



# Daily Newswatch

## Market Review

The FBM KLCI ended the day slightly lower at 1,611.4 (-0.1%), as selling pressure dominated despite more positive sentiment across regional markets. Among the index constituents, significant selling pressure was observed in YTL (-4.0%), PETDAG (-3.1%) and YTLPOWR (-2.4%). Sector-wise, the negative performance was led by Utilities (-1.2%), Transportation & Logistics (-0.8%) and Energy (-0.7%). The overall market breadth turned bearish, with 662 losers outnumbered 433 gainers.

## Economics

- **Malaysia:** Unemployment stable in October, labour force in 'optimistic' position
- **US:** November job growth rebounds but unemployment rate tick up
- **Malaysia:** Retail sales growth accelerated to 3.8% in 3Q, may hit 4.4% in 4Q
- **China:** Signals bolder stimulus for next year as Trump returns
- **UK:** Statistics failing on multiple fronts pose new policy risk

## Companies

- **Tenaga:** Sembcorp sign deal for supply of 50MW renewable energy to Singapore
- **UEM Sunrise:** Gets nod for A\$277.8m build-to-rent project in Melbourne
- **GFM Services:** To explore 45% stake in energy services firm Shapadu for RM30m cash
- **Hartalega:** Declares special dividend of 10.85 sen
- **Axiata:** Sinar Mas said to near deal for Indonesian units
- **Paragon Globe, Solarvest:** Mutually terminates MOU with following land disposal in Johor
- **Haily:** Wins RM38m residential development job
- **Gagasan Nadi Cergas:** To build over RM1bn worth of affordable homes in Kwasa Damansara

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,611.4	(0.1)	10.8
Dow Jones	44,401.9	(0.5)	17.8
Nasdaq CI	19,736.7	(0.6)	31.5
S&P 500	6,052.9	(0.6)	26.9
FTSE 100	8,352.1	0.5	8.0
Nikkei 225	39,160.5	0.2	17.0
Shanghai CI	3,402.5	(0.0)	14.4
HSI	20,414.1	2.8	19.7
STI	3,794.9	(0.0)	17.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,020.5	(5.2)
Value traded (RM m)	2,403.0	(14.8)
Gainers	433	
Losers	662	
Unchanged	478	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZENTECH	0.005	(50.0)	144.0
MYEG	0.940	2.2	88.2
TOPGLOV	1.330	0.8	51.8
SUPERMX	1.030	(2.8)	37.3
DATAPRP	0.155	3.3	34.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.180	0.1	218.2
MAYBANK	10.100	(0.6)	100.4
MYEG	0.940	2.2	83.3
TENAGA	13.820	2.2	80.6
TOPGLOV	1.330	0.8	68.4

Currencies	Last Close	% Chg
USD/MYR	4.4253	(0.1)
USD/JPY	151.28	(0.0)
EUR/USD	1.0555	0.0
USD/CNY	7.2586	0.2
US Dollar Index	106.16	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.9	1.1
Gold (USD/troy oz)	2,660	0.0
CPO (MYR/metric t)	5,308	(0.5)
Bitcoin (USD/BTC)	97,134	0.2

### Upcoming key economic data releases

### Date

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

## Economics

### Malaysia: Unemployment stable in October, labour force in 'optimistic' position

Malaysia's unemployment rate remained stable in October this year, as the number of jobless people decreased while the labour force expanded, latest data showed. The unemployment rate stood at 3.2%, a level generally considered as full employment, the Department of Statistics Malaysia said in a statement. The number of unemployed individuals, meanwhile, was marginally lower at 551,400, compared with 555,300 in the previous month. "The country's labour market position remains optimistic", thanks to an expanding economy, amid a rising number of employed persons and decline in the unemployed, said chief statistician Datuk Seri Dr Mohd Uzir Mahidin. The number of employed individuals also increased further, edging up 0.2% month-on-month to 16.7m. All in all, the labour force expanded 0.1% to 17.3m individuals. The labour force participation rate remained unchanged at 70.5% in October. The number of employees, which make up 75% of the total workforce, ticked up 0.1% to 12.5m individuals in October. *(The Edge)*

### China: Inflation weakens as new risks cloud horizon

China's consumer inflation hit a five-month low in November, as fresh food prices pulled back while factory deflation persisted, suggesting Beijing's recent efforts to shore up faltering economic demand are having only limited impact. The world's second-largest economy is bracing for likely fresh tariffs from a second Donald Trump White House and still dealing with other headwinds, suggesting more policy stimulus will be needed to shore up fragile growth. The consumer price index (CPI) rose 0.2% last month year-on-year (y-o-y), data from the National Bureau of Statistics (NBS) showed on Monday, below the 0.3% increase in October and a 0.5% rise forecast in a *Reuters* poll of economists. The CPI fell 0.6% month-on-month, compared with a 0.3% fall in October and a forecast 0.4% decline. *(Reuters)*

### Malaysia: Retail sales growth accelerated to 3.8% in 3Q, may hit 4.4% in 4Q

Malaysia's retail sales growth accelerated in the third quarter, an industry research firm said on Monday, flagging faster growth in the next three months due to the year-end holiday season. Retail sales grew 3.8% in July-September 2024 compared to the same period in 2023, led by the minimarket-and-convenience store subsector, according to Retail Group Malaysia (RGM) in its latest industry report. In the second quarter, retail sales expanded 0.6% year-on-year. "Higher household expenditures were due to rising retail prices of many goods and services," RGM said. "Despite the absence of major festivals and national holidays, Malaysian consumers continued to shop for both basic and non-essential retail goods and services." *(The Edge)*

### China: Signals bolder stimulus for next year as Trump returns

China's top leaders have signaled stronger economic stimulus for 2025, with a shift to a "moderately loose" monetary policy and more proactive fiscal measures to support the economy amid growing deflation and trade tensions. The Politburo meeting emphasized boosting consumption and stabilizing key sectors like property and the stock market, with plans to increase government spending and issue more bonds. The government is aiming for a growth target of around 5% for 2024, with a focus on boosting domestic demand. The policy shift comes as China faces a weakening economy, rising deflation, and the threat of trade disruption under Donald Trump's presidency. *(Bloomberg)*

### UK: Statistics failing on multiple fronts pose new policy risk

The UK is facing significant data issues that are raising concerns about policy decisions, with inaccuracies in key statistics from the Office for National Statistics (ONS) and the Bank of England (BOE). These data flaws are affecting crucial economic indicators like labor market reports, leading to uncertainty around employment levels and complicating fiscal and monetary decisions. Critics argue that these issues, along with gaps in government financial accounts, undermine trust and increase political and financial risks, particularly as the UK faces fiscal challenges. The lack of investment and oversight in data infrastructure has exacerbated the problem, with key figures warning that unreliable data could hinder effective policymaking. *(Bloomberg)*



## Companies

### **Tenaga: Sembcorp sign deal for supply of 50MW renewable energy to Singapore**

Tenaga Nasional Bhd and Sembcorp Power Pte Ltd have signed an agreement for the supply of 50 megawatts (MW) of renewable energy to Singapore. The maiden renewable energy supply from Malaysia to the island-state is the result of the bidding process conducted through Energy Exchange Malaysia (Enegem) in June. This first phase of cross-border renewable energy trading with Singapore will commence this month, the Ministry of Energy Transition and Water Transformation (Petra) said in a statement. Under the supply agreement, TNB will deliver the electricity to Singapore through Sembcorp Power, utilising existing interconnection between the two countries, Petra said. *(The Edge)*

### **UEM Sunrise: Gets nod for A\$277.8m build-to-rent project in Melbourne**

UEM Sunrise Bhd has received planning permit approval for a A\$277.8m (RM784.8m) build-to-rent development in Collingwood, Melbourne, Australia. According to a media statement on Monday, UEM Sunrise would be the developer and delivery partner for the project, with Australian property investment firm Greystar as the investor and owner-operator via a fund-through structure. Located about 3.5km from the Melbourne Central Business District (CBD), the development would be the first of its kind in Collingwood. Situated on a 0.54-hectare site at the eastern entry point, the project will comprise 407 apartments housed across two buildings (16- and 18 storeys), 1,300 square metres (sq m) of retail space, pedestrian laneways, and over 1,000 sq m of public- and semi-private courtyards. *(The Edge)*

### **GFM Services: To explore 45% stake in energy services firm Shapadu for RM30m cash**

Facility management firm GFM Services Bhd said on Monday it has signed an agreement to explore a stake in oil-and-gas services firm Shapadu Energy Sdn Bhd for an indicative RM30m cash. Under the proposed acquisition, GFM will subscribe to shares equivalent to 15% in Shapadu Energy for RM10.0m and purchase 30% directly from Shapadu Corporation for RM20.0m, GFM said in a statement. GFM and Shapadu will also sign a put and call option agreement, it said. "The proposed acquisition represents a strategic move to strengthen the enlarged GFM's foothold" in the oil and gas facilities maintenance sector, said GFM managing director Ruslan Nordin. *(The Edge)*

### **Hartalega: Declares special dividend of 10.85 sen**

Hartalega Holdings Bhd has announced a special dividend of 10.85 sen per share for the financial year ending March 31, 2025 (FY2025). The dividend, with an entitlement date of Dec 23, will be paid to shareholders on Dec 31, according to the glove maker's filing with Bursa Malaysia on Monday. Last month, Hartalega declared a first interim dividend of 0.56 sen per share. This brings the total dividend so far in FY2025 to 11.41 sen per share, compared with 0.35 sen per share for FY2024, which was the lowest in recent years amid oversupply issues and increased competition from China in the glove sector. Hartalega's share price closed two sen or 0.5% lower at RM3.75, giving the company a market capitalisation of RM12.9bn. The stock is offering a dividend yield of 3.0%. *(The Edge)*

### **Axiata: Sinar Mas said to near deal for Indonesian units**

Malaysian wireless carrier Axiata Group Bhd and Indonesian conglomerate PT Sinar Mas Group are nearing an agreement to merge their telecommunications operations in Southeast Asia's largest economy, people familiar with the matter said. The owners of PT XL Axiata and PT Smartfren Telecom are finalising details of a transaction that could be announced as soon as this week, the people said, asking not to be identified because the matter is private. The companies have been discussing the structure of a deal that may involve a mix of cash and shares, and that would create an entity with about 100m customers, *Bloomberg News* reported in April. *(Bloomberg)*



**Paragon Globe, Solarvest: Mutually terminates MOU with following land disposal in Johor**

Paragon Globe Bhd has mutually agreed to terminate its memorandum of understanding (MOU) with Solarvest Holdings Bhd to explore a renewable energy-focused industrial development, following the group's sale of land to a data centre company. According to the Johor-based property developer, the MOU, which was signed on Feb 2 with Solarvest and focused on developing a green industrial township within DESA 100, is now considered irrelevant due to the land sale. The termination aligns with the group's strategic restructuring of the Desa Cemerlang project in Johor, which includes the disposal of 67.6 acres of freehold land within DESA 100 to Bridge Data Centres Malaysia IV Sdn Bhd (47.9 acres) and Bridge Data Centres Malaysia VI Sdn Bhd (19.8 acres), collectively known as Bridge Data Centres Malaysia, Paragon Globe said in a statement. *(The Edge)*

**Haily: Wins RM38m residential development job**

Haily Group Bhd has accepted a letter of award from Meridin East Sdn Bhd for the construction and completion of 168 units of double storey terrace houses in Johor Baru, worth RM38.2m. In a filing with Bursa Malaysia, Haily said the project will take up to 15 months from the commencement date. "The letter of award will not have any effect on the issued share capital and substantial shareholders' shareholdings of the company as there is no issuance of new ordinary shares in the company." *(The Star)*

**Gagasan Nadi Cergas: To build over RM1bn worth of affordable homes in Kwasa Damansara**

Gagasan Nadi Cergas Bhd plans to develop over RM1bn worth of affordable homes in the Kwasa Damansara township through a development rights agreement with Kwasa Land and its unit. The project involves building 4,183 affordable housing units on a 34.9-acre land parcel, with Gagasan Nadi funding it through internal funds and bank borrowings. This marks their second collaboration with Kwasa Land, following a previous project for 1,669 units in the same area. The group aims to deliver more than 11,000 affordable homes over the next eight years, and its construction segment currently has an order book of RM462m. *(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
Swift Energy Technology Bhd	ACE Market	0.28	250.2	50.0	23 Dec	8 Jan

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## Published & Printed By:

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