



Daily Newswatch

Market Review

The FBM KLCI climbed to 1,587.8 (+0.5%), extending its rally to a fourth consecutive session as Bank Negara Malaysia's decision to maintain the OPR at 3.0% bolstered market sentiment. Key contributors to the index's performance included SUNWAY (+2.2%), CIMB (+1.5%), and TENAGA (+1.5%). Sector-wise, Transportation & Logistics (+0.7%) led the gains, followed by Plantation (+0.6%) and Financial Services (+0.6%). The broader market breadth was quite balanced, with 512 gainers matching 505 decliners.

Economics

- Malaysia:** BNM keeps OPR steady, takes comfort in sustained growth
- Malaysia:** Inflation in December slows as non-food price pressure eases, official data shows
- UK:** Budget deficit soars more than forecast on debt costs
- China:** Eases rules for long-term funds to boost stock market
- India:** Modi mulls lower tariffs, more imports to counter Trump's threats
- Mexico:** Leader stresses sovereignty, holds off on retaliatory tariff threats
- Singapore:** Takes first key step towards holding 2025 election

Companies

- Jentayu Sustainables:** SC denies Jentayu's extension bid to complete acquisitions of RE firms
- Power Root:** Sued by EXIM Bank over RM7.4m loan default
- Sime Darby Property:** Arina single-storey homes in Bandar Ainsdale fully taken up within hours of launch
- Sunway:** Shortlists bankers for healthcare unit's IPO
- CLMT:** Posts record net property income of RM264m in FY2024

Upcoming key economic data releases

Date

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	1,587.8	0.5	(3.3)
Dow Jones	44,156.7	0.3	3.8
Nasdaq CI	20,009.3	1.3	3.6
S&P 500	6,086.4	0.6	3.5
FTSE 100	8,545.1	(0.0)	4.6
Nikkei 225	39,646.3	1.6	(0.6)
Shanghai CI	3,213.6	(0.9)	(4.1)
HSI	19,778.8	(1.6)	(1.4)
STI	3,781.2	(0.4)	(0.2)

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,968.1	(13.4)
Value traded (RM m)	2,242.1	(14.2)
Gainers	512	
Losers	505	
Unchanged	459	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TWI	0.025	0.0	90.0
HM	0.175	2.9	70.0
CBHB	0.350	(4.1)	62.4
EAH	0.005	0.0	51.7
VELESTO	0.195	(2.5)	41.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.350	(0.7)	95.1
MAYBANK	10.360	0.8	92.2
CIMB	8.060	1.5	89.7
TENAGA	13.880	1.5	81.8
YTLPOWR	4.040	0.5	76.2

Currencies	Last Close	% Chg
USD/MYR	4.437	0.9
USD/JPY	156.5	0.0
EUR/USD	1.0407	(0.0)
USD/CNY	7.2762	(0.2)
US Dollar Index	108.17	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	79.0	(0.4)
Gold (USD/troy oz)	2,755	(0.0)
CPO (MYR/metric t)	4,439	(0.6)
Bitcoin (USD/BTC)	103,770	(0.3)

Economics

Malaysia: BNM keeps OPR steady, takes comfort in sustained growth

Bank Negara Malaysia (BNM) on Wednesday kept the benchmark interest rate unchanged as widely expected, comfortable with its outlook for sustained economic growth and manageable inflation. The overnight policy rate (OPR) was maintained at 3.00%, following the Monetary Policy Committee's two-day meeting, the central bank said in a statement. A survey of 24 economists by Bloomberg unanimously called for BNM to stand pat at the first of six reviews scheduled for this year. "At the current OPR level, the monetary policy stance remains supportive of the economy, and is consistent with the current assessment of inflation and growth prospects," BNM said. The benchmark interest rate has been kept at this level since May 2023, when BNM increased the OPR by 25 basis points from 2.75%. (*The Edge*)

Malaysia: Inflation in December slows as non-food price pressure eases, official data shows

Inflation in Malaysia eased slightly and was marginally slower than expected in December as prices of non-food items and services rose at a more moderate pace, official data released on Wednesday showed. The consumer price index — Malaysia's main gauge of inflation — rose 1.7% in December from a year earlier, the Department of Statistics said in a statement. This compares to the median 1.8% increase in a Bloomberg poll. The inflation rate has remained steady at 1.8% since September. On a month-on-month basis, the index was up 0.1% in December. For 2024, the annual inflation rate was 1.8%, slowing for the second consecutive year. Housing, water, electricity, gas and other fuels increased by 3.2%, while transport — covering vehicle purchases and public transport services — rose 0.4%. Both maintain the same pace as in November. (*The Edge*)

UK: Budget deficit soars more than forecast on debt costs

Debt costs pushed up UK government borrowing more than forecast last month, highlighting the fiscal challenges facing Chancellor of the Exchequer Rachel Reeves. The budget deficit totalled £17.8bn (US\$21.9bn or RM97.7bn) in December, more than double the £7.7bn recorded a year earlier, the Office for National Statistics said Wednesday. It left the shortfall in the first nine months of the fiscal year at £129.9bn — £4 bn higher than forecast by the Office for Budget Responsibility at the time of budget on Oct 30. The increase in December was driven by the cost of servicing inflation-linked bonds, which account for around a quarter of the total government debt stock. Overall debt costs were at £8.3bn, £3.8bn more than a year earlier. There were also increases in welfare payments and public-sector pay. (*Bloomberg*)

China: Eases rules for long-term funds to boost stock market

China rolled out a basket of measures to stabilise its stock markets, including plans to boost the amount pension can invest in the nation's listed companies, as it combats uncertainty in a second Donald Trump presidency. The central government issued a directive to "steady the stock market, and clear bottlenecks for the introduction of mid-long-term capital," according to a notice posted by the China Securities Regulatory Commission (CSRC) on Wednesday. CSRC chairman Wu Qing, Deputy Finance Minister Liao Min and central bank official Zou Lan will hold a briefing at 9am on Thursday. The securities watchdog also said the country will guide big state-owned insurers to raise A-share investment and prompt listed companies to increase their share repurchases. (*Bloomberg*)

India: Modi mulls lower tariffs, more imports to counter Trump's threats

India is exploring measures, including a trade deal, tariff reductions, and increased imports from the US, to counter potential trade actions by US President Donald Trump aimed at reducing India's \$35.3bn trade surplus. Options under discussion include purchasing more US goods like whiskey, steel, and farm products, with a focus on politically significant states, and leveraging opportunities from a potential US-China trade war. These strategies are part of a broader effort to maintain favourable ties with the US, while addressing concerns over tariffs, intellectual property, and e-commerce regulations. (*Reuters*)

Mexico: Leader stresses sovereignty, holds off on retaliatory tariff threats

Mexico's president emphasised on Tuesday that she will defend her nation's sovereignty and independence but also pursue dialogue with US President Donald Trump, a day after he began his new term with a flurry of orders, including measures to curb immigration. In her first comments following Trump's inauguration, President Claudia Sheinbaum noted that some of his initial announcements closely resemble actions he took in his previous term, as she also sought to reassure Mexicans that she will strenuously defend their interests. "Regarding the decrees that President Donald Trump signed yesterday, I would like to say the following: The people of Mexico can be sure that we will always defend our sovereignty and our independence," she said, flanked by her foreign and interior ministers. "It's always important to have a cool head," added Sheinbaum. *(Reuters)*

Singapore: Takes first key step towards holding 2025 election

Singapore Prime Minister Lawrence Wong said on Wednesday that he has convened a committee to review electoral boundaries, in a sign that the government may call for an early national vote in the Southeast Asian city-state. The premier directed the register of electors to be revised before April 1, the Election Department said in a statement. Wong said in a separate post on Facebook that the panel will then submit recommendations to him "in due course". Usually, the polling date is set to two- to four months later. Singapore must hold a vote by November, in what will be the 52-year-old leader's first electoral test since taking over from Lee Hsien Loong in May last year. Observers say Wong may opt for early elections to secure a new mandate, as the trade-reliant nation navigates brewing global economic uncertainties. *(Reuters)*

Companies

Jentayu Sustainables: SC denies Jentayu's extension bid to complete acquisitions of RE firms

Jentayu Sustainables Bhd said the Securities Commission Malaysia (SC) has denied the building material and renewable energy (RE) group's bid for an extension of time to complete its acquisition of three RE firms proposed in 2021. Jentayu was informed of the regulator's decision not to approve its application seeking an extension up to March 26, 2025, via a letter on Wednesday, according to the company's bourse filing. "The board will be convening a special board meeting to decide on next course of action accordingly," it added. Jentayu had proposed to acquire the three companies, which own and operate RE assets, back in September 2021, when it was then known as Ipmda Bhd, in a move aimed at becoming a pure RE outfit. *(The Edge)*

Power Root: Sued by EXIM Bank over RM7.4m loan default

Export-Import Bank of Malaysia Bhd (EXIM Bank) has filed a lawsuit against instant coffee manufacturer Power Root Bhd, seeking RM7.4m over an alleged loan default. According to Power Root's filing with Bursa Malaysia on Wednesday, EXIM Bank is demanding repayment of RM675,509.22 for funds disbursed to its subsidiaries, namely Power Root (M) Sdn Bhd (PRM), Power Root Manufacturing Sdn Bhd (PRMFG) and Power Root ME Free Zone Company (PRME). The bank is also claiming RM6.72m linked to another loan agreement involving the same subsidiaries. Both loan agreements were executed in 2012. In addition, EXIM Bank is seeking general, exemplary, and punitive damages, as well as interest and legal costs. Power Root, however, denies all claims and allegations in their entirety. The company maintains that its subsidiaries have strong grounds to contest the claims, asserting that insurance claims under the Comprehensive Policies were submitted in full compliance with the policy terms. *(The Edge)*

Sime Darby Property: Arina single-storey homes in Bandar Ainsdale fully taken up within hours of launch

Arina, Sime Darby Property Bhd's first single-storey linked homes in Bandar Ainsdale, achieved full take-up of all 118 units within hours of its launch on Saturday, Jan 18. The freehold homes, priced from RM420,888, offer built-up areas ranging from 1,010 to 1,138 sq ft. Each unit features three bedrooms and two bathrooms on a 20' x 70' land plot, designed to cater to growing families and retirees. The project has a gross development value of RM45.6m. Arina is scheduled for completion in October 2026, and will be part of the newly launched precinct within Bandar Ainsdale, a township known for its green spaces and proximity to key amenities. *(The Edge)*

Sunway: Shortlists bankers for healthcare unit's IPO

Sunway Bhd has started the ball rolling for the initial public offer (IPO) of its healthcare unit, sources told The Edge. Maybank Investment Bank Bhd and AmlInvestment Bank Bhd are said to be the front-runners as principal advisers for the IPO of Sunway Healthcare Group, the sources said. Affin Hwang Investment Bank Bhd and CIMB Investment Bank Bhd, meanwhile, have been shortlisted as joint book runners, according to sources. The conglomerate has also shortlisted three foreign firms as joint global coordinators, namely HSBC, UBS, and Jefferies, said the sources, who declined to be named as they are not authorised to speak to the media. The arrangement hints towards a pursuit for more foreign investors for the IPO, and a higher end of the valuations range ascribed to recent healthcare business transactions in the country. *(The Edge)*

CLMT: posts record net property income of RM264m in FY2024

CapitaLand Malaysia Trust (CLMT) reported a 15% year-on-year increase in 4QFY24 net property income (NPI) to RM72.5m, driven by higher revenue from positive rental reversions and improved occupancies. For FY2024, NPI grew 21.4% to a record RM263.9m, with distributable income rising 21% to RM132.8m, supported by robust retail performance and proactive asset management. CLMT plans to enhance income resilience through the completion of industrial and logistics acquisitions in 2025, while its overall portfolio occupancy stands at 92.8%, with property valuations up 2.4% to RM5.13bn. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.37	0.17	12.26
MBM Resources	Consumer	5.99	0.53	8.76
British American Tobacco (M)	Consumer	7.23	0.60	8.24
Amway (M)	Consumer	6.84	0.53	7.70
Sentral REIT	REIT	0.80	0.06	7.63
KIP REIT	REIT	0.88	0.07	7.61
Ta Ann Holdings	Plantation	4.14	0.30	7.27
Paramount Corporation	Property	1.06	0.08	7.08
Datasonic Group	Technology	0.41	0.03	7.07
Genting Malaysia	Consumer	2.24	0.16	7.01
YTL Hospital REIT	REIT	1.19	0.08	6.97
CapitaLand Malaysia Trust	REIT	0.68	0.05	6.81
UOA REITS	REIT	0.95	0.06	6.53
Sports Toto	Consumer	1.57	0.10	6.37
REXIT	Technology	0.79	0.05	6.33

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
Richtech Digital Bhd	ACE Market	0.25	54.7	-	31 Jan	17 Feb
Techstore Bhd	ACE Market	0.20	125.0	25.0	4 Feb	18 Feb

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