



# Daily Newswatch

## Market Review

The FBM KLCI retreated to 1,577.2 (-0.7%) on Thursday, snapping its four-day winning streak as profit-taking activities weighed on sentiment. Declines in MRDIY (-2.3%), PCHEM (-1.9%), and CDB (-1.6%) dragged the benchmark lower, reflecting cautious investor sentiment. Among the sector, Energy (-1.4%) led the declines amid profit-taking in oil-linked counters, followed by Technology (-1.4%) and Construction (-0.9%). The broader market breadth turned bearish, with 671 decliners outnumbered 283 gainers. In contrast, Oriental Kopi's ACE Market debut stole the spotlight, almost doubling to 87.5 sen on strong investor interest, emerging as the top gainer and most actively traded counter.

## Economics

- **Asia:** Unstoppable Dollar forces open FX toolkits in Asia's markets
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- **Japan:** Exports rise as world waits for Trump tariffs impact
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- **Oriental Kopi:** Aims to launch over 20 fast-moving consumer goods by year end
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- **YTL Corp, YTL Power:** Plan free warrants; exercise prices at discount to market prices
- **Citaglobal:** Wins two subcontracts for Kuching Urban Transportation System worth RM36.3m

### 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	1,577.2	(0.7)	(4.0)
Dow Jones	44,565.1	0.9	4.8
Nasdaq CI	20,053.7	0.2	3.8
S&P 500	6,118.7	0.5	4.0
FTSE 100	8,565.2	0.2	4.8
Nikkei 225	39,958.9	0.8	0.2
Shanghai CI	3,230.2	0.5	(3.6)
HSI	19,700.6	(0.4)	(1.8)
STI	3,806.6	0.7	0.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,235.3	9.0
Value traded (RM m)	2,749.3	22.6
Gainers	283	
Losers	671	
Unchanged	503	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
KOPI	0.875	98.9	828.7
EAH	0.010	100.0	74.2
CBHB	0.370	5.7	64.0
HM	0.180	2.9	50.7
SET	0.365	0.0	33.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
KOPI	0.875	98.9	703.0
TENAGA	13.800	(0.6)	147.6
GAMUDA	4.290	(1.4)	120.5
MAYBANK	10.360	0.0	100.3
CIMB	7.970	(1.1)	75.6

Currencies	Last Close	% Chg
USD/MYR	4.4415	0.1
USD/JPY	156.06	(0.0)
EUR/USD	1.0419	0.0
USD/CNY	7.2862	(0.1)
US Dollar Index	108.05	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	78.3	(0.9)
Gold (USD/troy oz)	2,756	0.0
CPO (MYR/metric t)	4,479	0.2
Bitcoin (USD/BTC)	103,876	0.7

## Economics

### Asia: Unstoppable Dollar forces open FX toolkits in Asia's markets

Asian emerging markets are deploying diverse strategies to counter a strong US dollar, rising yields, and trade tensions, with measures such as Indonesia mandating commodity firms to repatriate overseas earnings and South Korea issuing won debt for the first time in 21 years. While central banks rely on foreign exchange interventions and innovative tools to stabilize their currencies, these efforts come with the risk of depleting reserves, as seen in India's \$80bn drop from record forex reserves. Policymakers are navigating a delicate balance to prevent capital outflows and currency instability, using approaches tailored to each country's unique circumstances. (*Bloomberg*)

### EU: French and German leaders meet to discuss Trump tariff threats

French President Emmanuel Macron and German Chancellor Olaf Scholz sought to project unity at a meeting in Paris on Wednesday, as Europe struggles to respond with one voice to threats of tariffs from US President Donald Trump. Trump, who has also threatened Canada, Mexico and China with heavy duties, said on Tuesday Europe had troubling trade surpluses with the US and was "in for tariffs". In statements to reporters before their working lunch at the Elysee Palace, both Macron and Scholz insisted that Europe was strong and the Franco-German tandem solid, while expecting difficulties. "President Trump will, that much is already clear, be a challenge," Scholz said. "Our position is clear. Europe is a large economic area with around 450m citizens. We are strong. We stand together. Europe will not duck and hide." Macron has long pushed for Europe to be more self-reliant. (*Bloomberg*)

### Saudi Arabia: Plans US\$600bn in new US investment, trade over four years

Saudi Crown Prince Mohammed bin Salman informed former U.S. President Donald Trump of plans to increase Saudi investments and trade with the U.S. by \$600bn over four years, reflecting their strong business relationship. Discussions also touched on Middle East peace, including Saudi Arabia potentially joining the Abraham Accords, though the kingdom remains firm on Palestinian statehood as a prerequisite for normalization with Israel. Trump's prior administration emphasized significant economic ties with Saudi Arabia, including major arms deals and personal business ventures, despite controversies such as the Jamal Khashoggi murder. (*Bloomberg*)

### Japan: Exports rise as world waits for Trump tariffs impact

Japan's exports rose for a third month in December on the back of a weaker yen, as businesses waited for further clarity on likely US trade policy in President Donald Trump's second term. Exports measured in value gained 2.8% from a year ago led by chip-making machinery and semiconductor parts, the Ministry of Finance reported Thursday. That beat the consensus estimate of a 2.4% increase. Imports increased 1.8%, led by calculation machinery and related goods. The yen averaged 152.48 per dollar in December, 3.8% weaker than a year earlier, the report said. A weaker yen tends to help exporters become more competitive while it makes imports of energy and food more expensive. The trade balance unexpectedly swung to a positive reading for the first time in six months, with a surplus of ¥130.9bn (US\$837m or RM3.7bn). (*Reuters*)

### South Korea: Economy barely grew in 4Q2024 as political crisis jolts 2025 outlook

South Korea's economy barely grew in the fourth quarter of 2024, as the country's worst political crisis in decades hurts already weakened domestic demand and threatens to further sap growth in a year of rising external risks under a second Trump presidency. In December, consumer and business sentiment dampened amid political chaos, after President Yoon Suk Yeol was impeached and suspended from duties over his short-lived bid to impose martial law, followed by the impeachment of Prime Minister Han Duck-soo. That impact saw gross domestic product (GDP) expand just 0.1% from a quarter earlier on a seasonally adjusted basis, the Bank of Korea's (BOK) advanced estimates showed on Thursday. It was weaker than increases of 0.2% forecast in a Reuters survey and 0.5% projected by the central bank less than a week before Yoon's Dec 3 martial law edict. (*Reuters*)



**Singapore: December core inflation at 1.8% y-o-y, lowest since November 2021**

Singapore's key consumer price gauge rose 1.8% in December from a year earlier, higher than economist forecasts and the lowest in more than three years, official data showed on Thursday. The core inflation rate, which excludes private road transport and accommodation costs, was above the 1.7% forecast by a Reuters poll of economists and the 1.9% seen in November. Headline inflation was 1.6% in annual terms in December, higher than economists' forecast of 1.5%. Inflation has declined from a peak of 5.5% in early 2023 and December's rise is the smallest since November 2021, when it rose by 1.6%. Lower inflation and higher growth have created room for the Monetary Authority of Singapore to ease monetary policy at its scheduled review on Friday. (*Reuters*)

**India: Can overcome Trump policies, Modi's official says**

Indian Prime Minister Narendra Modi's strong relationships with global economies have built trust in India's economy, helping it navigate potential challenges from U.S. trade policies under Donald Trump, according to Electronics and Technology Minister Ashwini Vaishnaw. The Indian government is exploring trade deals and tariff adjustments to mitigate the impact of global shifts, while focusing on modernizing infrastructure like railways and supporting its growing electronics sector. Despite weak growth projections for the fiscal year, Vaishnaw emphasized the government's high capital spending of ₹11tn and private investment revival as key drivers to achieve a 6-8% growth target over the next two years. (*Bloomberg*)

## Companies

### **Cahaya Mata Sarawak: Expects to double clinker production with new facility**

Cahaya Mata Cement Sdn Bhd, a wholly-owned subsidiary of Cahya Mata Sarawak Bhd, expects to double its clinker production capacity with the development of a new facility, Clinker Line 2, in Mambong here. The ambitious project is set to enhance cement production capacity in Sarawak and meet the state's growing infrastructure demands for the next 15 years, Cahya Mata Cement said in a statement on Thursday. "Clinker Line 2 will take approximately 24 months to complete. It will incorporate state-of-the-art features to enhance both environmental performance and energy efficiency," it said. The new line will be developed in collaboration with Sinoma Industry Engineering (M) Sdn Bhd, following a technical consulting agreement signed in November 2023, which covered the design and subsequent construction of the clinker line, as well as optimising the existing clinker production facility. *(The Edge)*

### **MRCB: To jointly undertake RM6.25bn GDV Ipoh Sentral development project**

Malaysian Resources Corp Bhd is partnering Ipoh Sentral Sdn Bhd (ISSB) to jointly develop the Ipoh Sentral project, with an estimated gross development value of RM6.25bn. ISSB, a joint venture between Railway Assets Corporation's (RAC) subsidiary Railway Assets Holding Sdn Bhd (RAHSB) and Silver Smart Sdn Bhd, owned by the Perak State Secretary (Incorporated), operates under a 50:50 shareholding structure. The collaboration was formalised via the signing of a memorandum of agreement on Thursday for a transit-oriented development (TOD) project on RAC-owned land. While the land size was not disclosed, MRCB's bourse filing revealed that RAC is in the process of transferring the land ownership to RAHSB. *(The Edge)*

### **T7 Global: Secures pan-Malaysian services contract from Hess Exploration**

T7 Global Berhad has secured a contract with Hess Exploration and Production Malaysia BV for the provision of pan-Malaysian offshore maintenance, construction, modification and hook-up commissioning services. In a bourse filing on Thursday, the oil and gas company said the contract, awarded to its wholly-owned Tanjung Offshore Services Sdn Bhd, was for B3 Package. However, the value of contract, which was awarded in November 2024, was not disclosed. Work on the project commenced on Nov 11, 2024 and completion is expected by Nov 10, 2029, with an optional extension of three years, followed by another two years. *(The Edge)*

### **KIP REIT: Unitholders approve RM98m industrial properties buy from Eddie Ong**

KIP Real Estate Investment Trust unitholders have approved the acquisition of four industrial properties associated to its largest shareholder Datuk Eddie Ong Choo Meng, for a total purchase price of RM98.3m. At the company's extraordinary general meeting (EGM) on Thursday, the four acquisition resolutions were passed with shareholders and proxies attending the meeting holding 99%, voting in favour of the related party transaction (RPT). Commenting after the EGM, KIP REIT chief executive officer Valerie Ong Pui Shan shared that all four industrial properties have met the minimum hurdle rate of 6.5%, with rental yields ranging from 6.6% to 7.6%. Additionally, these properties come with a rental reversion of 11%-12% upon renewal at the end of their three-year terms. *(The Edge)*

### **Oriental Kopi: Aims to launch over 20 fast-moving consumer goods by year end**

Café chain operator Oriental Kopi Bhd, which debuted on the ACE Market of Bursa Malaysia on Thursday, said the company is scaling up its product offerings in the fast-moving consumer goods (FMCG) segment, targeting the launch of over 20 products by year end. Oriental Kopi managing director Datuk Calvin Chan Jian Chern highlighted during a press conference that the company is now engaging with major supermarkets to expand distribution channels, providing broader access to its products. "Currently, we offer around 31 products, including white coffee, sambal, pies, tarts, and more. We are planning to add 20 more products this year," Calvin said. The company will reassess the plan by the first quarter of next year, if it is unable to achieve the target, he added. "Since our products are halal-certified, we will try our best to penetrate into the bigger Malay market as well," Calvin said. *(The Edge)*

**Sime Darby Property: Secures five anchor tenants for KLGCC Mall**

Sime Darby Property Bhd has signed five anchor tenants for its upcoming KLGCC Mall, marking a significant milestone in the company's retail expansion strategy. The tenants include Jaya Grocer, Serai Group's flagship concept, ACE Hardware, Asia Ballet Academy, and the first HarborLand kids playland in Malaysia. The mall, located within the Kuala Lumpur Golf & Country Club (KLGCC) Resort, is located next to the Sime Darby Convention Centre. KLGCC Mall is the company's third wholly-owned retail development, following KL East Mall and the newly launched Elimina Lakeside Mall. This expansion aligns with its SHIFT25 strategy, aimed at enhancing recurring income streams through placemaking initiatives across its townships. *(The Edge)*

**Censof: Bags RM4.3m cloud-based accounting system contract from KWAP**

Censof Holdings Bhd has secured a RM4.3m contract from KWAP to implement a new cloud-based Government Resource Planning (GRP) system, aimed at enhancing efficiency, scalability, and real-time data access. The contract includes a 12-month implementation phase, a 12-month warranty, and a four-year subscription, integrating key functions like financial management, HR, procurement, and compliance to improve governance and decision-making. *(The Edge)*

**YTL Corp, YTL Power: Plan free warrants; exercise prices at discount to market prices**

YTL Corp and YTL Power have proposed a bonus issuance of free warrants, offering one warrant for every five shares, exercisable at discounts of 37% and 39.5%, respectively. If fully exercised, the warrants could raise RM3.4bn for YTL Corp and RM2.2bn for YTL Power, with proceeds allocated to funding warrants, repaying borrowings, and future investments. The issuances, set for completion by Q2 2025, aim to reward shareholders and support funding needs, with CIMB as the principal adviser. *(The Edge)*

**Citaglobal: Wins two subcontracts for Kuching Urban Transportation System worth RM36.3m**

Citaglobal Bhd has secured two subcontracts worth RM36.3m for station works and steel structure materials for Phase 1 of the Kuching Urban Transportation System (KUTS) project in Sarawak, each lasting 14 months. This follows two other Sarawak contracts worth RM51.0m awarded in September 2024, including riverwall construction and infrastructure works related to KUTS. *(The Edge)*



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.36	0.17	12.35
MBM Resources	Consumer	5.88	0.52	8.93
British American Tobacco (M)	Consumer	7.23	0.60	8.24
Amway (M)	Consumer	6.83	0.53	7.72
Sentral REIT	REIT	0.80	0.06	7.63
KIP REIT	REIT	0.88	0.07	7.61
Datasonic Group	Technology	0.40	0.03	7.50
Ta Ann Holdings	Plantation	4.13	0.30	7.29
Genting Malaysia	Consumer	2.21	0.16	7.10
YTL Hospital REIT	REIT	1.19	0.08	6.97
CapitaLand Malaysia Trust	REIT	0.69	0.05	6.96
Paramount Corporation	Property	1.08	0.07	6.94
UOA REITS	REIT	0.94	0.06	6.63
REXIT	Technology	0.79	0.05	6.33
RHB Bank	Finance	6.37	0.40	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		
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 Berhad	Ace Market	0.20	125.0	25.0	04 Feb	18 Feb

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