



Daily Newswatch

Market Review

The FBM KLCI closed higher at 1,572.3 (+0.4%), marking its second straight session of gains amid active bargain-hunting activities on index constituents following the recent sell-offs. Among the index constituents, PMETAL (+2.7%), GAMUDA (+2.4%), and MAXIS (+2.0%) were key outperformers. Sector-wise, Energy (+1.8%) led the gains, driven by strong gains in counters such as KEYFIELD (+5.5%), DAYANG (+5.3%) and DIALOG (+5.3%). Overall, the broader market breadth remained positive, with 628 gainers outpacing 397 decliners.

Economics

- Malaysia:** East Coast Economic Region records RM13.4bn realised investments in 2024
- Malaysia:** 2024 trade jumps 9.2% to record high; exports top RM1tn for fourth straight year
- EU:** Revival of Malaysia-EU FTA an important step forward, says European Commission president
- China:** China's worst deflation was in industry as supply glut persisted
- Japan:** BOJ poised to raise rates to highest in 17 years
- South Korea:** Braces for Trump's policies with biggest-ever export finance support
- EU:** ECB rate cut in January no foregone conclusion: Holzmann

Companies

- Scanwolf:** MD-linked vehicle triggers mandatory takeover offer, intends to maintain listing
- Fajarbaru:** PDC ink master agreement for phase 1 of Medi-City in Batu Kawan
- MAHB:** Khazanah-led consortium lowers acceptance terms for takeover to 85%, deadline extended
- Datasonic:** Secures one-year extensions for passport supply and biodata page contracts
- Skyworld:** Eyes diversifying into prefabricated manufacturing business
- UUE:** Secures RM27.5m in contract renewals, boosting total 2025 contract wins to RM64m
- WTK:** Reports fire in Penang tape factory, financial impact 'not expected to be substantial'

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,572.3	0.4	(4.3)
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	8,520.5	0.2	4.3
Nikkei 225	38,902.5	1.2	(2.5)
Shanghai CI	3,244.4	0.1	(3.2)
HSI	19,925.8	1.7	(0.7)
STI	3,808.0	(0.1)	0.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,952.2	(5.2)
Value traded (RM m)	2,447.2	(20.2)
Gainers	628	
Losers	397	
Unchanged	473	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VELESTO	0.195	5.4	102.5
INGENIEU	0.050	0.0	76.6
MYEG	0.955	1.6	56.0
TWL	0.025	0.0	53.5
GAMUDA	4.340	2.4	44.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.340	2.4	192.8
PBBANK	4.310	(2.9)	157.5
TENAGA	13.780	1.3	129.7
MAYBANK	10.280	1.4	88.5
SUNCON	3.500	(3.6)	70.5

Currencies	Last Close	% Chg
USD/MYR	4.4733	0.5
USD/JPY	155.25	0.2
EUR/USD	1.0422	0.1
USD/CNY	7.2731	0.7
US Dollar Index	109.35	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	80.2	(0.8)
Gold (USD/troy oz)	2,710	0.1
CPO (MYR/metric t)	4,442	(0.6)
Bitcoin (USD/BTC)	102,228	(0.3)

Economics

Malaysia: East Coast Economic Region records RM13.4bn realised investments in 2024

The East Coast Economic Region Development Council (ECERDC) secured RM13.4bn in realised investments in 2024, a 56% growth from 2023's RM8.6bn. In a statement on Monday, ECERDC said this marks the highest annual investment value recorded for the East Coast Economic Region (ECER). Cumulative private investments from 2018 to 2024 amounted to RM44.7bn, leaving ECERDC with a remaining RM4.3bn to achieve its RM49bn target under the ECER Master Plan 2.0 (EMP2.0), which concludes in 2025. ECERDC said the RM7.7bn facility expansion of Alliance Steel (M) Sdn Bhd at the Malaysia-China Kuantan Industrial Park was a standout investment in 2024, reinforcing the ECER as a manufacturing hub. *(The Edge)*

Malaysia: 2024 trade jumps 9.2% to record high; exports top RM1tn for fourth straight year

Malaysia's exports continued their expansionary trajectory in 2024, driven by strong performances in both manufactured and agricultural products, official data on Monday showed. Exports rose 5.7% to RM1.5tn in 2024 from 2023, surpassing the RM1tn mark for the fourth consecutive year, according to the Ministry of Investment, Trade and Industry (Miti) in a statement, driven by increases in exports to Asean, the US, EU and Taiwan — with exports to the US and Taiwan reaching an all-time high. At the same time, imports jumped 13.2% to RM1.371tn — the third consecutive year the tally crossed RM1tn. The growth in exports and imports drove Malaysia's total trade for 2024 up 9.2% to a new record high of RM2.879tn. This also marks the fourth consecutive year that the country's total trade comes in above RM2tn. *(The Edge)*

EU: Revival of Malaysia-EU FTA an important step forward, says European Commission president

European Commission President Ursula von der Leyen called the relaunching of negotiations for a Malaysia-European Union (EU) Free Trade Agreement (MEUFTA) an important step forward together. "This excellent news comes at a critical time. Geopolitical tensions are escalating, and the risk of instability is growing," she said. In a statement on Monday, von der Leyen said that while some turn inwards towards isolation and fragmentation, Europe and Malaysia are choosing a different path: reaching out, building partnerships, and creating new opportunities for our people. The announcement was made in conjunction with Prime Minister Datuk Seri Anwar's working visit to Brussels, Belgium, from Sunday to Monday. *(Bloomberg)*

China: China's worst deflation was in industry as supply glut persisted

China's economy continues to face entrenched deflation, primarily driven by a persistent imbalance between supply and demand, with industrial prices falling 2.3% in 2024—the sharpest drop among all sectors. While the real estate sector showed signs of stabilization following Beijing's late-year stimulus, broader property-related activities and investments remained weak, weighing on growth. Despite achieving a 5% GDP growth target due to strong exports and policy pivots, nominal GDP growth slowed to 4.2%, reflecting deflationary pressures and global trade challenges. *(Bloomberg)*

Japan: BOJ poised to raise rates to highest in 17 years

The Bank of Japan (BOJ) is expected to raise interest rates on Friday, barring any market shocks when US President-elect Donald Trump takes office, a move that would lift short-term borrowing costs to levels unseen since the 2008 global financial crisis. A tightening in policy would underscore the central bank's resolve to steadily push up interest rates, now at 0.25%, to near 1% — a level analysts see as neither cooling nor overheating Japan's economy. At the two-day meeting ending on Friday, the BOJ is likely to raise its short-term policy rate to 0.5%, unless Trump's inaugural speech and executive orders upend financial markets *(Reuters)*

South Korea: Braces for Trump's policies with biggest-ever export finance support

South Korea pledged on Monday, a record amount of financing support for exporters to mitigate any negative impact from changes in US trade policies, as Donald Trump was poised to be sworn in for his second presidency. The government plans to provide 360tn won (US\$247.74bn, or RM1.11tn) worth of policy financing to exporting companies through state-run banks and institutions this year, according to a statement released by the finance ministry. "There are concerns that external uncertainty will be heightened under the incoming US administration, and adversely affect exports," the ministry said. The ministry said it would also boost insurance support to guard against foreign exchange volatility to 1.4tn won this year, from 1.4tn won last year, and spending on government projects, such as trade fairs and delegations, to 2.9tn won, from 2.1tn won. (*Bloomberg*)

EU: ECB rate cut in January no foregone conclusion: Holzmann

European Central Bank (ECB) Governing Council member Robert Holzmann expressed skepticism about a potential January rate cut, emphasizing that decisions are data-driven and noting that inflation remains well above 2%. Holzmann warned that cutting rates amid rising inflation could harm credibility and highlighted factors like high energy prices, gas supply concerns, and euro depreciation as key risks. He also stated there are no immediate concerns regarding financial stability or central bank policy, even with the potential for a far-right government in Austria. (*Bloomberg*)

Companies

Scanwolf: MD-linked vehicle triggers mandatory takeover offer, intends to maintain listing

Mighty Alliance Sdn Bhd, linked to Scanwolf Corp Bhd's Managing Director Eddy Seah Ley Hong, has triggered a mandatory takeover offer to acquire the remaining 60.33% of Scanwolf shares at 54 sen per share, along with its warrants and ICULs at 24 sen and 18 sen, respectively. The offer follows Mighty Alliance's acquisition of a 34.38% stake for RM32.35m, bringing the collective shareholding of the offerors and persons acting in concert to 39.67%. The offer prices reflect a slight premium over recent market prices, with the group intending to maintain Scanwolf's Bursa Malaysia listing. *(The Edge)*

Fajarbaru: PDC ink master agreement for phase 1 of Medi-City in Batu Kawan

Fajarbaru Builder Group Bhd and the Penang Development Corporation (PDC) have signed the master purchase and development agreement (master PDA) for the first phase of the Penang Medi-City project in Batu Kawan. Fajarbaru Builder executive chairman and executive director Tan Sri Chan Kong Choy said the first phase of Medi-City spans 20.70 hectares out of the total 95.42 hectares to be developed for the entire project. "Of the 20.70 hectares, 6.19 hectares will be allocated for healthcare component, including a 200-bed hospital equipped with various state-of-the-art medical facilities. "The remaining 14.48 hectares will be designated for residential and commercial development, supporting the vision of creating a dynamic development hub in Batu Kawan," he said during the master PDA signing ceremony here on Monday. *(The Edge)*

MAHB: Khazanah-led consortium lowers acceptance terms takeover to 85%, deadline extended

A Khazanah Nasional-led consortium has revised its takeover offer for Malaysia Airports Holdings Bhd, lowering the acceptance threshold to 85% while maintaining the RM11 per share offer price and extending the deadline to February 4, 2025. The consortium, which includes EPF, ADIA, and GIP, has so far secured 86.51% acceptance and remains confident of exceeding 90%, despite opposition from independent directors and criticism that the offer undervalues the company. The consortium plans to delist Malaysia Airports, citing the need for substantial capital expenditure and a long-term transformation approach, with Khazanah as the largest shareholder at 40%. *(The Edge)*

Datasonic: Secures one-year extensions for passport supply and biodata page contracts

Datasonic Group Bhd has secured one-year extensions for its contracts to supply Malaysian passports and polycarbonate biodata pages, with increased contract ceilings of RM57.2m and RM93.3m, respectively, effective from December 1, 2024, to November 30, 2025. These are the fourth extensions awarded by the Home Ministry, following multiple previous extensions since the initial contracts in 2016 and 2018. *(The Edge)*

Skyworld: Eyes diversifying into prefabricated manufacturing business

SkyWorld Development Bhd has proposed to diversify into manufacturing prefabricated and prefinished modular systems, which it plans to employ in its affordable housing project in Penang. The new business, which the group says could potentially contribute a quarter of its net profit, will be undertaken via a collaboration with Singapore-based prefabricated and prefinished modular systems maker Teambuild Holdings (S) Pte Ltd, according to the property developer's bourse filing on Monday. The group said it plans to leverage Teambuild's expertise, skills and technical know-how as a contractor with a strong 12-year track record in the use of prefabricated and prefinished volumetric construction (PPVC) technology in the new venture. Teambuild holds a 30% stake in collaboration vehicle Prefab Master Sdn Bhd, while SkyWorld controls 70%. *(The Edge)*



UUE: Secures RM27.5m in contract renewals, boosting total 2025 contract wins to RM64m

Underground utility engineering solutions provider UUE Holdings Bhd, via its wholly-owned subsidiary Kum Fatt Engineering Sdn Bhd, has secured two contract renewals worth a total of RM27.5m from Sutera Utama Sdn Bhd. The first contract, valued at RM13m, involves the installation, testing and commissioning of 11kV underground cables and related accessories in Tenaga Nasional Bhd's east coast distribution network. This renewal brings the total value of the project to RM39.1m and is expected to be completed by February 2026. The second contract, worth RM14.5m, covers similar works in the southern region of Malaysia. This renewal increases the total value of the project to RM43.6m, with completion slated for December 2025. *(The Edge)*

WTK: Reports fire in Penang tape factory, financial impact 'not expected to be substantial'

Timber harvester and product maker WTK Holdings Bhd said a fire broke out at its unit's tape manufacturing factory in Perai, Penang, on Jan 17. The financial impact of the fire that occurred at its wholly owned Loytape Industries Sdn Bhd's manufacturing plant last Friday is still being assessed, according to WTK in a bourse filing on Monday. "The preliminary estimate of the impact on the earnings of the group is not expected to be substantial, and will also be mitigated by the adequate insurance on assets and consequential business losses," it added. WTK noted the fire incident did not result in any casualties, and the fire department is in the midst of conducting an investigation to ascertain the cause. *(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	6.00	0.53	8.75
British American Tobacco (M)	Consumer	7.22	0.60	8.25
Amway (M)	Consumer	6.64	0.53	7.94
Sentral REIT	REIT	0.80	0.06	7.67
KIP REIT	REIT	0.88	0.07	7.66
Ta Ann Holdings	Plantation	4.12	0.30	7.31
Datasonic Group	Technology	0.40	0.03	7.25
YTL Hospital REIT	REIT	1.17	0.08	7.09
Paramount Corporation	Property	1.06	0.08	7.08
Genting Malaysia	Consumer	2.23	0.16	7.04
CapitaLand Malaysia Trust	REIT	0.68	0.05	6.67
REXIT	Technology	0.77	0.05	6.49
Sports Toto	Consumer	1.55	0.10	6.45
UOA REITS	REIT	0.95	0.06	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		
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

Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. ("Mercury Securities") and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities' website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Published & Printed By:

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
Email: mercurykl@mersec.com.my