



# Daily Newswatch

## Market Review

The FBM KLCI closed at 1,629.5 (-0.2%), marking its second consecutive day of decline amid mixed regional sentiment. Gains in PETDAG (+4.4%), YTL (+3.4%), and PCHEM (+2.7%) provided some support, but losses in NESTLE (-1.7%), 99SMART (-1.6%), and PETGAS (-1.4%) dragged the index lower. Sector-wise, Energy (+2.5%) led the gains, followed by Property (+2.1%) and Construction (+0.7%), reflecting strong momentum in cyclical plays. In contrast, Healthcare (-0.8%), Technology (-0.5%), and Plantation (-0.3%) were among the notable laggards. The broader market maintained a positive tone, with 631 gainers outpacing 477 decliners.

## Economics

- Malaysia:** Records RM2.6tn in trade value for Jan-Nov 2024
- Malaysia:** Second phase of National Digital Network Plan to commence this year
- US:** Manufacturing measure edged higher at end of last year
- UK:** Mortgage approvals in surprise drop after Labour budget
- China:** Gives govt workers first big pay bump in a decade to boost economy
- Philippines:** Central bank says 2024 current account deficit wider than expected

## Companies

- Petra Energy:** Gets four pan-Malaysia services contracts
- Cuscapi:** Asia Internet, private vehicle of MyEG's TS Wong, ceases to be substantial shareholder
- Icon Offshore:** Now owns Ekuinas' substantial stake in Icon Offshore
- Velocity Capital:** Largest shareholder Fam Chee Way joins its board as ED Tan Yip Jiun resigns

Upcoming key economic data releases	Date
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	1,629.5	(0.2)	(0.8)
Dow Jones	42,732.1	0.8	0.4
Nasdaq CI	19,621.7	1.8	1.6
S&P 500	5,942.5	1.3	1.0
FTSE 100	8,224.0	(0.4)	0.6
Nikkei 225	39,894.5	(1.0)	0.0
Shanghai CI	3,211.4	(1.6)	(4.2)
HSI	19,760.3	0.7	(1.5)
STI	3,801.8	0.0	0.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,696.1	40.0
Value traded (RM m)	2,865.9	45.7
Gainers	631	
Losers	477	
Unchanged	502	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
DSONIC	0.425	1.2	79.4
MYEG	0.985	2.6	78.9
DNEX	0.430	7.5	70.6
WCT	1.020	6.8	54.0
VELOCITY	0.070	7.7	51.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.700	0.0	120.8
TENAGA	14.600	(1.1)	91.8
SIMEPROP	1.730	6.1	77.5
MYEG	0.985	2.6	77.1
CIMB	8.110	(0.2)	66.4

Currencies	Last Close	% Chg
USD/MYR	4.5002	(0.5)
USD/JPY	157.26	0.2
EUR/USD	1.0308	0.4
USD/CNY	7.3215	(0.3)
US Dollar Index	108.95	(0.4)

Commodities	Last Close	% Chg
Brent (USD/barrel)	76.5	0.8
Gold (USD/troy oz)	2,640	(0.7)
CPO (MYR/metric t)	4,723	0.7
Bitcoin (USD/BTC)	97,857	(0.5)

## Economics

### Malaysia: Records RM2.6tn in trade value for Jan-Nov 2024

Malaysia recorded a trade value of RM2.62tn from January to November 2024, an 8.7% year-on-year (y-o-y) increase, said Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz. In a Facebook post on Malaysia's achievements for 2024, Tengku Zafrul highlighted that 50% of the initiatives under the New Industrial Master Plan 2030 (NIMP 2030) have been or are in the process of being implemented since its launch in 2023. "This includes the National Semiconductor Strategy (NSS) and Green Investment Strategy (GIS)," he said. He also noted that approved investments reached RM254.7bn in the first nine months of 2024, marking a 10.7% y-o-y growth. "Nearly 160,000 new jobs will be created from almost 4,800 approved projects, representing a y-o-y increase of 76% in job creation and 21% in project approvals," he added. (*The Edge*)

### Malaysia: Second phase of National Digital Network Plan to commence this year

The second phase of the National Digital Network Plan (Jendela) is expected to commence this year, announced Deputy Communications Minister Teo Nie Ching. She stated that 1,460 of the 1,661 towers planned under the first phase had been completed, with 1,087 of them now fully operational. "We have identified locations for Jendela's Phase 2, and are currently evaluating the appropriate technologies to execute this phase. "There is a strong possibility that Phase 2 will kick off this year. Of course, we hope to complete Phase 1 within this year as well," she responded when asked about the progress of the project after the Madani Felda Bukit Permai Adopted Village programme here on Saturday. (*The Edge*)

### US: Manufacturing measure edged higher at end of last year

A US factory measure improved for a second month in December as orders and production picked up, suggesting the cloud over manufacturing may be starting to lift. The Institute for Supply Management's (ISM) manufacturing gauge rose almost a point to 49.3, the highest level since March, according to data released on Friday. While still below 50 and indicating activity continues to shrink, the index was firmer than all but one estimate in a Bloomberg survey of economists. The group's measure of new orders rose more than two points to 52.5, the strongest reading since the start of last year and matching the highest since May 2022. The pickup in demand helped generate the first month of expanding production since May, based on the output gauge. (*Bloomberg*)

### UK: Mortgage approvals in surprise drop after Labour budget

Mortgage approvals in the UK dropped to the lowest level since August, in a sign that higher borrowing costs may be starting to weigh on home-buyers' ambitions. Banks and building societies gave the green light to 65,720 mortgages in November, down from a revised 68,129 the previous month, according to Bank of England (BOE) data published on Friday. Economists had expected approvals to increase to 68,700. The recovery in the housing market remains vulnerable to affordability shocks. Mortgage rates edged up after Labour's fiscally-stimulative Oct 30 budget triggered predictions of slower cuts from the BOE. In the first set of BOE credit data from the month after the budget, consumer borrowing also fell to its lowest level since June. (*Bloomberg*)

### China: Gives govt workers first big pay bump in a decade to boost economy

Millions of government workers across China were given surprise wage increases this week, people affected by the move said, as Beijing looks to boost spending to support the slowing economy. On a combined basis, the immediate payout would amount to a one-time shot to the economy of between about US\$12bn (RM53.7bn) and around US\$20bn if all 48m people counted as public-sector workers collected on the terms described to Reuters. The last time China publicly announced a nation-wide increase in pay for civil servants was in 2015, when the government raised pay for local officials by more than 30% as part of an effort to combat corruption and lift consumers' spending power. (*Reuters*)

**Philippines: Central bank says 2024 current account deficit wider than expected**

The Philippines current account deficit for 2024 will be much wider than previously expected, the central bank said on Friday, and the gap is projected to increase in 2025, due to geopolitical shocks and possible shifts in US trade policies. The current account, which measures the flow of goods, services and investments in and out of the country, is now forecast to post a US\$10.4bn (RM46.8bn) deficit in 2024, equivalent to 2.2% of gross domestic product (GDP), larger than the US\$6.8bn shortfall projected in September. The wider-than-expected deficit for 2024 would still be lower than the previous year, when the current account deficit was US\$11.8bn, or 2.7% of GDP. For 2025, the current account deficit is seen widening from 2024 levels to US\$12.1bn, or 2.4% of GDP, driven by expectations of trade barriers, and uncertainty about the policies of incoming US President Donald Trump, the central bank said in a statement. (Reuters)

## Companies

### **Petra Energy: Gets four pan-Malaysia services contracts**

Petra Energy Bhd has secured four contracts to provide pan-Malaysia offshore services to the national oil-and-gas company Petronas and its production-sharing contractors. The jobs for undisclosed contract values involve offshore maintenance, construction, and modification (MCM) as well as hook-up and commissioning (HUC) services in Sarawak, Petra Energy said. The contracts will last five years, with extension options of three plus two years, it noted. The contract with Petronas began on Sept 27, 2024 while its services to both JX Nippon Oil & Gas Exploration as well as ROC Oil was effective in October. The contract with SapuraOMV Upstream started on Jan 1, 2025. *(The Edge)*

### **Cuscapi: Asia Internet, private vehicle of MyEG's TS Wong, ceases to be substantial shareholder**

Asia Internet Holdings Sdn Bhd has ceased to be a substantial shareholder in Cuscapi Bhd after paring 5.3% stake in the point-of-sale systems provider. Asia Internet is a private vehicle of Wong Thean Soon, the managing director MyEG Services Bhd. Also known as TS Wong, he still personally holds 21.96% in Cuscapi, making him the biggest shareholder of Cuscapi. The disposal on Dec 26 involved 50m Cuscapi shares, according to an exchange filing. The value of the transaction was not disclosed though the block of shares would be worth RM10.3m based on Cuscapi's closing price of 20.5 sen on Dec 26. Following the sale, Asia Internet was left with 27.8m shares or 2.9%. Bursa Malaysia considers a shareholder as substantial if he has at least 5% of the voting shares in a company. *(The Edge)*

### **Icon Offshore: Now owns Ekuinas' substantial stake in Icon Offshore**

Yayasan Pelaburan Bumiputra (YPB), the parent of fund management company Pelaburan Nasional Bhd (PNB), has now taken over the 5.02% substantial stake that Yayasan Ekuiti Nasional (YEN) held in offshore support vessel firm Icon Offshore Bhd via Ekuiti Nasional Bhd (Ekuinas). This is because ownership of Ekuinas has now been placed under YPB, following the consolidation of Bumiputera-focused investment institutions into YPB — a move announced under Budget 2024 — to strengthen the development of Bumiputera businesses. Hence, YEN is no longer a substantial shareholder of Icon Offshore following its "cessation as a substantial shareholder in Ekuinas Capital Sdn Bhd", while YPB has become a substantial shareholder due to Ekuinas Capital being its wholly owned unit, Icon Offshore's latest filing showed. *(The Edge)*

### **Velocity Capital: Largest shareholder Fam Chee Way joins its board as ED Tan Yip Jiun resigns**

Velocity Capital Partner Bhd has made its new largest shareholder Datuk Fam Chee Way its non-independent and non-executive director, effective Friday. On the same day, executive director Tan Yip Jiun resigned from his post "to pursue other interests", according to the hauling and money lending firm's bourse filings on Friday. His resignation comes a day after he disposed of his entire 12.2% stake in the company to Fam. Fam, who has acquired another 16.6% stake in Velocity Capital from Datuk Liu Han Ming, now holds a 28.8% stake in the group. Velocity Capital, formerly known as CSH Alliance Bhd, described Fam as an "experienced entrepreneur and business consultant with a career spanning various industries" that includes expertise in "chemical manufacturing, agriculture, timber trading, and finance." Known for his ability to identify opportunities and navigate complex challenges, Fam has been a trusted adviser in both established and emerging markets," it said. *(The Edge)*

## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.57	0.17	11.02
MBM Resources	Consumer	6.26	0.52	8.39
British American Tobacco (M)	Consumer	7.39	0.60	8.06
Amway (M)	Consumer	6.74	0.53	7.82
Sentral REIT	REIT	0.80	0.06	7.67
KIP REIT	REIT	0.88	0.07	7.66
Ta Ann Holdings	Plantation	4.22	0.30	7.13
YTL Hospital REIT	REIT	1.18	0.08	7.03
Paramount Corporation	Property	1.07	0.08	7.01
Genting Malaysia	Consumer	2.25	0.16	6.98
Datasonic Group	Technology	0.43	0.03	6.82
CapitaLand Malaysia Trust	REIT	0.68	0.05	6.67
Sports Toto	Consumer	1.51	0.10	6.62
UOA REITS	REIT	0.94	0.06	6.49
RHB Bank	Finance	6.43	0.40	6.30

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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