



Daily Newswatch

Market Review

The FBM KLCI rebounded to 1,566.7 (+0.7%) on Friday, snapping a four-day losing streak as bargain-hunting emerged in oversold counters. Gains in TENAGA (+3.7%), SIME (+2.8%), and YTLPOWR (+2.6%) underpinned the recovery, reflecting renewed investors' interest in selective blue-chip stocks. Sector-wise, Technology (+1.1%) led the gains, followed by Energy (+1.1%) and Industrial Products & Services (+0.8%). The broader market turned positive, with 549 gainers outpacing 433 decliners.

Economics

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- Malaysia:** US trade war threatens demand for Malaysian chips
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- US:** Industrial production tops forecasts after Boeing strike ends
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- Hong Leong Bank:** To work with China's WeBank Technology Services on fintech, AI
- MYMBN:** Malaysia lifts suspension of bird's nest exports to China after nearly one month

Upcoming key economic data releases

	Date
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	1,566.7	0.7	(4.6)
Dow Jones	43,487.8	0.8	2.2
Nasdaq CI	19,630.2	1.5	1.7
S&P 500	5,996.7	1.0	2.0
FTSE 100	8,505.2	1.4	4.1
Nikkei 225	38,451.5	(0.3)	(3.6)
Shanghai CI	3,241.8	0.2	(3.3)
HSI	19,584.1	0.3	(2.4)
STI	3,810.8	0.3	0.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,114.1	(13.8)
Value traded (RM m)	3,065.7	(3.1)
Gainers	549	
Losers	433	
Unchanged	521	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
GAMUDA	4.240	(0.5)	101.3
SALUTE	0.265	(36.9)	94.1
VELESTO	0.185	12.1	81.9
TWL	0.025	0.0	80.6
VELOCITY	0.080	0.0	62.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.240	(0.5)	410.4
TENAGA	13.600	3.7	224.5
MAYBANK	10.140	0.0	158.5
SUNWAY	4.200	2.4	112.5
CIMB	7.980	(0.1)	96.1

Currencies	Last Close	% Chg
USD/MYR	4.5063	(0.1)
USD/JPY	156.3	(0.7)
EUR/USD	1.0273	(0.3)
USD/CNY	7.3252	0.1
US Dollar Index	109.35	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	80.8	(0.6)
Gold (USD/troy oz)	2,703	(0.4)
CPO (MYR/metric t)	4,441	(0.7)
Bitcoin (USD/BTC)	104,437	0.6

Economics

Malaysia: PM's UK visit attracts potential investments worth RM11bn

Prime Minister Datuk Seri Anwar Ibrahim's visit to the UK has successfully attracted RM11bn in potential investments across various sectors, including renewable energy and the digital economy. Speaking to the Malaysian media during a press conference here on Saturday, Anwar also highlighted that the export potential to be generated over the next five years amounts to RM500m, encompassing products such as aircraft equipment and components, furniture, as well as food and beverages. He said that this development reflects strong international confidence in Malaysia's economy and signifies the growing cooperation between Malaysia and the UK government. *(The Edge)*

Malaysia: US trade war threatens demand for Malaysian chips

US President-elect Donald Trump's policies risk stunting global growth and weakening demand for Malaysian chips, according to Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Aziz. Zafrul said his primary worry around Trump's second term as the US president is the prospect of global inflation accelerating, as the US attempts to "re-shore" production capabilities and isolate China through higher tariffs. While he wasn't immediately concerned about direct US tariffs on Malaysia, Zafrul said he fears the indirect effects of the US president-elect's threat to impose tariffs of up to 60% on imports from China. That could particularly hit Malaysia's burgeoning electronic chips market, where investment decisions were already being reconsidered. *(The Edge)*

US: To take extraordinary steps to avert default, says Yellen

Outgoing Treasury Secretary Janet Yellen said her department will start taking special accounting manoeuvres as of Jan 21 to avoid breaching the US debt limit, and urged lawmakers again to take steps to increase or suspend the statutory ceiling. Yellen wrote in a letter to bipartisan congressional leaders on Friday she was advising them "of the extraordinary measures that Treasury will begin using on Jan 21. "I respectfully urge Congress to act promptly to protect the full faith and credit of the US." The letter marks the second notification in the latest tussle over the debt limit, which kicked back in as of Jan 2, and likely the last for Yellen before the Trump administration takes office on Monday, Jan 20. The limit is currently set at about US\$36tn (RM162.14tn). *(Bloomberg)*

US: Industrial production tops forecasts after Boeing strike ends

Industrial production rose in December by more than forecast, helped by a pickup in factory output that indicates manufacturing is stabilising after two years of weakness. The 0.9% increase in production at factories, mines and utilities followed an upwardly revised 0.2% advance a month earlier, Fed data showed Friday. The December gain exceeded all projections in a Bloomberg survey. Manufacturing output rose 0.6%, the most since August and helped in part by the resolution of a strike at Boeing Co, after a stronger November increase than initially reported. Excluding a drop in auto output, factory production climbed 0.7%. Mining increased 1.8%, while output at utilities rose 2.1% on a pickup in natural gas extraction. *(Bloomberg)*

EU: Mulls dropping China trade case, frustrating Trump team

EU is debating whether to drop a sensitive trade investigation against China over alleged coercive activity targeting Lithuania, a prospect that's frustrated officials in Washington, where the incoming Trump team sees it as capitulation to Beijing. President-elect Donald Trump has vowed to take a tough line on China and the possible EU move would reinforce for his team how the bloc will approach dealing with Beijing, according to people familiar with the matter. Officials from the outgoing administration of President Joe Biden are also urging Europe to keep pursuing the case. Trump, who will be inaugurated next week, has threatened the EU with tariffs and his team has criticised the bloc for being weak on China. The manner in which the EU handles the dispute will present an early test of how the world approaches trade under the new administration in Washington and the resilience of the transatlantic relationship. *(Bloomberg)*

EU: Mexico and EU seal trade deal as Trump threatens tariffs

The European Union (EU) and Mexico agreed to a revamped free-trade agreement, just as both are under pressure from president-elect Donald Trump, who has threatened them with a new round of tariffs. The agreement aims to boost both trade and economic security by de-risking supply chains, securing a sustainable supply of critical raw materials and tackling climate change, according to a European Commission statement on Friday. Bilateral trade in goods reached €81.7bn (RM378.2bn) in 2023 while services trade was €22bn in 2022. The agreement, which will need to be ratified by both sides, aims to expand EU exports in areas such as financial services and telecommunications, strengthen the supply chain of critical raw materials and allow access to government contracts on an equal footing to domestic firms. It will also slash tariffs on agri-food products such as cheese, poultry, pork, pasta, apples and jams as well as chocolate and wine. (*Bloomberg*)

China: Home prices fall at slower pace as stimulus takes hold

China's decline in home prices abated for a fourth month in December, reflecting signs of market stabilisation after the government's latest stimulus blitz. New home prices in 70 cities, excluding state-subsidised housing, dropped 0.08% from November, the smallest decline in a year and a half, National Bureau of Statistics figures showed on Friday. Existing home values slid 0.3%, easing from a 0.4% drop a month earlier. The figures suggest property values are beginning to steady as policymakers step up efforts to end the housing slump that has weighed on Asia's largest economy for more than three years. The downturn has wiped out billions of dollars in household wealth and added to deflationary pressures. (*Bloomberg*)

Indonesia: Needs US\$6bn more in budget to expand free meals programme

Indonesia needs 100tn rupiah (US\$6.11bn or RM27.5bn) in additional budget to expand its free nutritious meals programme to reach about a quarter of its population by year-end, the head of the agency overseeing the programme said on Friday. Dadan Hindayana told reporters President Prabowo Subianto is considering ways to expand the scheme by the end of this year to reach 82m of Indonesia's 280m population, much earlier than the initial target of 2029. Financial markets in Indonesia have raised concerns about the cost of the free meals programme, the centrepiece of Prabowo's election campaign last year, particularly after he said he wanted to be more daring with debt to fund fiscal gaps. It currently has a budget of 71tn rupiah, meant for the distribution of meals for up to 17.5m recipients, with a design for a gradual roll out over several years. (*Reuters*)

Companies

Berjaya Sports Toto: Record high RM121m jackpot hit

The Supreme 6/58 jackpot from Sports Toto Bhd hit an unprecedented RM121.7m in Saturday's (Jan 18) evening draw, marking the largest payout in Malaysia's lottery history. The record-breaking prize pool was split among winners across three ticket categories, according to Sports Toto Malaysia on its Facebook account. A Standard Play winner claimed RM34.9m, while two System Play winners also walked away with RM34.9m each. Additionally, multiple EZ-Bet winners collectively received RM17m. *(The Edge)*

CIMB: Makes key leadership changes, decouples consumer and digital banking business

CIMB Group Holdings Bhd on Friday announced a restructuring of its senior leadership team, marked by the departure of key executive Effendy Shahul Hamid and the decoupling of its consumer and digital banking business. The changes, to take effect on Feb 1, aims to sharpen focus on strategic business areas and ensure operational efficiency. Effendy Shahul, the chief executive officer of group consumer and digital banking, is stepping down to pursue other interests. He will remain adviser to the group CEO until the end of June this year to facilitate a smooth leadership transition. During this period, he will also be relinquishing his positions on the boards of CIMB Group companies, including as chairman of TNG Digital, and as a board member in Touch 'n Go Sdn Bhd and CIMB Vietnam. *(The Edge)*

Berjaya Corp: Still eyeing KL-S'pore HSR, awaiting Putrajaya's decision, says Vincent Tan

Berjaya Corp Bhd remains committed to participating in the Kuala Lumpur-Singapore high-speed rail (HSR) project. However, the project's progression depends on the government's decision-making process and financial conditions, said the group's founder Tan Sri Vincent Tan Chee Yioun. "We tried to be in the consortium, but the government is still tidak tentu (undecided on the railway project)," he said. "The HSR is a costly project...as a responsible government, they should carefully evaluate the country's financial situation before committing to such significant spending," he added. Last Friday, Tan was quoted as saying that Berjaya Group is seeking a new partner as it bids for a proposed multibillion-dollar HSR line between Kuala Lumpur and Singapore, after Malaysian Resources Corp Bhd withdrew from the consortium. *(The Edge)*

Mitrajaya: Clinches RM376m contract for data centre construction in KL

Mitrajaya Holdings Bhd said it has secured an RM375.5m contract for the construction of a data centre in Kuala Lumpur. The construction group said the contract was awarded by NextDC Sdn Bhd, the Malaysian unit of Australia's data centre operator NextDC Ltd. The contract, awarded to its wholly owned subsidiary Pembinaan Mitrajaya Sdn Bhd, is expected to contribute positively to the group's earnings and net assets for the financial years ending Dec 31, 2025 and 2026, said Mitrajaya in a filing with Bursa Malaysia on Friday. "The board of directors of Mitrajaya is of the opinion that the acceptance of the contract is in the best interest of the company," it added. NextDC first announced its entry into the Malaysian market in 2023 with a plan to develop a data centre facility in Kuala Lumpur. The company had said that it will invest RM3bn in the country over the next five to 20 years. *(The Edge)*

HeiTech Padu: Awarded fresh contracts for immigration system maintenance

HeiTech Padu Bhd has secured a second-time contract extension for the provision of maintenance services for the Malaysian Immigration System (MyIMMs), valued at RM28.3m. The two-year extension will commence on Feb 18, 2025, and runs until Feb 17, 2027. Any further renewal or extension remains at the government's discretion, the company said in a filing with Bursa Malaysia on Friday. "The contract extension is in the best interest of the company and is expected to contribute positively to the earnings and net assets per share of the company for the financial year ending Dec 31, 2025 and onwards until the completion of the contract," the company said. *(The Edge)*

Dialog: To partake in Petronas Gas' LNG-driven air separation unit project

Petronas Gas Bhd's wholly owned subsidiary Regas Terminal (Pengerang) Sdn Bhd (RGTP) has executed and completed a share subscription agreement with Dialog Equity (Three) Sdn Bhd (DE3SB), for the development of Malaysia's first liquefied natural gas (LNG)-driven air separation unit (ASU) in Pengerang, Johor. Under the shareholder agreement, DE3SB, a wholly owned unit of Dialog Group Bhd, will subscribe to 27.8% of shares in RGTP by acquiring 500 ordinary shares for RM500,000, and 9,724 redeemable preference shares for RM9.7m. According to Petronas Gas, the project will be developed based on a design, build, and lease model, where the ASU will be constructed and leased to a qualified and experienced industrial gas market operator for a 25-year period. In return, RGTP will generate a consistent revenue stream through fixed monthly facility charges paid by the operator. *(The Edge)*

Hong Leong Bank: To work with China's WeBank Technology Services on fintech, AI

Hong Leong Bank Bhd said on Friday it has signed an agreement to cooperate with WeBank Technology Services, a subsidiary of WeBank, China's largest digital bank. The bank aims to raise its operational efficiency and leverage artificial intelligence (AI), Hong Leong Bank said in a statement. Hong Leong Bank will also leverage WeBank Technology Services' expertise in AI to develop automation tools and applications, boosting its salesforce and operational teams, it said. The technology would then be aimed at extending capabilities across data systems, marketing, and campaign management, further improving the bank's offerings and financial solutions, Hong Leong Bank noted. *(The Edge)*

MYMBN: Malaysia lifts suspension of bird's nest exports to China after nearly one month

Bird's nest processor MYMBN Bhd said on Friday that the Department of Veterinary Services Malaysia has lifted the temporary suspension of exports of both raw-cleaned edible bird's nest (RCEBN) and raw-uncleaned edible bird's nest (RUCEBN) products to China after nearly one month. This is expected to bring major relief to MYMBN, given that China is a primary market for the group. In a filing with Bursa Malaysia on Friday, the ACE Market-listed MYMBN said the department has issued a press notice for the resumption of exports for both RCEBN and RUCEBN products to China. MYMBN had on Dec 25, 2024 received a notice from the department for the temporary suspension, after the Newcastle disease virus was detected among poultry, aviary and wild birds in Malaysia, as reported by the World Organisation for Animal Health. The suspension was applied to the whole industry for both RCEBN and RUCEBN products. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.38	0.17	12.32
MBM Resources	Consumer	5.88	0.52	8.93
British American Tobacco (M)	Consumer	7.22	0.60	8.25
Amway (M)	Consumer	6.64	0.53	7.94
Sentral REIT	REIT	0.79	0.06	7.72
KIP REIT	REIT	0.87	0.07	7.70
Datasonic Group	Technology	0.40	0.03	7.34
Ta Ann Holdings	Plantation	4.10	0.30	7.34
Paramount Corporation	Property	1.04	0.07	7.21
YTL Hospital REIT	REIT	1.17	0.08	7.09
Genting Malaysia	Consumer	2.22	0.16	7.07
CapitaLand Malaysia Trust	REIT	0.67	0.04	6.77
UOA REITS	REIT	0.93	0.06	6.59
Sports Toto	Consumer	1.54	0.10	6.49
RHB Bank	Finance	6.35	0.40	6.35

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		
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
Colform Group Bhd	ACE Market	0.36	114.4	54.0	23 Jan	10 Feb

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