



# Daily Newswatch

## Market Review

The FBM KLCI edged higher to 1596.2 (+0.3%), buoyed by gains in financial services heavyweights. Among index constituents, AXIATA (+2.1%), SIME (+1.8%), and HLBANK (+1.7%) emerged as the top gainers, reflecting renewed optimism in cyclical and telecommunication-related counters. Sector-wise, Financial Services (+0.8%) led the gains, followed by Technology (+0.8%) and Transportation (+0.1%), driven by selective buying in anticipation of year-end adjustments. Nevertheless, the broader market sentiment remained cautious, with 545 decliners outnumbering 390 gainers.

## Economics

- Malaysia:** Govt adds rooftop solar quota again; household rebate extended until April
- US:** Biden launches new US trade probe into legacy Chinese chips
- EUR:** Lagarde says ECB very close to reaching its inflation goal
- UK:** Business morale falls to 2024 low but pay growth strong
- UK:** Economy stalled after Labour took office
- Singapore:** November core inflation at 1.9% year-on-year, lowest in almost three years

## Companies

- Bursa:** Embarks on CEO succession
- Capital A:** To exit PN17 status by 1Q2025
- Tuju Setia:** Wins RM389m construction contract
- Esthetics International:** Extends distributorship with US-based Dermalogica
- Powerwell:** Wins RM27m contract to supply switchboards for data centre

Upcoming key economic data releases	Date
Malaysia – Nov 2024 PPI	Dec 24

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,596.2	0.3	9.7
Dow Jones	42,840.3	1.2	13.7
Nasdaq CI	19,572.6	1.0	30.4
S&P 500	5,930.9	1.1	24.3
FTSE 100	8,094.5	0.1	4.7
Nikkei 225	39,161.3	1.2	17.0
Shanghai CI	3,351.3	(0.5)	12.6
HSI	19,883.1	0.8	16.6
STI	3,752.3	0.9	15.8

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,372.7	(30.2)
Value traded (RM m)	2,039.6	(45.9)
Gainers	390	
Losers	545	
Unchanged	565	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
WINSTAR	0.605	19.8	62.5
HM-R1	0.115	(4.2)	32.6
KGROUP	0.005	(50.0)	32.1
TOPGLOV	1.330	0.8	30.9
YTL	2.580	0.0	29.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.950	0.0	109.4
GAMUDA	4.610	(3.6)	108.6
YTL	2.580	0.0	77.3
YTLPOWR	4.110	(0.7)	74.8
MAYBANK	10.080	1.2	73.1

Currencies	Last Close	% Chg
USD/MYR	4.4897	0.4
USD/JPY	156.82	(0.3)
EUR/USD	1.0392	(0.4)
USD/CNY	7.2992	(0.1)
US Dollar Index	108.11	0.5

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.7	(0.3)
Gold (USD/troy oz)	2,619	(0.2)
CPO (MYR/metric t)	4,910	3.1
Bitcoin (USD/BTC)	96,184	1.1

## Economics

### Malaysia: Govt adds rooftop solar quota again; household rebate extended until April

The government on Monday announced an additional rooftop solar quota under the net energy metering (NEM) mechanism for households (NEM Rakyat) and the commercial and industrial segment (NEM Nova). NEM Rakyat will be increased by 150 megawatts (MW) to 600MW, while NEM Nova will be increased by 300MW to 1,700MW, the Ministry of Energy Transition and Water Transformation (Petra) said in a statement. Meanwhile, the solar system installation rebate of up to RM4,000 for domestic users under the Solar Incentive Scheme for the People (SolaRIS) will be extended until April 30 next year, subject to the eligibility terms and conditions. *(Bernama)*

### US: Biden launches new US trade probe into legacy Chinese chips

The Biden administration on Monday announced a last-minute trade investigation into Chinese-made "legacy" semiconductors that could heap more US tariffs on chips from China that power everyday goods from autos to washing machines to telecoms gear. The "Section 301" probe, launched just four weeks before President-elect Donald Trump takes office on Jan. 20, will be handed over to his administration in January for completion, Biden administration officials said. The effort could offer Trump a ready avenue to begin imposing some of the hefty, 60% tariffs that he has threatened on Chinese imports. *(Bloomberg)*

### EUR: Lagarde says ECB very close to reaching its inflation goal

European Central Bank (ECB) President Christine Lagarde said the eurozone was getting "very close" to reaching the central bank's medium-term inflation goal, according to an interview published by the Financial Times (FT) on Monday. Earlier in December, Lagarde had said the central bank would cut interest rates further if inflation continued to ease towards its 2% target, as curbing growth was no longer necessary. "We're getting very close to that stage when we can declare that we have sustainably brought inflation to our medium-term 2%," Lagarde told the FT, urging continued vigilance on services inflation. *(Bloomberg)*

### UK: Business morale falls to 2024 low but pay growth strong

British business confidence fell to its lowest level of 2024 in December but employers were a bit more optimistic about the wider economy, according to a survey published on Monday, while separate data showed a pre-Christmas rise in hiring and pay. The Lloyds Bank Business Barometer measure of confidence among companies fell by two points to 39%, still above its long-run average of 29%. Britain's economy contracted in September and October — the first consecutive monthly falls in output since the Covid-19 pandemic — as employers worried about the new government's first budget which was announced on Oct 30. The Bank of England (BOE) last week forecast zero growth in gross domestic product in the final quarter of 2024 but it kept interest rates on hold as it awaited more clarity on the impact on inflation from the budget's tax increases for employers. *(Bloomberg)*

### UK: Economy stalled after Labour took office

The UK economy failed to grow in the third quarter, according to revised estimates that suggest the slowdown has been sharper than expected since Labour took office. Gross domestic product (GDP) was unchanged in the three months through September, the Office for National Statistics (ONS) said on Monday, a downgrade from its previous estimate of 0.1% growth. Economists had expected no revision. The second quarter was also weaker than thought with growth of 0.4% rather than 0.5%. The figures deliver a further blow to Prime Minister Keir Starmer, who came to power promising to boost growth and living standards. Instead, the economy has weakened dramatically after outpacing Group of Seven (G7) peers in the first half, with businesses and consumers blaming gloomy rhetoric about the state of the public finances and big tax rises announced in the Oct 30 budget. *(Bloomberg)*



**Singapore: November core inflation at 1.9% year-on-year, lowest in almost three years**

Singapore's key consumer price gauge rose 1.9% in November on a yearly basis, lower than economists' forecasts and the smallest rise in nearly three years, official data showed on Monday. The core inflation rate — which excludes private road transport and accommodation costs — was lower than the 2.1% forecast by a Reuters poll of economists and compared with a 2.1% rise seen in October. It was the smallest rise since November 2021, when it climbed by 1.6%. Headline inflation was 1.6% in annual terms in November, lower than the 1.8% expected in the poll. The Monetary Authority of Singapore (MAS) had forecast core inflation to be around 2% in the fourth quarter. *(Reuters)*

## Companies

### **Bursa:** Embarks on CEO succession

Bursa Malaysia Bhd said on Monday that it is currently embarking on the succession of its chief executive officer Datuk Muhamad Umar Swift through its nomination and remuneration committee. "Bursa Malaysia has in place a talent development and succession plan which considers both internal and external candidates as potential future leaders of the company," Bursa Malaysia said in a filing. The company did not elaborate further. *(The Edge)*

### **Capital A:** To exit PN17 status by 1Q2025

Capital A Bhd is expected to exit PN17 status by the first quarter of next year after submitting its proposed regularisation plan to Bursa Malaysia Securities Bhd on Monday. Chief executive officer Tan Sri Tony Fernandes said the group submitted the plan, which among others, includes a RM6bn capital reduction, but would not affect flight frequency or reduce employee benefits. "It's a simple plan, it's just a capital reduction. So I hope Bursa Malaysia will look at it favourably and approve it quite quickly," he told the media, here Monday. Fernandes said the plan represents Capital A's achievement in strengthening its financial position and reaffirms its commitment to driving long-term growth from here onwards. *(The Edge)*

### **Tuju Setia:** Wins RM389m construction contract

Tuju Setia Bhd has secured a contract worth RM389m to build serviced apartments in Wangsa Maju, Setapak. The contract involves the construction of two blocks of 52-storey serviced apartments with 17 levels of automated car park, with rooftop facilities and common facilities at ground floor under the Milla Residence, the company said in a statement. Works will start in April 2025 and be completed within 36 months, Tuju Setia said. The job was awarded to Tuju Setia's wholly-owned Pembinaan Tuju Setia Sdn Bhd by Beverly WM Sdn Bhd. Milla Residence is a joint effort between Beverly, Mapletree Investments Pte Ltd of Singapore, and Lai Sun Group of Hong Kong. *(The Edge)*

### **Powerwell:** Wins RM27m contract to supply switchboards for data centre

Electrical products manufacturer Powerwell Holdings Bhd has secured an RM27m contract to supply low-voltage switchboards for a data centre project in Malaysia. The contract was awarded to its wholly-owned subsidiary Kejuruteraan Powerwell Sdn Bhd by "a leading international contractor," the company said in a filing with Bursa Malaysia on Monday, without disclosing the identity of the contractor. *(The Edge)*

### **Esthetics International:** Extends distributorship with US-based Dermalogica

Esthetics International Group Bhd has renewed its distribution agreement with US-based premium skincare provider Dermalogica Inc. Specifically, the group has extended the distributorships for its Malaysian, Singapore, Indonesian and Brunei operations for another five years, while its distributorships in Thailand and Hong Kong have been extended for another two years. The new distributorship agreements are effective from Jan 1, 2025, according to the group in a bourse filing. *(The Edge)*



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.51	0.18	11.72
MBM Resources	Consumer	6.01	0.53	8.74
Amway (M)	Consumer	6.85	0.56	8.25
British American Tobacco (M)	Consumer	7.45	0.60	8.00
Sentral REIT	REIT	0.79	0.06	7.77
KIP REIT	REIT	0.88	0.07	7.66
Ta Ann Holdings	Plantation	4.09	0.30	7.36
Genting Malaysia	Consumer	2.15	0.16	7.26
Paramount Corporation	Property	1.04	0.07	7.21
Datasonic Group	Technology	0.42	0.03	7.14
YTL Hospital REIT	REIT	1.18	0.08	7.03
CapitaLand Malaysia Trust	REIT	0.66	0.05	6.82
Sports Toto	Consumer	1.48	0.10	6.76
UOA REITS	REIT	0.93	0.06	6.59
Hektar REITS	REIT	0.54	0.03	6.54

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		
Swift Energy Technology Bhd	ACE Market	0.28	28.0	14.0	23 Dec	08 Jan
CBH Engineering Holding Bhd	ACE Market	0.28	298.0	188.1	02 Jan	16 Jan
Northern Solar Holdings Bhd	ACE Market	0.63	67.3	35.6	20 Jan	06 Feb

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## Published & Printed By:

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