



# Daily Newswatch

## Market Review

The FBM KLCI slipped to 1,632.9 (-0.6%) on the first trading day of the year, as cautious sentiment weighed on the market. Declines in heavyweights such as PCHEM (-6.0%), AXIATA (-3.6%), and HLFM (-1.9%) dragged the index lower, reflecting subdued institutional activity. Sector-wise, Industrials (-1.3%) led the decliners, followed by Transportation (-1.0%) and Property (-0.7%), highlighting pressure across key cyclical sectors. The broader market exhibited a bearish tone, with 580 decliners outpacing 449 gainers.

## Economics

- Malaysia:** Manufacturing PMI declines amid softening inflation, reduced demand
- Malaysia:** Communications Minister formally ends 5G single wholesale network, to focus on dual network
- EU:** ECB hopes to hit 2% inflation target in 2025
- China:** PBOC boosts support for yuan after currency's year-end tumble
- Indonesia:** 2024 budget deficit lower than 2.7% of GDP estimate
- Singapore:** Economy grew 4.0% in 2024, advance estimate shows

## Companies

- Maxis:** UTAR collaborates with Maxis on 5G solutions for healthcare and education
- Sunway REIT:** Completes Kluang Mall acquisition
- Karex:** Elevates Adeeba Kamarulzaman to chairperson after Ong Eng Long's resignation
- Ecobuilt:** Faces trading suspension from Jan 9 after failing to submit annual report
- Awantec:** Secures extension of at least one year to provide Google cloud services to govt

<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	1,632.9	(0.6)	(0.6)
Dow Jones	42,392.3	(0.4)	(0.4)
Nasdaq CI	19,280.8	(0.2)	(0.2)
S&P 500	5,868.6	(0.2)	(0.2)
FTSE 100	8,260.1	1.1	1.1
Nikkei 225	39,894.5	(1.0)	0.0
Shanghai CI	3,262.6	(2.7)	(2.7)
HSI	19,623.3	(2.2)	(2.2)
STI	3,800.8	0.3	0.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,640.1	9.6
Value traded (RM m)	1,967.1	(4.7)
Gainers	449	
Losers	580	
Unchanged	496	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VELOCITY	0.065	30.0	80.9
SNS	0.700	6.1	75.8
VANZO	0.205	(4.7)	53.8
WINSTAR	0.710	11.8	40.8
MYEG	0.960	0.0	30.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.760	(1.2)	135.0
GAMUDA	4.700	(0.8)	75.3
MAYBANK	10.180	(0.6)	54.2
SNS	0.700	6.1	52.6
GENM	2.250	(0.4)	46.5

Currencies	Last Close	% Chg
USD/MYR	4.4785	(0.1)
USD/JPY	157.51	(0.0)
EUR/USD	1.0266	0.0
USD/CNY	7.2994	(0.0)
US Dollar Index	109.39	0.8

Commodities	Last Close	% Chg
Brent (USD/barrel)	75.9	1.7
Gold (USD/troy oz)	2,659	0.0
CPO (MYR/metric t)	4,720	0.6
Bitcoin (USD/BTC)	96,829	(0.3)

## Economics

### Malaysia: Manufacturing PMI declines amid softening inflation, reduced demand

Malaysia's manufacturing sector experienced muted trends at the end of 2024, as indicated by a decline in the Purchasing Managers' Index (PMI) to 48.6 in December, according to S&P Global on Thursday. This figure highlights a slowdown in the industry, with production and new orders experiencing more pronounced moderations compared to previous months. The final round of PMI data for 2024 suggested that demand conditions in the Malaysian manufacturing sector remained subdued during December, as production and new order inflows moderated at modest rates. In response to the lack of new orders, manufacturers scaled back purchasing activities and wound down inventories of both raw materials and finished goods, S&P Global's statement read. (*The Edge*)

### Malaysia: Communications Minister formally ends 5G single wholesale network, focus dual network

The Communications Minister will formally end the single wholesale 5G network, based on the powers under the Communications and Multimedia Act 1998, according to a new ministerial directive sighted by *The Edge*. The new directive, known as Directive No 4 of 2024, dated December 31, 2024, focuses on implementing a 5G dual network model, which will replace the previous single wholesale model. The transition follows the evaluation of deployment plans by the Malaysian Communications and Multimedia Commission (MCMC), which has selected a successful applicant for the dual network model, read the direction. (*The Edge*)

### EU: ECB hopes to hit 2% inflation target in 2025

The European Central Bank's 2% inflation target is in sight, according to president Christine Lagarde. "We have made significant progress in 2024 in bringing down inflation and hopefully 2025 is the year when we are on target as expected and as planned in our strategy," she said in a video posted on X on Wednesday. "Of course we will continue our efforts to ensure that inflation stabilises sustainably at that 2% medium-term target." Euro-area consumer-price growth decelerated over the course of last year and went below the ECB's target in September, though it has ticked up again in recent months and Lagarde has warned that it will fluctuate around its current level in the near term. Still, that slowdown allowed policymakers to cut interest rates in four quarter-point moves and economists predict another four reductions through June. (*Bloomberg*)

### Singapore: Economy grew 4.0% in 2024, advance estimate shows

Singapore's economy grew 4.0% in 2024, accelerating from 1.1% growth in 2023, preliminary government data showed on Thursday. Gross domestic product (GDP) rose 4.3% in the fourth quarter from a year earlier, according to advance estimates from the trade ministry, above a median forecast of 3.3% in a Reuters poll of economists. On a quarter-on-quarter seasonally adjusted basis, GDP expanded 0.1% in the October-December period, the advance estimates showed. (*Bloomberg*)

### China: PBOC boosts support for yuan after currency's year-end tumble

China is keeping its hand firmly on the yuan, supporting the currency via the official daily reference rate after it slid to the weakest level since 2022 at year-end in offshore trading. The People's Bank of China set the so-called fixing, which confines yuan's trading onshore to a 2% range on either side, at 7.1879 per dollar on Thursday. That's little changed from the prior reading. But it was 1,323 pips stronger than forecast in a Bloomberg survey, the largest difference since July. China's currency has come under pressure in recent months amid persistent concern about the country's growth and escalating trade tensions with the US as President-elect Donald Trump threatens higher tariffs. The PBOC had been setting the fixing at stronger-than-expected levels since November, while state-owned banks sold dollars occasionally to cap weakness in the yuan. (*Reuters*)



**Indonesia: 2024 budget deficit lower than 2.7% of GDP estimate**

Indonesia's budget deficit for the 2024 fiscal year came in below the government's most recent estimate of 2.7% of gross domestic product, Finance Minister Sri Mulyani Indrawati said on Thursday. Without mentioning the exact figure, Sri Mulyani said the deficit was almost as narrow as the government's original plan to keep the fiscal gap at 2.29% of GDP. "This is a remarkable result," Sri Mulyani said at an event marking the new year opening of the stock exchange. "This means we closed 2024 with a relatively healthy and safe budget that will be a strong foundation for us entering 2025." Overall revenue booked a positive growth, but came in below target, she said. (*Reuters*)

## Companies

### **Maxis: UTAR collaborates with Maxis on 5G solutions for healthcare and education**

Maxis, Malaysia's leading integrated telecommunications provider, has partnered with Universiti Tunku Abdul Rahman (UTAR) to jointly develop 5G solutions, with a focus on innovation in healthcare and education. In a statement on Thursday, Maxis said in healthcare, potential 5G-enabled solutions could include remote surgery (telesurgery), advanced telemedicine, remote consultations, and real-time health monitoring. In the education sector, the collaboration aims to develop solutions to enhance the learning experience, including immersive environments and interactive content delivery. *(The Edge)*

### **Sunway REIT: Completes Kluang Mall acquisition**

Sunway Real Estate Investment Trust said on Thursday that it has completed the acquisition of Kluang Mall in Johor for RM158m. Kluang Mall is expected to provide an estimated initial net property income yield of 7%, the trust said in a statement. The mall, now rebranded as Sunway Kluang Mall, is nearly fully occupied with over 130 tenants and anchored by Pacific Hypermarket & Department Store. "We see opportunities to further enhance the mall through tenancy optimisation, proactive management, and asset enhancement initiatives," said Sunway REIT chief executive officer Clement Chen. "These strategies will significantly boost the property's growth prospects." *(The Edge)*

### **Karex: Elevates Adeeba Kamarulzaman to chairperson after Ong Eng Long's resignation**

Condom maker Karex Bhd has redesignated its independent director Datuk Dr Adeeba Kamarulzaman as the group's chairperson, effective immediately. The redesignation comes after Datuk Dr Ong Eng Long's resignation from the post on Jan 2 due to "personal commitment", according to Karex's bourse filing. Ong has been a member of Karex's board since July 2013, prior to the group's listing on the bourse later that same year. In 2022, he was redesignated from independent director to chairman following the passing of then Karex chairman Tun Arshad Ayub. Meanwhile, Adeeba has been on the group's board as an independent director since January 2019. *(The Edge)*

### **Ecobuilt: Faces trading suspension from Jan 9 after failing to submit annual report**

Ecobuilt Holdings Bhd has until Jan 8 to submit its annual report for the financial year ended Aug 31, 2024, failing which the trading of its securities will be suspended the following day (Jan 9). The loss-making construction cum property firm has failed to submit the annual report — including its annual audited financial statements, as well as the auditors' and directors' reports — to Bursa Malaysia Securities Bhd, for public release within the stipulated timeframe on Dec 31, 2024. *(The Edge)*

### **Awantec: Secures extension of at least one year to provide Google Cloud services to govt**

Awanbiru Technology Bhd has secured at least a one-year extension to its cloud framework agreement (CFA 1.0) with the government, under which it manages and delivers Google Cloud services to the government. Awantec said in a bourse filing on Thursday that the extension will be effective from Jan 1 until Dec 31, or until the launch of CFA 2.0, whichever comes earlier. The value of the extension was not detailed. The cloud-based service provider initially entered into the agreement with the Malaysian Administrative Modernisation and Management Planning Unit (Mampu) and Google Cloud Malaysia Sdn Bhd in March 2022, to provide the specified service for up to 35 months until Dec 31, 2024. Mampu is a government agency responsible for modernising and reforming the public sector. *(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	6.18	0.53	8.50
British American Tobacco (M)	Consumer	7.46	0.60	7.99
Amway (M)	Consumer	6.74	0.53	7.82
Sentral REIT	REIT	0.79	0.06	7.72
KIP REIT	REIT	0.88	0.07	7.66
Ta Ann Holdings	Plantation	4.21	0.30	7.15
Paramount Corporation	Property	1.05	0.07	7.14
YTL Hospital REIT	REIT	1.18	0.08	7.03
Genting Malaysia	Consumer	2.25	0.16	6.98
Datasonic Group	Technology	0.42	0.03	6.90
Sports Toto	Consumer	1.50	0.10	6.67
CapitaLand Malaysia Trust	REIT	0.68	0.05	6.67
UOA REITS	REIT	0.94	0.06	6.49
RHB Bank	Finance	6.45	0.41	6.28

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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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