



# Daily Newswatch

## Market Review

The FBMKLCI slipped to close at 1,609.0 (-0.2%) in subdued trading, with volume dropping below three billion shares. The decline mirrored Wall Street's overnight weakness, as investors remained cautious ahead of this week's key US inflation data, which is expected to play a pivotal role in shaping the Federal Reserve's rate cut decision on December 18. Among the index constituents, PETGAS (-1.7%), QL (-1.6%) and MRDIY (-1.6%) are the top 3 underperformers. Sector-wise, the negative performance was led by Utilities (-0.7%), Telecommunications & Media (-0.5%) and REIT (-0.4%). Nonetheless, the overall market breadth turned slight positive, with 534 gainers outweighing 513 losers.

## Economics

- Japan:** Megabanks are flush with cash and hunting overseas deals
- China:** Signals bolder stimulus for next year as Trump returns
- China:** Exports slow sharply, imports shrink ahead of Trump tariffs
- Australia:** Growing confidence on inflation sees jump in rate-cut bets

## Companies

- Feytech:** Partners Chinese firm to make car seats for Chery car
- Tropicana:** Partners Banyan Group to develop first branded residences in Johor
- MN Holdings:** Wins data centre project worth RM162.6m
- JHM:** Bags contracts worth RM300m from Proton
- Power Root:** Buys land in Johor for RM20m
- Mega First:** Secures five-year concession extension for Don Sahong hydropower project
- SP Setia:** To launch single-storey terraced homes in Kepala Batas, Penang
- Skyworld:** Signs agreement to develop Malaysia's largest affordable housing project in Penang
- PGF Capital:** Indirect unit acquires land in Kulim Hi-Tech for RM12.7m
- Sapura Energy:** Unit completes divestment of 50% stake in SapuraOMV
- Sunview:** Unit bags two PV solar contracts worth RM196.1m

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,609.0	(0.2)	10.6
Dow Jones	44,247.8	(0.3)	17.4
Nasdaq CI	19,687.2	(0.3)	31.1
S&P 500	6,034.9	(0.3)	26.5
FTSE 100	8,280.4	(0.9)	7.1
Nikkei 225	39,367.6	0.5	17.6
Shanghai CI	3,422.7	0.6	15.0
HSI	20,311.3	(0.5)	19.1
STI	3,813.6	0.5	17.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,738.8	(9.3)
Value traded (RM m)	2,638.7	9.8
Gainers	534	
Losers	513	
Unchanged	562	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TOPGLOV	1.370	3.0	73.5
SUPERMX	1.080	4.9	39.4
JCY	0.505	5.2	30.3
MYEG	0.935	(0.5)	29.4
MAYBANK	0.065	0.0	25.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	13.680	(1.0)	150.6
MAYBANK	10.100	0.0	144.2
GAMUDA	9.450	2.5	106.4
PBBANK	4.520	(0.4)	101.2
MAYBANK	10.100	0.0	144.2

Currencies	Last Close	% Chg
USD/MYR	4.4275	(0.0)
USD/JPY	151.87	0.1
EUR/USD	1.0532	0.0
USD/CNY	7.2498	0.1
US Dollar Index	106.40	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.2	0.1
Gold (USD/troy oz)	2,695	0.0
CPO (MYR/metric t)	5,165	(2.7)
Bitcoin (USD/BTC)	97,068	0.2



## Economics

### **Japan: Megabanks are flush with cash and hunting overseas deals**

Japan's megabanks are awash in cash and eager to invest. Mitsubishi UFJ Financial Group Inc (MUFG), Sumitomo Mitsui Financial Group Inc and Mizuho Financial Group Inc are enjoying record earnings. Selling off cross-shareholdings is bringing in even more money. Even as they reward shareholders with buybacks and higher dividends, they are determined to fund overseas expansion. Their primary focuses are on the US and India, respectively the world's largest economy and the fastest-growing. While the banks have had a presence in the two countries for decades, this year has seen a fresh push in investment and hiring. Buying stakes in local companies also puts their excess funds to work as the banks are under pressure from the Tokyo Stock Exchange to boost their valuations. *(Bloomberg)*

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

China's top leaders signalled bolder economic support next year using their most direct language on stimulus in years, as Beijing braces for a trade war when Donald Trump takes office. President Xi Jinping's decision-making Politburo vowed to embrace a "moderately loose" monetary policy in 2025, signalling more rate cuts ahead and shifting from a "prudent" strategy that's held for 14 years. The 24-man body also vowed "more proactive" fiscal policy at its monthly huddle, according to the official *Xinhua News Agency*, raising expectations for Beijing to widen the fiscal deficit from 3% at the annual parliamentary session in March. That would open the door to more central government borrowing to shore up the faltering economy. *(Bloomberg)*

### **China: Exports slow sharply, imports shrink ahead of Trump tariffs**

China's exports slowed sharply and imports unexpectedly shrank in November, in a worrying sign for the world's No 2 economy as Donald Trump's imminent return to the White House brings fresh trade risks. The disappointing trade figures follow other indicators showing patchy growth in November, suggesting Beijing needs to do more to shore up a faltering economy that is only likely to face further challenges next year. Outbound shipments grew 6.7% last month, customs data showed on Tuesday, missing a forecast 8.5% increase and down from a 12.7% rise in October. Of more concern for authorities, imports shrank 3.9%, their worst performance in nine months and dashing expectations for a 0.3% increase, keeping alive calls for more policy support to prop up domestic demand. Top leaders on Monday vowed to ramp up stimulus in 2025, shifting the language around China's monetary and fiscal settings to more accommodative wording in a bid to rev up demand and entice consumers back into spending. *(Reuters)*

### **Australia: Growing confidence on inflation sees jump in rate-cut bets**

The Reserve Bank of Australia (RBA) held its cash rate at 4.35%, expressing growing confidence that inflation is moving towards its target, though risks remain. This shift in tone led traders to increase bets on interest rate cuts, with markets anticipating reductions starting in February and two cuts by May. Governor Michele Bullock noted mixed economic data, with signs of private sector weakness but improvements in supply-demand balance, and a slight rise in unemployment is expected. The RBA is also preparing to establish a new monetary policy committee in March, following amendments to the RBA Act. *(Bloomberg)*

## Companies

### **Feytech:** Partners Chinese firm to make car seats for Chery cars

Feytech Holdings Bhd on Tuesday said it is partnering a Chinese state-owned firm to design and manufacture automotive seats catering to Chery vehicles in Malaysia and abroad. Under a joint venture agreement, a new company will be set up with Feytech holding a 51% stake and Wuhu Ruitai Auto Parts Co Ltd the remaining 49%, according to a statement. The joint venture (JV) will be capitalised with RM6m initially, with an injection of RM7.7m a year later, it noted. "Through this JV, we will establish a new company dedicated to designing, manufacturing, and assembling automotive seats and components for both local production and export markets," Feytech chief executive officer Connie Go said at the signing ceremony on Tuesday. *(The Edge)*

### **Tropicana:** Partners Banyan Group to develop first branded residences in Johor

Property developer Tropicana Corp Bhd on Tuesday signed an agreement with Singapore-based Banyan Group to develop the first branded residential development in Johor named Skypark Kepler. The development has a gross development value of RM2.1bn. As part of the RM80bn, 163-acre Lido Waterfront Boulevard township development by Tropicana Corp, the four-acre Skypark Kepler comprises 1,596 fully furnished serviced apartment units housed across two 54-storey buildings. There will be over 40 facilities provided. With layouts of one to three bedrooms, the units will have built-ups ranging from 436 to 807 sq ft. Prices start from RM790,000 or RM1,800 psf, and the residential project is expected to be completed in four to five years. *(The Edge)*

### **MN Holdings:** Wins data centre project worth RM162.6m

MN Holdings Bhd has won a contract worth RM162.6m for design and building works at a hyperscale data centre in the southern region of Peninsular Malaysia. According to a bourse filing, the contract was awarded to MN Holdings' wholly-owned subsidiary Mutu Nusantara Sdn Bhd to undertake works involving the design, build and construction of a high-voltage main switching station (SSU) and consumer containerised SSU for a data centre. MN Holdings said its customer, whose name it did not disclose, is principally engaged in providing infrastructure for hosting, data processing services and related activities, wholesale of a variety of goods without any particular specialisation, and computer facilities management activities. *(The Edge)*

### **JHM:** Bags contracts worth RM300m from Proton

Automotive lighting product manufacturer JHM Consolidation Bhd said its 52%-owned subsidiary JHM Dekai Auto Lighting Sdn Bhd has bagged contracts worth RM300m from Perusahaan Otomobil Nasional Sdn Bhd (Proton) to supply parts for specific Proton car models. In a filing with Bursa Malaysia on Tuesday, JHM said the supply of parts is expected to commence in the late third quarter of the financial year ending Dec 31, 2025 (FY2025) and will continue for a duration of five years. "The [contracts are] expected to contribute to the earnings of JHM Group over a period of five years commencing from FY2025," it added. *(The Edge)*

### **Power Root:** Buys land in Johor for RM20m

Power Root Bhd said it is purchasing 3.5m square feet of agriculture land in Johor for RM20.0m in cash. "The proposed acquisition is expected to strengthen our vertical integration across the entire coffee value chain by enhancing our upstream capabilities, reduce reliance on external suppliers and mitigate the risk of potential raw material price fluctuations," Power Root told Bursa Malaysia on Tuesday. The group, through its wholly-owned subsidiary Power Root Support Services Sdn Bhd, is acquiring the land, located in the Mukim of Sedenak in Kulai district, from Ree Fong Agriculture Sdn Bhd. Power Root said the acquisition will be funded through internally-generated funds or debt financing. The purchase consideration, it said, was determined on a willing-buyer, willing-seller basis, after considering the prevailing market value of land in the area and the location of the land. *(The Edge)*



**Mega First: Secures five-year concession extension for Don Sahong hydropower project**

Mega First Corporation Bhd, which has added a fifth turbine generator unit to boost the power generation capacity of its Don Sahong hydropower project in Laos, said on Tuesday that it has secured a five-year extension to its 25-year concession for the project. Instead of ending on Sept 30, 2045, the project will now end on Dec 31, 2049, as the commercial operation date has been moved to Jan 1, 2025 from Oct 1, 2020, according to a statement from Mega First that was filed to Bursa Malaysia on Tuesday. Its 95%-owned unit Don Sahong Power Company Ltd, which owns and operates the project, has inked a supplemental concession agreement with the Government of The Lao People's Democratic Republic to change the commercial operation date of the project, which effectively gives rise to the extension. And instead of paying 5% of the revenue generated from the project as royalty each year throughout the concession period to the Laotian government, Don Sahong Power Company has now agreed to pay US\$82.5m (RM365n) upfront, in lieu of the annual royalty. *(The Edge)*

**SP Setia: To launch single-storey terraced homes in Kepala Batas, Penang**

S P Setia Bhd is launching the first sub-phase of Setia Suria, the latest terraced homes at its Setia Fontaines township development in Kepala Batas, Penang, this weekend. Setia Suria has a total gross development value of RM280m. The 49.55-acre Setia Suria comprises 333 single-storey terraced homes with built-ups ranging from 1,189 to 1,221 sq ft. Each unit will have three bedrooms and two bathrooms, with indicative prices starting from RM430,000. *(The Edge)*

**Skyworld: Signs agreement to develop Malaysia's largest affordable housing project in Penang**

SkyWorld Development Bhd said on Tuesday that it has signed an agreement with the Penang state agencies to jointly develop the country's largest affordable housing project that is valued at RM13bn. Under the joint development agreement signed with the Penang Development Corporation (PDC) and its subsidiary PDC Properties, the project aims to deliver over 38,000 Rumah Mampu Milik Madani (RMM) and Rumah Bakat Baru Madani (RBB) homes priced at between RM225,000 and RM420,000. Targeting the M40 (Middle 40% income) group or those with household income below RM11,800 a month, the first phase will be launched in 2026, and the entire project spans 10 years. *(The Edge)*

**PGF Capital: Indirect unit acquires land in Kulim Hi-Tech for RM12.7m**

Main-market listed PGF Capital Bhd's indirect joint venture company Nexel Development KHTP Sdn Bhd has entered into a sale and purchase agreement to acquire two parcels of freehold land in Kulim Hi-Tech Park, Kedah from Kulim Technology Park Corporation Sdn Bhd for RM12.7m. Nexel Development is a wholly-owned subsidiary of Nexel Group Sdn Bhd, a joint venture company in which PGF Capital holds a 50.1 per cent stake, alongside Penang-based property developer Malvest Group Sdn Bhd with a 10.0 per cent stake, and three individuals affiliated with Malvest holding the remaining shares. *(The Star)*

**Sapura Energy: Unit completes divestment of 50% stake in SapuraOMV**

Sapura Energy Bhd has announced that its wholly-owned subsidiary Sapura Upstream Assets Sdn Bhd has completed the sale of its 50% equity interest in SapuraOMV Upstream Sdn Bhd to TotalEnergy Holdings SAS. "The completion of this divestment marks a key milestone in the company's broader reset plan for the long-term sustainable and viable future of Sapura Energy Group," said Sapura Energy Interim chairman Shahin Farouque Jammal Ahmad in a statement. *(The Star)*

**Sunview: Unit bags two PV solar contracts worth RM196.1m**

Sunview Group Bhd via its wholly-owned subsidiary Fabulous Sunview Sdn Bhd has secured two contracts for two ground-mounted photovoltaic (PV) solar generation facilities in Sungai Petani in Kuala Muda, Kedah, for a combined RM196.1m. In a statement the group said the contracts, awarded by Dayasinar Energy Sdn Bhd and Solarscape Energy Sdn Bhd are valued at RM98.3mil and RM97.8m, respectively. *(The Star)*



## 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

# Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as “believe”, “estimate”, “intend” and “expect” and statements that an event or result “may”, “will” or “might” occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. (“Mercury Securities”) and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities’ website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

## Published & Printed By:

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](http://www.mercurysecurities.com.my)  
Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)