



# Daily Newswatch

## Market Review

The FBM KLCI continued its window-dressing activities and extended its gains to 1,613.7 (+0.7%), closing higher for the fourth consecutive session. Among index constituents, the top gainers were PCHEM (+3.6%), MRDIY (+2.8%), and PMETAL (+2.6%). Sector-wise, the standout performers were led by Industrial Products & Services (+1.7%), Property (+1.4%) and Technology (+1.3%). Overall, the broader market breadth was positive, with 692 gainers outpacing 295 losers.

## Economics

- **China:** Avoids rate cut to keep ammunition for future pressure
- **South Korea:** Consumer confidence plunges most since pandemic
- **China:** Revises up 2023 GDP to US\$17.73tn, rules out impact on 2024 figure
- **UK:** Economy to outperform Europe in next 15 years, says CEBR
- **Japan:** Unveil record budget with ramped-up defence spending

## Companies

- **TNB:** Announces higher base electricity tariff for 2025-2027
- **TNB:** Among LSS5 winners, bags 500MW solar farm project in Kedah
- **CCK:** Declares first-ever special dividend of five sen
- **Southern Cable:** Gets RM173m supply contract
- **Lebtech:** To collaborate on water works worth RM10.8m
- **Kawan Reenergy:** MD Lim Thou Lai trims stake to 67%
- **Taghill:** Faces adjudication claim from subcontractor

<u>Upcoming key economic data releases</u>	<u>Date</u>
US – Dec 2024 Manufacturing PMI	Jan 03
US – Dec 2024 Unemployment Rate	Jan 10
Malaysia – Nov 2024 Unemployment Rate	Jan 10
US – Jan 2025 PPI	Jan 14
US – Jan 2025 CPI	Jan 15
Malaysia – GDP Growth Rate	Jan 20
Malaysia – Dec 2024 Inflation Rate	Jan 22
Malaysia – Interest Rate Decision	Jan 22
Malaysia – Dec 2024 PPI	Jan 28
US – Jan 2025 FOMC	Jan 30
US – Jan 2025 PCE	Jan 31

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,613.7	0.7	10.9
Dow Jones	43,325.8	0.1	15.0
Nasdaq CI	20,020.4	(0.1)	33.4
S&P 500	6,037.6	(0.0)	26.6
FTSE 100	8,137.0	0.4	5.2
Nikkei 225	39,568.1	1.1	18.2
Shanghai CI	3,398.1	0.1	14.2
HSI	20,098.3	1.1	17.9
STI	3,761.5	(0.2)	16.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,467.3	22.5
Value traded (RM m)	1,865.2	21.0
Gainers	692	
Losers	295	
Unchanged	499	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZENTECH	0.005	0.0	150.7
JCY	0.560	6.7	80.4
SNS	0.670	17.5	74.5
VANZO	0.205	13.9	62.2
SCABLE	0.115	0.0	39.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.040	0.9	81.0
YTLPOWR	4.290	2.4	77.8
GENM	2.240	2.3	62.6
YTL	2.630	1.2	61.1
GAMUDA	4.620	0.0	58.8

Currencies	Last Close	% Chg
USD/MYR	4.4692	0.4
USD/JPY	157.79	0.1
EUR/USD	1.0423	0.0
USD/CNY	7.2979	(0.0)
US Dollar Index	108.13	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.3	(0.4)
Gold (USD/troy oz)	2,633	(0.0)
CPO (MYR/metric t)	4,898	(0.0)
Bitcoin (USD/BTC)	95,674	(0.0)

## Economics

### China: Avoids rate cut to keep ammunition for future pressure

The People's Bank of China (PBOC) kept its one-year medium-term lending facility (MLF) rate steady at 2% while withdrawing a net 1.15 tn yuan from the financial system, the largest cash drain since 2014. This decision aligns with a cautious approach ahead of potential US trade tensions, with analysts predicting interest rate cuts in 2025. Despite the MLF rate hold, the PBOC has been using other tools, like reverse repos and government bond purchases, to manage liquidity and address volatility. (*Bloomberg*)

### South Korea: Consumer confidence plunges most since pandemic

South Korea's consumer confidence dropped significantly in December, falling 12.3 points to 88.4, its biggest decline since the COVID-19 outbreak, due to political turmoil surrounding President Yoon Suk Yeol's martial law declaration and subsequent impeachment. This uncertainty and financial volatility severely impacted sentiment, with concerns about a slowdown in private spending and economic growth. As a result, economists speculate that the Bank of Korea may consider a rate cut in January to address the economic challenges caused by ongoing political instability. (*Bloomberg*)

### China: Revises up 2023 GDP to US\$17.73tn, rules out impact on 2024 figure

China revised upwards its 2023 gross domestic product (GDP) by 2.7% to 129.4tn yuan (US\$17.73tn or RM79.3tn), a top statistics official said on Thursday, while releasing the fifth national economic census. Policy support late this year has set China's economy on track to hit a growth target of "around 5%" as activity warmed slightly, but challenges such as potential US tariff hikes still weigh on prospects for next year. China's economy has withstood the test of multiple internal and external risks over the past five years, and maintained a generally stable trend while progressing. The fifth economic census carried out over the past five years encompassed the three years of the Covid-19 pandemic, which had a significant impact on the economy. (*Bloomberg*)

### UK: Economy to outperform Europe in next 15 years, says CEBR

The UK will outperform its struggling European peers in the next 15 years, helping it to cling onto its place among the world's biggest economies, according to long-term projections. Britain will remain in the sixth position by 2039, with France staying as the seventh largest, as Germany, Italy and Spain slip down the leaderboard, the Centre for Economics and Business Research (CEBR) predicted. The upbeat assessment will be welcomed by UK Prime Minister Keir Starmer after official figures this week showed the economy had failed to grow since his Labour government took power in July. Survey data point to a dismal final quarter that is expected to spill over into 2025. (*Bloomberg*)

### Japan: Unveil record budget with ramped-up defence spending

The Japanese government is expected to approve a record initial budget Friday for the next fiscal year that will ramp up spending on defence and support for regional economies. The budget for the year starting in April 2025 will total around ¥115.5tn (US\$735bn or RM3.29tn), according to a draft of the plan obtained by Bloomberg on Wednesday. While the draft shows the government will still have to lean heavily on debt issuance to help fund the spending, record tax receipts will enable the cutting back of fresh bond issuance by almost a fifth to ¥28.6tn. The increase from the current fiscal year's initial annual budget of ¥112.6tn is around 2.6%, largely in line with the government's forecast for overall inflation in this fiscal year. Ministries had earlier requested total outlays of ¥117.6tn. Among the biggest increases are a jump of more than 10% in defence spending to ¥8.5tn and an increase of around 7% in grants to local governments. (*Bloomberg*)

## Companies

### **TNB: Announces higher base electricity tariff for 2025-2027**

Peninsular Malaysia's base electricity tariff has been set at 45.62 sen per kilowatt hour (kWh) in the three-year regulatory period 2025-2027 (RP4), said Tenaga Nasional Bhd (TNB). This marks a 14.2% increase from 39.95 sen/kWh set in RP3 (2022-2024). The increase will be effective July 1, the utility giant said. The rates in the first half of 2025 (1H2025) have been maintained at current levels, according to a separate statement by the Ministry of Energy Transition and Water Transformation (Petra) earlier this month.

For RP4, TNB's regulated business capex has been set at RM42.82bn, while operating expenditure (opex) is set at RM20.78bn. Compared with RP3, capex was RM20.55bn while opex was set at RM17.69bn. The regulatory rate of return, meanwhile, has been maintained at 7.3%, unchanged from RP3, it added. (*The Edge*)

### **TNB: Among LSS5 winners, bags 500MW solar farm project in Kedah**

Tenaga Nasional Bhd's unit, TNB Renewables Sdn Bhd, has been shortlisted by the Energy Commission to develop Malaysia's largest 500MWac large-scale solar photovoltaic plant in Kuala Muda, Kedah, under the LSS5 bidding process. This project, awarded under package three, is part of a 2,000MW allocation across four packages. Other shortlisted firms for LSS5 include Samaiden, Gentari, Ditrolic Energy, and Parkland Renewable Energy for package three, and several others for packages four, one, and two. (*The Edge*)

### **CCK: Declares first-ever special dividend of five sen**

CCK Consolidated Holdings Bhd, a retail chain store and supermarket operator in Sabah and Sarawak, has declared its first-ever special dividend of five sen per share for the financial year ending Dec 31, 2024 (FY2024), payable Jan 22, 2025. The special interim dividend is also the highest ever declared over the past 11 years. Based on its weighted average number of shares of 621 million, the dividends amount to some RM31.05m. On Sept 12, CCK sold a 40% stake in its Indonesian frozen food subsidiary, PT Adilmart, to Astrantia Sdn Bhd, a special-purpose vehicle of a fund advised by private equity firm Creador, for RM163.1m. Pertaining to the transaction, CCK on Dec 23 said it has received the first and second tranches of payment which totalled RM148.1m. (*The Edge*)

### **Southern Cable: Gets RM173m supply contract**

Southern Cable Group Bhd has bagged a contract worth RM172.57m to supply cables and conductors. The contract from an undisclosed client in East Malaysia starts from Dec 20, 2024 to Dec 19, 2026, Southern Cable said in an exchange filing on Thursday. The contract was awarded to its wholly owned subsidiary Southern Cable Sdn Bhd. With the new win, Southern Cable's outstanding orders on hand have increased to RM871.87m. (*The Edge*)

### **Lebtech: To collaborate on water works worth RM10.8m**

Construction outfit Lebtech Bhd has been selected by Affizal Resources (M) Sdn Bhd to collaborate on various water works in Selangor valued at RM10.8m. In a filing with Bursa Malaysia on Thursday, Lebtech said the group, through its wholly owned subsidiary Lebtech Construction Sdn Bhd, will undertake the works that are expected to commence in the first quarter of 2025. The works are expected to contribute positively to the earnings and net assets of the company for the financial year ending Dec 31, 2025 (*The Edge*)

**Kawan Renergy: MD Lim Thou Lai trims stake to 67%**

Kawan Renergy Bhd's co-founder and managing director, Lim Thou Lai, reduced his stake in the company to 67.03% after selling 19.24 million shares for RM12.31m at a 10.49% discount to the market price. The disposal follows the expiration of a six-month post-IPO moratorium, during which the stock has surged 155% from its IPO price of 30 sen. (*The Edge*)

**Taghill: Faces adjudication claim from subcontractor**

Taghill Holdings Bhd's unit, Siab (M) Sdn Bhd, has received a RM2.59m adjudication claim from subcontractor Landasan Angkasa Sdn Bhd over a completed warehouse project. The dispute centers on Siab's defense of set-off against liquidated ascertained damages, with the adjudication process timeline still under negotiation. Taghill stated that the claim is unlikely to have a significant financial or operational impact on the group. (*The Edge*)



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.60	0.18	11.06
MBM Resources	Consumer	6.01	0.53	8.74
Amway (M)	Consumer	6.85	0.53	7.69
British American Tobacco (M)	Consumer	7.55	0.60	7.89
Sentral REIT	REIT	0.79	0.06	7.72
KIP REIT	REIT	0.87	0.07	7.70
Ta Ann Holdings	Plantation	4.17	0.30	7.22
Genting Malaysia	Consumer	2.24	0.16	6.96
Paramount Corporation	Property	1.05	0.07	7.14
Datasonic Group	Technology	0.41	0.03	7.32
YTL Hospital REIT	REIT	1.19	0.08	6.97
CapitaLand Malaysia Trust	REIT	0.67	0.04	6.77
Sports Toto	Consumer	1.50	0.10	6.67
UOA REITS	REIT	0.93	0.06	6.56
Hektar REITS	REIT	0.55	0.03	6.42

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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