



Daily Newswatch

Market Review

The FBM KLCI edged higher to 1,602.4 (+0.1%), bucking the broader regional downtrend, as bargain-hunting activities emerged following recent losses. Gains in YTLPOWR (+1.2%), YTL (+1.2%), and MAXIS (+1.1%) helped to lift the benchmark, reflecting selective buying interest. Sector-wise, Health Care (+1.5%) led the advances underpinned by the positive gain in rubber glove-related heavyweight counters such as SUPERMX (+3.5%), KOSSAN (+2.9%) and TOPGLOV (+2.5%). Nonetheless, the overall broader market remained cautious, with 530 decliners outnumbered 443 gainers.

Economics

- **Malaysia:** Industrial output grew faster than expected at 3.6% in November
- **Malaysia:** Unemployment rate steady last November
- **US:** Job growth beats expectations in December; unemployment rate falls to 4.1%
- **EU:** Germany records highest company insolvencies since financial crisis
- **China:** Vows proactive fiscal policy, bigger deficit to aid growth

Companies

- **TNB:** Gets additional RM292m tax bill
- **Berjaya Corp:** Vincent Tan seeks new partner in KL-Singapore HSR bid
- **Sime Darby Property:** Fully acquires Bandar Bukit Raja warehouses for RM232m
- **Uzma:** Bags RM100m contract extension from Petronas Carigali
- **Metronic:** Bags RM31m job to supply instrumentation systems for Sg Rasau Water Supply Scheme project
- **KPS:** RM7.9m tax claim dropped by IRB
- **Key Alliance:** Proposes capital reduction to erase RM101.5m in losses

Upcoming key economic data releases

	Date
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	1,602.4	0.1	(2.4)
Dow Jones	41,938.5	(1.6)	(1.4)
Nasdaq CI	19,161.6	(1.6)	(0.8)
S&P 500	5,827.0	(1.5)	(0.9)
FTSE 100	8,248.5	(0.9)	0.9
Nikkei 225	39,190.4	(1.0)	(1.8)
Shanghai CI	3,168.5	(1.3)	(5.5)
HSI	19,064.3	(0.9)	(5.0)
STI	3,801.6	(1.6)	0.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,516.9	(27.8)
Value traded (RM m)	2,424.1	(17.4)
Gainers	443	
Losers	530	
Unchanged	551	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VELOCITY	0.085	21.4	94.1
NATGATE	2.450	(6.5)	68.5
SET	0.385	(8.3)	62.4
MYEG	0.965	4.9	49.9
TOPGLOV	1.230	2.5	32.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
NATGATE	2.450	(6.5)	170.6
TENAGA	14.100	(0.1)	137.9
YTLPOWR	4.250	1.2	118.9
GAMUDA	5.000	0.2	112.3
CIMB	8.180	0.9	107.3

Currencies	Last Close	% Chg
USD/MYR	4.4973	0.1
USD/JPY	157.73	0.3
EUR/USD	1.0244	(0.5)
USD/CNY	7.3326	(0.0)
US Dollar Index	109.65	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	79.8	3.7
Gold (USD/troy oz)	2,690	0.8
CPO (MYR/metric t)	4,710	1.6
Bitcoin (USD/BTC)	93,837	(1.1)

Economics

Malaysia: Industrial output grew faster than expected at 3.6% in November

Malaysia's industrial production index (IPI) grew 3.6% year-on-year (y-o-y) in November 2024, exceeding Bloomberg's 2.5% consensus estimate, driven by higher manufacturing (+4.6%) and electricity (+3.9%) output. Export-oriented industries led growth with a 5.6% expansion, while domestic-oriented industries grew at a slower pace of 2.6%. Manufacturing sales increased by 4.5% y-o-y to RM161.9 billion, fueled by strong gains in the food, beverages, and tobacco (+12.3%) and electrical and electronics (+7.1%) sub-sectors. Meanwhile, the mining sector's contraction eased to 0.8%, compared to a 2.8% decline in October. *(The Edge)*

Malaysia: Unemployment rate steady last November

Malaysia's unemployment rate held steady in November last year, as the number of jobless people decreased while the labour force expanded, latest data showed. The unemployment rate remained at 3.2%, with the number of unemployed individuals decreasing further to 546,700 from 551,400 in the previous month. "Malaysia's continued strong economic performance towards the end of 2024 has led to the country's labour market position becoming more stable in November 2024," contributing to the increase in the number of employed individuals, said chief statistician Datuk Seri Dr Mohd Uzir Mahidin in a statement on Friday. The number of employed individuals also increased by 0.2% from 16.72 million to 16.75 million. Thus, the labour force expanded 0.1% to 17.29 million individuals. *(The Edge)*

US: Job growth beats expectations in December; unemployment rate falls to 4.1%

US job growth accelerated unexpectedly in December, with non-farm payrolls increasing by 256,000 and the unemployment rate falling to 4.1%, highlighting a resilient labor market despite prior Federal Reserve rate hikes. Average hourly earnings rose 0.3% month-on-month and 3.9% year-on-year, supporting consumer spending and economic growth, which remains above the Fed's non-inflationary target rate. The Fed, while cautious about further interest rate cuts due to persistent inflation and economic resilience, revised its forecast to include two quarter-point cuts in 2025. *(Reuters)*

EU: Germany records highest company insolvencies since financial crisis

Germany recorded the highest number of company insolvencies since 2009 in the last quarter of last year, a study from the Halle Institute for Economic Research (IWH) showed on Thursday, reflecting high interest rates and increased prices. The fourth quarter of 2024 saw 4,215 company insolvencies with almost 38,000 jobs affected, according to the study, a level unseen since the financial crisis in mid-2009. Compared with the fourth quarter of 2023, the number of insolvencies at the end of last year rose by 36%, as calculated by IWH. The institute attributes the negative development only partly to the current economic crisis and increases in the cost of energy and wages. *(Bloomberg)*

China: Vows proactive fiscal policy, bigger deficit to aid growth

China said it has sufficient fiscal firepower to respond to external challenges, vowing to better execute pro-growth measures ahead of Donald Trump's return to the White House later this month. The country has "ample fiscal policy room and tools to deal with new domestic and external problems," Vice Finance Minister Liao Min said at a briefing on Friday. He repeated a pledge that the 2025 deficit-to-GDP ratio will rise, adding details will be announced after due legal process. China's top leaders have vowed greater fiscal support for the world's second-largest economy this year. Government expenditure will help encourage consumption and fund infrastructure projects to drive domestic demand, as exports may face higher US tariffs from the incoming US administration. "The direction of fiscal policy in 2025 is clear, very proactive," Liao said. "We will provide strong support for economic and social development." *(Reuters)*

Companies

TNB: Gets additional RM292m tax bill

Tenaga Nasional Bhd or TNB said its indirectly wholly-owned unit TNB Western Energy Bhd (TNB WE) has been slapped with an income tax bill amounting to RM291.55m for the year of assessment 2018 from the Inland Revenue Board (IRB). TNB WE is a wholly owned unit of TNB Manjung Five Sdn Bhd, which in turn is a wholly owned subsidiary of TNB Power Generation Sdn Bhd. In a filing with Bursa Malaysia on Friday, the national utility company said TNB WE had on Dec 31, 2024 filed a judicial review application in the High Court of Malaya to challenge matters arising from the assessment notice. On Thursday, the High Court had granted an interim stay of all further proceedings, including the enforcement of the notice, until the full and final disposal of the judicial review leave application. The High Court has scheduled the leave hearing for April 14, TNB said, adding that it will provide updates on any significant developments regarding this matter. *(The Edge)*

Berjaya Corp: Vincent Tan seeks new partner in KL-Singapore HSR bid

Berjaya Group is seeking a new partner as it bids for a proposed multibillion-dollar high-speed rail (HSR) line between Kuala Lumpur and Singapore, after Malaysian Resources Corp Bhd withdrew from the consortium, Berjaya Corporation Bhd founder Tan Sri Vincent Tan Chee Yioun Chiun said. "As a consortium, we have put in a proposal" for the project, Tan told reporters on Friday. "After MRCB's pullout, we may bring in a new partner." The rail line, which seeks to cut travel time between the two cities to 90 minutes from more than four hours by car, was earlier estimated to cost as much as RM100bn as a government-funded project. The project will now have to be fully funded by the private sector and be financially viable, as the government focuses on developing "public utilities and public goods", Economy Minister Mohd Rafizi Ramli told a forum in Kuala Lumpur on Thursday. *(The Edge)*

Sime Darby Property: Fully acquires Bandar Bukit Raja warehouses for RM232m

Sime Darby Property Bhd said on Friday it has fully acquired two modern double-storey logistics warehouses in Bandar Bukit Raja, Selangor for RM232m. The assets — previously owned by a 50:50 joint venture with a Japanese consortium — consolidates Sime Darby Property's ownership of the logistics assets, the company said in a statement. The warehouses have a combined net lettable area of about 700,000 square feet. "By gaining full ownership of these modern logistics assets," the company said, "we strengthen our industrial property portfolio, drive sustainable income growth, and solidify our position in the fast-growing industrial and logistics sectors." Sime Darby Property previously partnered Japan's Mitsui & Co Ltd and Mitsubishi Estate Co Ltd to jointly develop and lease the built-to-suit facilities in Bandar Bukit Raja. *(The Edge)*

Uzma: Bags RM100m contract extension from Petronas Carigali

Uzma Bhd, through its subsidiary Setegap Ventures Petroleum Sdn Bhd (SVP), has secured a one-year contract extension worth RM100m from Petronas Carigali Sdn Bhd. The upstream supportive services provider said the contract is for the provision of coiled tubing and services for Petronas Carigali's field offshore in east Malaysia, according to an exchange filing. In the filing on Friday, Uzma said it received approval from Petronas Carigali on Wednesday. The contract extension is effective Dec 1, 2024, until Nov 30, 2025. "Potential risk factors include project operational and execution risks, work schedules, delivery timelines and adverse weather conditions," the company said, expecting the contract to contribute positively to its earnings for the financial year ending June 30, 2025 until the contract's expiration. *(The Edge)*

Metronic: Bags RM31m job to supply instrumentation systems for Sg Rasau Water Supply Scheme project

Metronic Global Bhd, which provides system integration services and integrated management systems, announced that its subsidiary, MAT JV Sdn Bhd, has been awarded a RM31m contract by Gamuda M&E Sdn Bhd to supply instrumentation systems for the Sungai Rasau Water Supply Scheme project. Under the agreement, MAT JV will undertake the supply, installation, testing, commissioning and maintenance of instrumentation systems. This is part of Metronic's expansion into the field of extra low voltage, industrial and building automation services. The Sungai Rasau project, which is expected to be completed by January 2027, will use off-river storage facilities and treat raw water from Sungai Klang, positioning it as Southeast Asia's largest water supply scheme upon completion. The project was scheduled to start in January 2025. *(The Edge)*

Kumpulan Perangsang Selangor: RM7.9m tax claim dropped by IRB

Kumpulan Perangsang Selangor Bhd on Friday said its subsidiary's appeal to the Inland Revenue Board (IRB) against the RM7.89m capital gains tax and penalty that was imposed on the company in November last year was accepted. In a filing on Friday, KPS said the appeal was filed by its wholly owned Bold Approach Sdn Bhd on Dec 17 last year. "Based on their review, the IRB has issued the Reduce Assessment Notice dated Jan 10, 2025 to cancel the amount raised in capital gains tax assessment dated Nov 29, 2024 of RM7.89m," said KPS. "With the above development, the capital gains tax matter is considered resolved, and no further announcement is required on the said matter," it added. KPS previously announced that IRB had imposed a 2% capital gains tax on the proceeds of its divestment of KaiserCorp Corp Sdn Bhd. *(The Edge)*

Key Alliance: Proposes capital reduction to erase RM101.5m in losses

Key Alliance Group Bhd has proposed a 30-to-one share consolidation to improve its capital structure and reduce trading price volatility, shrinking its share base to 122.61 million from 3.68 billion. The company also plans a capital reduction of up to RM96 million to offset accumulated losses of RM101.05m, leaving RM5.26m in outstanding losses, aiming to enhance its credibility with stakeholders. Despite narrowing its net loss to RM11.21m in FY2024 from RM21.81m in FY2023, the group has been largely loss-making over the past nine years, with the proposals expected to complete by 2Q2025. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.53	0.17	11.11
MBM Resources	Consumer	6.15	0.52	8.54
British American Tobacco (M)	Consumer	7.28	0.60	8.19
Amway (M)	Consumer	6.78	0.53	7.77
KIP REIT	REIT	0.87	0.07	7.70
Sentral REIT	REIT	0.80	0.06	7.67
Genting Malaysia	Consumer	2.16	0.16	7.27
Paramount Corporation	Property	1.04	0.07	7.21
Ta Ann Holdings	Plantation	4.18	0.30	7.20
Datasonic Group	Technology	0.41	0.03	7.07
YTL Hospital REIT	REIT	1.18	0.08	7.03
CapitaLand Malaysia Trust	REIT	0.67	0.04	6.77
Sports Toto	Consumer	1.51	0.10	6.62
UOA REITS	REIT	0.94	0.06	6.49
REXIT	Technology	0.78	0.05	6.41

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		
CBH Engineering Holding Bhd	ACE Market	0.28	298.0	188.1	02 Jan	16 Jan
Oriental Kopi Holdings Bhd	ACE Market	0.44	418.1	-	10 Jan	23 Jan
Northern Solar Holdings Bhd	ACE Market	0.63	67.3	35.6	20 Jan	06 Feb

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