



# Daily Newswatch

## Market Review

The FBMKLCI ended the week slightly lower at 1,613.3 (-0.1%), pulling back from recent gains as profit-taking dominated amid heightened investor caution. Among the index constituents, NESTLE (-1.8%), IOICORP (-1.8%) and AXIATA (-1.7%) were the top three decliners. Sector wise, the top three decliners were Plantation (-0.5%), REIT (-0.3%) and Telecommunications & Media (-0.2%). The overall broader market breadth turned positive, with 574 gainers outweighing 465 losers.

## Economics

- **EU:** Consumers finally start spending, boosting growth
- **US:** November job growth rebounds but unemployment rate tick up
- **US:** Wall Street adds to stock, rate cut bets after 'Thanksgiving buffet' jobs data
- **Malaysia:** BNM's international reserves risen to US\$118.3bn as at Nov 29

## Companies

- **OSK:** Buys more land in Sungai Petani
- **KIP Reit:** EPF emerges as substantial shareholder in KIP REIT for first time
- **Inta Bina:** Buys 2.7-acre land for RM23m
- **Berjaya Foods:** Vincent Tan-linked firm trims stake in Berjaya Food
- **ITMax:** To jointly develop smart parking solutions with local firm Aim-Force
- **MMAG:** Proposes RM270m share capital reduction to reduce accumulated losses
- **Cypark:** Partners Terengganu govt to develop 500MW hybrid hydro floating solar plant
- **Crescendo:** Seals seventh land sale in Johor, to data centre operator
- **Tanco:** HK-listed Cosco Shipping explore partnership to manage proposed Port Dickson AI port
- **Kawan Food:** Ventures into IT equipment business via JV

<u>Upcoming key economic data releases</u>	<u>Date</u>
Malaysia – Oct 2024 Unemployment Rate	Dec 9
US – Dec 2024 CPI	Dec 11
US – Dec 2024 PPI	Dec 12
US – Dec 2024 FOMC	Dec 19
Malaysia – Nov 2024 Inflation Rate	Dec 20
Malaysia – Nov 2024 PPI	Dec 24

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,613.3	(0.1)	10.9
Dow Jones	44,642.5	(0.3)	18.4
Nasdaq CI	19,859.8	0.8	32.3
S&P 500	6,090.3	0.2	27.7
FTSE 100	8,308.6	(0.5)	7.4
Nikkei 225	39,091.2	(0.8)	16.8
Shanghai CI	3,404.1	1.0	14.4
HSI	19,865.9	1.6	16.5
STI	3,796.2	(0.7)	17.2

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,184.6	(1.8)
Value traded (RM m)	2,820.5	2.8
Gainers	574	
Losers	465	
Unchanged	524	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
SUPERMX	1.060	7.6	76.0
TOPGLOV	1.320	5.6	69.0
YNHPROP	0.565	(19.9)	50.4
MYEG	0.920	1.1	37.9
PBBANK	4.580	0.2	37.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	10.160	(0.6)	218.3
PBBANK	4.580	0.2	171.2
CIMB	8.170	(0.2)	136.5
TENAGA	13.520	(0.6)	117.5
TOPGLOV	1.320	5.6	88.6

Currencies	Last Close	% Chg
USD/MYR	4.4195	0.2
USD/JPY	150.00	0.1
EUR/USD	1.0568	(0.2)
USD/CNY	7.2715	(0.2)
US Dollar Index	106.06	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.1	(1.3)
Gold (USD/troy oz)	2,633	0.1
CPO (MYR/metric t)	5,336	0.1
Bitcoin (USD/BTC)	99,708	(0.9)

## Economics

### EU: Consumers finally start spending, boosting growth

Private consumption in the euro area jumped by the most in two years in the third quarter, offering hope that shoppers are finally starting to power an economic recovery. Household expenditure increased 0.7% from the previous three months, while investments advanced by 2%, Eurostat said Friday. Trade was a drag, leaving overall growth at 0.4% — as reported in an initial estimate. Europe has long been expecting a boost from consumers as incomes grow, inflation cools and interest rates fall. Price growth temporarily dipped below 2% in September. The European Central Bank expects it to durably meet that goal in 2025. Wages, meanwhile, have risen strongly following the inflation spike in recent years. Data later Friday from the ECB showed third-quarter compensation per employee rose by 4.4% from a year ago, down from 4.8% in the previous period but still elevated. *(Bloomberg)*

### US: Job growth rebounds in November but unemployment rate ticks up

US job growth surged in November after being severely hindered by hurricanes and strikes, but a rise in the unemployment rate to 4.2% pointed to an easing labour market that should allow the Federal Reserve to cut interest rates again this month. The labour market's resilience is driving the economy, with the closely watched employment report from the Labor Department on Friday showing solid wage growth last month. The economy created 56,000 more jobs in September and October than previously estimated. "Today's payroll report reinforces the case for a Fed cut in December, but without inciting any meaningful worries about the labour market," said Seema Shah, chief global strategist at Principal Asset Management. Non-farm payrolls increased by 227,000 jobs last month after rising by an upwardly revised 36,000 in October, the Labor Department's Bureau of Labor Statistics said. Economists polled by *Reuters* had forecast payrolls would gain 200,000 jobs following a previously reported rise of 12,000 in October. *(Reuters)*

### US: Wall Street adds to stock, rate cut bets after 'Thanksgiving buffet' jobs data

Global stocks advanced on Friday as investors raised their bets on the prospect of a US interest rate cut this month, after payrolls data showed strong job growth in November, while the euro dipped against the dollar as political turmoil gripped France. Futures markets put an 85% chance on the US Federal Reserve (Fed) cutting rates by 25 basis points at its Dec 17-18 meeting after the data, compared with 68% earlier in the session. Non-farm payrolls increased by 227,000 jobs last month after rising an upwardly revised 36,000 in October, in a month hit by hurricanes and strikes. Economists polled by *Reuters* had forecast payrolls accelerating by 200,000 jobs. *(Reuters)*

### Malaysia: BNM's international reserves rose to US\$118.3bn as at Nov 29

Malaysia's international reserves stood at US\$118.3bn as at Nov 29, 2024, compared with US\$118.0bn on Nov 15. The reserves position was sufficient to finance 4.6 months of imports of goods and services, and was 0.9 times the total short-term external debt, Bank Negara Malaysia (BNM) said in a statement on Friday. The main components of the reserves were foreign currency reserves (US\$105.4bn), the International Monetary Fund reserves position (US\$1.3 billion), special drawing rights (SDRs) (US\$5.9bn), gold (US\$3.3bn), and other reserve assets (US\$2.4bn). *(Bernama)*

## Companies

### **OSK: Buys more land in Sungai Petani**

OSK Holdings Bhd's property arm, OSK Property Holdings Bhd, plans to expand its activities in Kedah with the acquisition of five parcels of plantation land totalling 330.5 acres (133.8 hectares) for RM72m. OSK Amanjaya Sdn Bhd, a wholly owned subsidiary of OSK Property, is buying the land, located north of Sungai Petani, from Central Kedah Properties Sdn Bhd. "The land would enable the group to undertake development activities, meeting the growing demand for residential, commercial and mixed-use properties," OSK Holdings said in a filing with Bursa Malaysia on Friday. *(The Edge)*

### **KIP Reit: EPF emerges as substantial shareholder in KIP REIT for first time**

The Employees Provident Fund has emerged as a substantial shareholder in KIP Real Estate Investment Trust for the first time, after acquiring a 6.1% stake in the REIT, comprising 48.5 units. This as EPF, via Citigroup Nominees (Tempatan) Sdn Bhd, acquired the block of shares on Dec 3 via a private placement deal, the REIT's filing on Friday showed. The REIT announced on Dec 2 that its overall placement, totalling 180m shares, would be priced at 82.5 sen. For reference, KIP REIT's share price closed at 88.5 sen on Tuesday. Prior to this, KIP REIT's latest annual report showed that EPF was its 16th largest shareholder as of July 31, 2024, with the provident fund holding 8.2m units, or a 1.0% stake. *(The Edge)*

### **Inta Bina: Buys 2.7-acre land for RM23m**

Construction outfit Inta Bina Group Bhd said it is buying a plot of land in Bukit Jelutong, Selangor, for RM23m, cash, for property development. Inta Bina is buying the 2.7-acre freehold land from QL Resources Bhd's wholly-owned QL Agrifoods Sdn Bhd, its bourse filing on Friday shows. It plans to fund the acquisition with internal funds and bank borrowings. It believes the future development of the land will contribute positively to its future earnings in the medium-to-long term and deliver sustainable growth. *(The Edge)*

### **Berjaya Foods: Vincent Tan-linked firm trims stake in Berjaya Food**

An investment vehicle linked to Berjaya Group founder Tan Sri Vincent Tan has divested 4.9% equity interest in Berjaya Food Bhd just a week after emerging as a substantial shareholder in the local Starbucks operator with an 8.1% stake purchase. Detik Ria Sdn Bhd sold the 4.9% stake, comprising 86m shares, via a direct business transaction on Thursday, according to a bourse filing on Friday. This reduced its stake in Berjaya Food to 3.2%. *Bloomberg* data revealed that the 86 million shares were sold at 37.5 sen each, for a total sum of RM32.3m. The price represents a 2.6% discount to the stock's closing price of 38.5 sen on Thursday. Berjaya Food's main shareholder is Berjaya Corp Bhd, with a direct stake of 5.7% and an indirect stake of 57.5% via Berjaya Group Bhd. *(The Edge)*

### **ITMax: To jointly develop smart parking solutions with local firm Aim-Force**

Traffic management and video surveillance company ITMAX System Bhd said on Friday it is partnering with Aim-Force Sdn Bhd to jointly develop smart parking enforcement solutions and enterprise mobility software and technologies for various projects. In a bourse filing, ITMAX said it had entered into a joint venture (JV) agreement with Aim-Force for the collaboration, which they will undertake via a JV company named Enforcemax that was incorporated on Nov 1 this year with an issued share capital of RM150,000. ITMAX holds a 70% equity stake in Enforcemax, while Aim-Force owns the remaining 30%. Aim-Force is owned by Lew Chiew Yoon (31.3%), Yip Huan Shean (31.3%), Pek Han Tiong (31.3%), and Chiew Kheng Huat (6%). *(The Edge)*

**MMAG: Proposes RM270m share capital reduction to reduce accumulated losses**

ACE Market-listed MMAG Holdings Bhd has proposed a share capital reduction to wipe out up to RM270m of its accumulated losses. "The proposed share capital reduction will enable the company and the group to rationalise their financial positions by reducing the accumulated losses," the company said in a bourse filing on Friday. At the group level, MMAG's accumulated losses stood at RM290.2m at the end of the audited 18 months ended Sept 30, 2024. This will be reduced to RM20.4m after the share capital reduction. *(The Edge)*

**Cypark: Partners Terengganu govt to develop 500MW hybrid hydro floating solar plant**

Cypark Resources Bhd is partnering with the Terengganu state government to develop a 500-megawatt (MW) large hybrid hydro-floating solar (HHFS) plant at Tasik Kenyir. In a statement, Cypark said it has signed a heads of agreement for the joint venture (JV) with Terengganu Incorporated Sdn Bhd (Terengganu Inc), the state's strategic investment arm. The 500-MW HHFS project is the first of its kind in Malaysia, harnessing Tasik Kenyir's water for clean energy generation. "It will be the single largest site in Malaysia that will combine solar energy production, battery storage, as well as unlocking the potential of Malaysia's extensive bodies of water," Cypark said. The JV, it said, will be led by TNB Power Generation Sdn Bhd (TNB Genco), which will design, build and operate the plant. Design for the project is set to begin in 2025. *(The Edge)*

**Crescendo: Seals seventh land sale in Johor, to data centre operator**

Johor-based property developer Crescendo Corp Bhd is selling more land for the development of data centres in Johor, this time for RM120.1m in cash. In a filing with Bursa Malaysia, Crescendo said it signed an agreement with Data Cloud Innovation Sdn Bhd (DCI), a wholly-owned unit of UK-based Magma Holding Company Ltd, on Friday for the sale of five plots of freehold vacant land in Iskandar Puteri. These plots form part of the Nusa Cemerlang Industrial Park, a light and medium industrial development undertaken by Crescendo, covering a total area of 800,413.2 square feet. The net book value of the land, based on audited financial statements as of Jan 31, 2024, was RM19.2m. *(The Edge)*

**Tanco: HK-listed Cosco Shipping explore partnership to manage proposed Port Dickson AI port**

Tanco Holdings Bhd announced that its 79%-owned subsidiary, Midports Holdings Sdn Bhd (MHSB), is exploring a potential collaboration with Hong Kong-listed Cosco Shipping Ports Ltd for the operation and management of MHSB's proposed "smart AI container port project" in Port Dickson, Negeri Sembilan. MHSB has signed a memorandum of understanding (MOU) with Cosco Shipping to enable the parties to conduct further discussions in good faith, said Tanco in a bourse filing on Friday. "The MOU is to facilitate and support the company's efforts to develop a strategic relationship with a reputable, capable, experienced and global leading port logistics service provider for the operations and management of the port project," Tanco said. *(The Edge)*

**Kawan Food: Ventures into IT equipment business via JV**

Frozen food manufacturer Kawan Food Bhd is venturing into the supply and distribution of information technology equipment via a joint venture with several individuals, including its founder cum major shareholder, and its current chairman. It has, via its wholly-owned KG Pastry Marketing Sdn Bhd (KGPM), inked a joint venture agreement with Sun Cheng Leng, Huang Er-Wen, Gan Thiam Chai and Lim Hun Soon @ David Lim on Friday to undertake the business via a special purpose vehicle, Reka Innotech Sdn Bhd. Gan is chairman emeritus of Kawan Food as well as its founder, with a 7.3% stake in Kawan Food. Lim, currently Kawan Food's chairman, also sits on the board of companies like Press Metal Aluminium Holdings Bhd, TSA Group Bhd and Public Investment Bank Bhd as their independent non-executive director. *(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		
TMK Chemical Bhd	Main Market	1.75	220.0	-	29 Nov	12 Dec
TopVision Eye Specialist Bhd	ACE Market	0.33	54.2	-	3 Dec	16 Dec
Vanzo Holdings Bhd	ACE Market	0.15	93.4	46.7	4 Dec	17 Dec
Carlo Rino Group Bhd	ACE Market	0.27	171.9	-	5 Dec	18 Dec
<a href="#">Winstar Capital Bhd</a>	ACE Market	0.35	56.6	17.4	3 Dec	19 Dec

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## Published & Printed By:

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