
YTL	1.770	(3.3)	79.7
YTLPOWER	2.900	(2.7)	78.9

Currencies	Last Close	% Chg
USD/MYR	4.4685	(0.1)
USD/JPY	154.78	(0.2)
EUR/USD	1.0418	(0.5)
USD/CNY	7.2444	(0.1)
US Dollar Index	107.55	0.5

Commodities	Last Close	% Chg
Brent (USD/barrel)	75.2	1.3
Gold (USD/troy oz)	2,716	1.7
CPO (MYR/metric t)	4,790	(2.1)
Bitcoin (USD/BTC)	98,304	0.2

Economics

Japan: Inflation holds above BOJ target, fanning December rate hike bets

Japan's core inflation in October held above the central bank's 2% target and a key index stripping away the effect of fuel accelerated, data showed on Friday, keeping pressure on the central bank to raise its still-low interest rates. The data also showed continued gains in service prices, which are closely watched by the Bank of Japan (BOJ) for clues on whether firms were passing on rising labor costs, suggesting conditions for further rate hikes were falling into place. The readings will be among factors the BOJ will discuss at its next policy meeting on Dec 18-19, when some analysts expect a hike in short-term rates to 0.5% from 0.25% as the central bank unwinds years of ultra-low rates. (*Reuters*)

Malaysia: Inflation in Malaysia picks up slightly in October, official data shows

Inflation in Malaysia picked up slightly and was a tad faster than expected in October as prices of food and personal care products, including jewellery, rose, official data released on Friday showed. The consumer price index — Malaysia's main gauge of inflation — rose 1.9% in October from a year earlier, the Department of Statistics said in a statement. This compares to the median 1.8% increase in a *Bloomberg* poll. The inflation rate was also 1.8% in September. On a month-on-month basis, the index rose 0.2% in October. (*The Edge*)

Japan: Cabinet approves stimulus in show of progress for Ishiba

Japanese Prime Minister Shigeru Ishiba's Cabinet approved a stimulus package that's slightly bigger than last year's, as he followed up on a pledge to ramp up support for households and businesses struggling to cope with higher costs. The stimulus lays out fiscal spending of ¥21.9tn (US\$140bn or RM632.2bn) on measures to support sustained wage gains and cash handouts for low-income households, subsidies for gas and electricity bills, and investment into the semiconductor and artificial intelligence sector, according to the Cabinet Office on Friday. "The most important thing is to raise wages for all generations," Ishiba told reporters earlier in the day. "This needs to happen now and in the future." (*Bloomberg*)

US: Debt load tops Fed's survey of financial stability risks

The US government's debt load is now seen as the biggest risk to financial stability, outweighing persistent inflation in a Federal Reserve survey. "Concerns surrounding US fiscal debt sustainability were atop the list this survey, followed by escalating tensions in the Middle East and policy uncertainty," the Fed said in its semi-annual financial stability report. The report includes a survey of the Fed's financial-market contacts conducted from late August to late October by New York Fed staff members. It also includes the central bank's assessment of developing risks in four main areas, including asset valuations, borrowing by businesses and households, leverage in the financial sector and funding risks. (*Bloomberg*)

Malaysia: PM will meet South Korea's conglomerate leaders, attract foreign investment

Prime Minister Datuk Seri Anwar Ibrahim is scheduled to meet leaders of South Korean conglomerates, or "chaebol", to attract more foreign direct investments to Malaysia. Malaysian Ambassador to the Republic of Korea Datuk Mohd Zamruni Khalid said a series of meetings with key corporate figures and businessmen of the country's giant companies will be held on the second day of the official visit. The prime minister is scheduled to arrive in Seoul at 10pm local time on Sunday night (9pm Malaysian time), for an official visit to the country for three days, starting Sunday until Nov 26, at the invitation of South Korean President Yoon Suk Yeol. In addition, Mohd Zamruni said the prime minister would also speak at a business forum that is expected to be attended by more than 180 South Korean companies. (*The Edge*)

Companies

Solarvest: Bags RM142m EPCC job for 30MWac solar plant in Kedah

Solarvest Holdings Bhd's wholly-owned subsidiary Atlantic Blue Sdn Bhd has been awarded an RM142m engineering, procurement, construction and commissioning (EPCC) contract from SM01 Sdn Bhd, a special purpose vehicle in which the group owns a 33% stake. In a filing with Bursa Malaysia on Friday, Solarvest said the contract is for the construction of a solar photovoltaic energy generating facility in Gurun, Kedah, with a capacity of 30 megawatts of alternating current. SM01 is an SPV established to carry out the project under the Corporate Green Power Programme. Besides Solarvest, the other shareholders are Shizen Malaysia Sdn Bhd, with a 49% stake and HSS Engineering Sdn Bhd, with 18%. *(The Edge)*

Icon Offshore: Signs definitive agreements for acquisitions worth over RM400m

Offshore support vessel company Icon Offshore Bhd said on Friday it has signed definitive agreements for a slew of previously announced acquisitions worth over RM400m. The company has signed four share sale and purchase agreements with the sellers, including its largest shareholder Liannex Corporation, for 40 maritime assets that will more than double its fleet, Icon said in an exchange filing. The deals are expected to close by the first quarter of 2025. "These acquisitions will provide Icon with significant opportunities to enter new geographical regions within Southeast Asia with untapped market potential, enabling it to enlarge its revenue streams and reduce risks related to geographical concentration," the company said. *(The Edge)*

Lagenda Properties: Secures right to develop another Kota Tinggi plot for RM99.6m

Lagenda Properties Bhd said on Friday that an indirectly owned subsidiary of the company has secured the right to develop a 139-acre land in Kota Tinggi, Johor, for RM99.6m, cash. The final purchase price may still vary. It said the unit, Opti Vega Sdn Bhd, had exercised an option in a development rights agreement signed with Intact Corporate Approach Sdn Bhd (ICA) earlier this year. *(The Edge)*

Top Glove: In JV for high-density polyethylene glove biz

Top Glove Corp Bhd has entered into a joint venture (JV) with US glove importer Tronex (Asia) Ltd, and Polywel International Trade Co Ltd for the production and distribution of high-density polyethylene (HDPE) gloves. The JV involves Top Quality Glove Sdn Bhd (TQG), a wholly owned subsidiary of Top Glove, that focuses on manufacturing and trading gloves, rubber products, and cast polyethylene products, the group said in a bourse filing on Friday. Under the agreement, TQG will hold a 60% stake in JV company TG Meditech Sdn Bhd, while Tronex and Polywel will each own 20%. Business operations are expected to commence by December 2024. *(The Edge)*

PICorp: Secures RM14.7m contract from Air Selangor

Progressive Impact Corp Bhd's (PICorp) wholly-owned subsidiary, Alam Sekitar Malaysia Sdn Bhd (ASMA) has secured an RM14.7m contract from Pengurusan Air Selangor Sdn Bhd (Air Selangor). In a filing with Bursa Malaysia, PICorp said the contract is for the provision of preventive and corrective maintenance services for 190 Nos. of hybrid distribution water quality real-time analyzer (HYDRA) Selangor. *(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		
Supreme Consolidated Bhd	ACE Market	0.25	70.0	-	15 Nov	29 Nov
Cropmate Bhd	ACE Market	0.20	260.0	-	22 Nov	5 Dec

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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my