



Daily Newswatch

Market Review

The FBMKLCI struggled to sustain its positive momentum throughout the day and ended slightly lower at 1,602.1 (-0.1%) due to late selling, despite the strong performance of regional markets. Among the index constituents, CDB (-1.9%), TENAGA (-1.5%) and PBBANK (-0.9%) were the top 3 laggards. Sectors-wise, the Healthcare sector (-1.2%) remained the weakest performer, with negative momentum persisting from yesterday's session. This was primarily due to ongoing selling pressure on glove counters such as HARTA (-3.3%), KOSSAN (-3.0%) and TOPGLOV (-2.8%). Overall, the broader market breadth remained bearish, with 548 losers outnumbered 466 gainers.

Economics

- Japan:** BOJ said to see little cost to waiting for next rate hike
- US:** Increase tariffs on China's wafers, polysilicon from 2025
- US:** Treasury swings calm as US election, Fed uncertainties abate
- US:** Inflation gives Fed green light for December, yellow for 2025
- Global:** Gold slips as traders turn focus to next year's US rate outlook

Companies

- Power Root:** Plans to plant own coffee beans amid surging prices
- Kumpulan Kitacon:** Gets construction contracts worth RM204m
- Sunway:** Iskandar Puteri partners SWM Environment
- Homeritz:** Reports fire outbreak at facility in Muar, financial impact under assessment
- Gamuda:** Pays five sen dividend as 1Q profit climbs 5%; order book hits record RM30bn
- GDB:** Clinches RM298m warehouse project from SimeProp's JV unit
- Dataprep:** Proposes RM100m capital reduction and private placement raising fresh fund
- Paramount:** Buys land, 93 condominium units in KL for RM145m

Upcoming key economic data releases

	Date
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	1,602.1	(0.1)	10.1
Dow Jones	44,148.6	(0.2)	17.1
Nasdaq CI	20,034.9	1.8	33.5
S&P 500	6,084.2	0.8	27.6
FTSE 100	8,314.0	0.1	7.5
Nikkei 225	39,849.1	1.2	19.1
Shanghai CI	3,461.5	0.8	16.4
HSI	20,397.1	1.2	19.6
STI	3,809.3	0.4	17.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,325.6	28.5
Value traded (RM m)	2,529.8	2.8
Gainers	466	
Losers	548	
Unchanged	541	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZENTECH	0.005	(50.0)	162.3
TWL	0.030	0.0	146.7
AIZO	0.130	0.0	51.3
TMK	1.920	9.7	47.5
KPJ	2.340	3.1	44.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
KPJ	2.340	3.1	102.3
TENAGA	13.560	(1.5)	100.0
TMK	1.920	9.7	93.6
MAYBANK	10.140	0.2	90.7
IHH	7.170	0.1	89.2

Currencies	Last Close	% Chg
USD/MYR	4.4373	(0.1)
USD/JPY	152.2	0.2
EUR/USD	1.0503	0.1
USD/CNY	7.2675	(0.1)
US Dollar Index	106.59	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.6	0.0
Gold (USD/troy oz)	2,711	(0.3)
CPO (MYR/metric t)	5,160	0.9
Bitcoin (USD/BTC)	100,276	(1.3)

Economics

Japan: BOJ said to see little cost to waiting for next rate hike

Bank of Japan (BOJ) officials see little cost to waiting before raising interest rates, while still being open to a hike next week, depending on data and market developments, according to people familiar with the matter. Even if the BOJ decides to wait until January or a while longer, authorities see it as not entailing a huge cost because signs point to limited risk that inflation might overshoot, the people said. At the same time, some officials are not against a rate hike at this meeting if it is proposed, according to the people. The yen weakened against the dollar following the report, after some whipsawing. It briefly hit 152.8 against the greenback around 10.25pm in Tokyo on Wednesday, after earlier trading at around 151.6. It was moving at around 152.1 to the dollar on Thursday morning. *(Bloomberg)*

US: Increase tariffs on China's wafers, polysilicon from 2025

The US will raise import tariffs on Chinese solar wafers, polysilicon and some tungsten products from the beginning of next year, following a four-year review by the Biden administration. Tariff on those products will be increased to 50%, effective from Jan 1, according to a statement from the US Trade Representative's office. The US has imposed import levies on solar exports from China, which dominates the global industry, since 2012, and has accused Beijing of pursuing overcapacity to inhibit production in other countries. The increases aren't expected to have a major impact on Chinese manufacturers, as the US only took 0.3% of the country's direct solar component exports last year, according to a report by researchers at Australia's Griffith University. *(Bloomberg)*

US: Treasury swings calm as US election, Fed uncertainties abate

Swings in the US Treasury market have cooled off with the presidential election in the rearview mirror, and as investors become more convinced that the Federal Reserve will cut interest rates. A closely watched measure of expected volatility in Treasuries fell to levels last seen in February 2022, as easing inflation reinforced bets for a Fed rate cut next week. Still, US jobless claims and producer price data later on Thursday are on the radar for traders, as they gauge the US central bank's next steps. The reduction in volatility "reflects a combination of softer-than-expected incoming economic data, fading concerns about the effects of tariffs on inflation – at least beyond the short run," John Higgins, chief markets economist at Capital Economics, wrote in a note. "We don't expect it to become a whole lot more volatile in 2025 either, even allowing for concerns about the fiscal outlook." *(Bloomberg)*

US: Inflation gives Fed green light for December, yellow for 2025

The Federal Reserve is expected to proceed with a 25-basis-point rate cut next week, following a November inflation report that met expectations, though concerns about persistent price pressures suggest progress toward the 2% target may be stalling. As inflation has been slower to decrease and the labor market remains resilient, policymakers are cautious about future cuts, particularly in 2025. While some analysts predict fewer rate reductions in 2025 due to inflation's stickiness, the Fed is likely to proceed with the December cut. The latest data also raises questions about whether the neutral interest rate is higher than previously thought, influencing future rate decisions. *(Bloomberg)*

Global: Gold slips as traders turn focus to next year's US rate outlook

Gold reversed a four-day rally, falling 0.7% to around \$2,700 an ounce, as investors focused on an uncertain outlook for 2025 despite expectations of a 25-basis-point rate cut by the Federal Reserve next week. While gold has gained significantly this year, driven by Fed easing, haven demand, and central bank purchases, uncertainty surrounding US monetary policy and the potential impact of Donald Trump's return to the White House weighed on sentiment. Additionally, China resumed buying gold for its reserves in November, providing some price support. Analysts are also monitoring a divergence in gold and silver markets, partly due to concerns over possible US import tariffs under a Trump administration. *(Bloomberg)*

Companies

Power Root: Plans to plant own coffee beans amid surging prices

Surging coffee bean prices arising from a global shortage is impacting companies across the industry, including Power Root Bhd which has been diversifying its supplier base and raw materials, and is now looking at planting some of the coffee beans it needs, to mitigate the price pressures. Arabica coffee futures have hit record highs, driven by supply shortage and adverse weather conditions in key coffee-producing regions like Brazil and Vietnam. On Tuesday, Arabica futures were up 4% at US\$3.4 (RM15.2) a pound in New York, *Bloomberg* reported. Prices had surpassed the previous all-time high set in 1977, when the market was rattled by Brazil's devastating frost of 1975 that impacted future crops. Spot prices of the raw material Power Root uses for its coffees have been increasing weekly since last month, said the group's chief executive officer Wong Tak Keong. (*The Edge*)

Kumpulan Kitacon: Gets construction contracts worth RM204m

Kumpulan Kitacon Bhd said on Thursday it had secured two building works contracts worth a total of RM203.9m. One of the contracts involves the construction of 237 landed houses and ancillaries for RM143m at the Gamuda Gardens project developed by Gamuda Bhd, Kitacon said in an exchange filing. The contract will start from Jan 2, 2025, and be completed within 18 months. The other contract would see Kitacon building 218 landed houses and ancillaries in Cyberjaya for the Selangor State Development Corporation (PKNS) for RM60.9m. Works will begin on Jan 20, 2025, with the contract expected to be completed within 104 weeks. With the new wins, Kitacon's outstanding order book has increased to RM1.4bn. (*The Edge*)

Sunway: Iskandar Puteri partners SWM Environment

Sunway City Iskandar Puteri (SCIP), an ongoing 2,000-acre development in Johor by the property development division of Sunway Bhd — Sunway Property, has joined forces with SWM Environment Sdn Bhd to offer the first cloud-based data system to streamline the township's recycling and sustainability efforts. The cloud-based system will allow SCIP to gain real-time insights into recycling rates, which will help facilitate better oversight of sustainability efforts and strengthen resource management. (*The Edge*)

Homeritz: Reports fire outbreak at facility in Muar, financial impact under assessment

Upholstery furniture manufacturer Homeritz Corp Bhd has reported a fire incident at one of its production facilities in Muar, Johor, with the financial impact of the incident still under evaluation. The company said fire, which broke out at 8am on Thursday, affected one of the spraying lines and work-in-progress inventory while damage from the incident was confined to one block of the furniture factory building. The premises are owned by EISB, a wholly-owned subsidiary of the group. "Other production facilities and factory buildings were not affected, and production activities are continuing as normal. The management of the company and EISB will ascertain the actual extent and quantum of the losses caused by the incident," said Homeritz in a filing with Bursa Malaysia. (*The Edge*)

Gamuda: Pays five sen dividend as 1Q profit climbs 5%; order book hits record RM30bn

Gamuda Bhd reported that its net profit climbed 5.3% in the August-October quarter as revenue jumped on improved contributions from all segments. It also achieved a record high order book of RM30bn. Net profit for the quarter ended Oct 31, 2024 (1QFY2025) rose to RM205.4m from RM195.0m in the same quarter last year, while revenue rose 47.5% to RM4.1bn from RM2.8bn, its bourse filing on Thursday showed. The group declared a first interim dividend of five sen per share, to be paid on a date to be fixed. (*The Edge*)

GDB: Clinches RM298m warehouse project from SimeProp's JV unit

GDB Holdings Bhd, which specialises in high-rise construction projects, said it has bagged an RM298m contract to build a logistics warehouse in Bandar Bukit Raja 2, Klang. The Main Market-listed company said its subsidiary, Grand Dynamic Builders Sdn Bhd, was awarded the contract by SDPLOG1 (My Holdings) Sdn Bhd, a joint venture between Sime Darby Property Bhd and LOGOS SE Asia Pte Ltd. This brings GDB's outstanding order book to RM1.4bn, providing a strong pipeline until December 2026, the group said in a statement on Thursday. *(The Edge)*

Dataprep: Proposes RM100m capital reduction and private placement raising fresh fund

Dataprep Holdings Bhd has proposed a share capital reduction to eliminate up to RM100m of accumulated losses, reducing its group-level loss to RM463,000 and its company-level retained profit to RM12.5m. The company also plans a private placement of up to 30% of its shares, raising RM30.2m to fund project expenditures, working capital, and repay borrowings. The proposals, subject to shareholder and Bursa Malaysia approvals, are expected to be completed by Q2 2025. *(The Edge)*

Paramount: Buys land, 93 condominium units in KL for RM145m

Paramount Corp Bhd is acquiring an 18,317 sq m leasehold land together with a residential development comprising 93 units of low-rise luxury condominium in Taman U-Thant, Kuala Lumpur for RM145m cash. The real estate developer said its wholly owned unit, Tanah Bayumas Sdn Bhd, has signed a sale and purchase agreement (SPA) with Prismaworld Embassyview Sdn Bhd to purchase the land and six blocks of five-storey condominium buildings with a sub-basement one-storey car park, according to a filing on Thursday. As of September, 44% of the 93 condominium units, known as Brunsfield Residence, were tenanted. *(The Edge)*



	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		
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
Winstar Capital Bhd	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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