



Daily Newswatch

Market Review

The FBM KLCI tumbled to 1,559.0 (-0.9%), closing at its intraday low as heavy losses in YTL-related counters weighed on the index, mirroring weakness across regional markets. Steep declines were seen in YTL (-9.0%), YTLPOWR (-10.8%), and SUNWAY (-6.6%). Sector-wise, Construction (-3.3%) led the declines, reflecting continued selling pressure despite a slight rebound last week, followed by Utilities (-3.0%) and Technology (-2.3%). The broader market breadth was negative, with 782 decliners significantly outnumbering 235 gainers.

Economics

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- MMAG:** Buys another aircraft from Japan-based JPA for RM29.12m

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,559.0	(0.9)	(5.1)
Dow Jones	44,713.6	0.7	5.1
Nasdaq CI	19,341.8	(3.1)	0.2
S&P 500	6,012.3	(1.5)	2.2
FTSE 100	8,503.7	0.0	4.0
Nikkei 225	38,928.0	(1.6)	(2.4)
Shanghai CI	3,250.6	(0.1)	(3.0)
HSI	20,197.8	0.7	0.7
STI	3,796.7	(0.2)	0.2

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,755.8	(8.3)
Value traded (RM m)	2,375.7	(22.3)
Gainers	235	
Losers	782	
Unchanged	415	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
YTL	1.930	(9.0)	60.2
YTLPOWR	3.220	(10.8)	59.3
MYEG	0.935	(2.6)	56.0
CBHB	0.325	(8.5)	47.0
GAMUDA	4.060	(3.1)	46.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	13.440	(2.3)	249.7
YTLPOWR	3.220	(10.8)	197.7
GAMUDA	4.060	(3.1)	192.3
YTLPOWR	1.930	(9.0)	120.2
NATGATE	1.880	(13.8)	83.4

Currencies	Last Close	% Chg
USD/MYR	4.3905	(0.3)
USD/JPY	155	(0.3)
EUR/USD	1.0448	(0.4)
USD/CNY	7.2446	(0.0)
US Dollar Index	107.34	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	77.1	(1.8)
Gold (USD/troy oz)	2,744	0.1
CPO (MYR/metric t)	4,481	(0.6)
Bitcoin (USD/BTC)	102,247	0.9

Economics

Malaysia: Eyeing trade growth with FTA partners, emerging markets this year

Malaysia plans to focus on strategic engagements with free trade agreement (FTA) partners and emerging markets this year in an effort to increase its exports, said Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz. He said the economies of emerging markets have been growing rapidly over the years, including regions such as Africa, the Middle East and Latin America. In addition, the minister said, the Malaysia External Trade Development Corp (Matrade) is actively pursuing opportunities with non-traditional markets that are also Malaysia's FTA partners such as Peru and Mexico. "The benefits of these FTAs include zero-rate tariffs, and preferential market access will make Malaysian products and services more attractive and competitive," he said in a pre-recorded keynote speech at an event titled "Malaysia's 2024 trade performance: Navigating Trade Winds of 2025" on Monday. (*The Edge*)

US: House Republicans divided over how to pay for Trump's tax cuts

Republicans who control the US House of Representatives are trying to overcome internal differences on how to pay for President Donald Trump's sweeping tax cuts, with hardline conservatives determined to reduce an annual federal deficit approaching US\$2tn (RM8.7tn). With a narrow 218-215 House majority, they need near-total unity as they prepare to vote within weeks on a fiscal 2025 budget resolution that will be a critical step toward passing Trump's sprawling agenda of tax cuts, border and immigration reform, energy deregulation and increased military spending. Ahead of a three-day policy retreat that kicks off in Miami on Monday, some worried openly that House Speaker Mike Johnson's leadership team might balk at the spending cuts needed to offset the cost of Trump's US\$6tn tax-cut agenda while also addressing the nation's more than US\$36tn in debt. (*Bloomberg*)

EU: Eurozone's lacklustre growth set to keep ECB on rate-cut path

The euro-area economy's sub-par performance is convincing the European Central Bank (ECB) that it can further loosen the shackles on growth by lowering interest rates for a fourth straight meeting this week. Data due Thursday, hours before policymakers in Frankfurt announce their decision on borrowing costs, will probably show gross domestic product rose by just 0.1% in the fourth quarter, down from 0.4% in the third, according to a Bloomberg poll. Business surveys released last week by S&P Global generated some hope that a small revival may be feasible. But officials, increasingly confident that inflation is headed back to 2%, won't be deterred — particularly as uncertainty, not least from the return of Donald Trump as the US president, casts a shadow over firms and households. (*Bloomberg*)

UK: Firms see biggest hit to output and profit since pandemic

Business activity has slumped at British firms and profit warnings have risen, according to two reports that say each trend is the worst it's been since the pandemic. The figures, published Monday, were the latest in a slew of weak economic data that is troubling Labour ministers, who have promised to boost growth and invest more money into the UK's public services. Chancellor of the Exchequer Rachel Reeves needs output to pick up in order to drive higher tax revenues. However, private sector activity fell again in the three months to January, the Confederation of British Industry's monthly growth indicator said, reaching its weakest level since February 2021 when lockdown rules were still in force. (*Bloomberg*)

China: Economy stumbles in sign rebound hinges on more stimulus

China's economic activity unexpectedly faltered to start the year, breaking the momentum of a recovery sparked by stimulus measures and underlining the need for Beijing to do more to prevent another slowdown. Factory activity shrank in January after three months of expansion, with the manufacturing purchasing managers' index falling to 49.1, the lowest since August. The non-manufacturing gauge for construction and services dropped to 50.2, just above the 50-mark that separates growth and contraction. The disappointment followed other official data showing the government's fiscal support to the economy was weak last year. Industrial firms reported the third straight year of profit declines as deflation pressure persists, even though a programme to subsidise purchases of consumer goods and machinery contributed to an earnings uptick in late 2024. *(Reuters)*

Saudi Arabia: Opens foreign property investments in holy cities

Saudi Arabia said it will begin allowing foreigners to invest in publicly-traded companies owning real estate in the holy cities of Mecca and Medina for the first time as the kingdom looks to draw in more overseas investment. Starting today, foreign investors can purchase shares and convertible debt instruments in firms listed on the Saudi stock exchange that own either public or private real estate within the boundaries of the cities, according to a statement from the Capital Market Authority. An exception applies to strategic foreign investors and foreign ownership cannot exceed 49% of a company's listed shares, the CMA said. Shares of some real estate firms rose on the news. Jabal Omar Development Co jumped as much as 10% at the open in Saudi Arabia. Taiba Investments Co, Emaar Economic City and Mecca Construction & Development Co were also among the stocks that climbed. *(Reuters)*

Thailand: Hands out US\$890m to elderly in boost for economy

Thailand transferred about 30bn baht (US\$890m or RM3.9m) to its senior citizens on Monday, part of a government programme to tackle the high cost of living and stimulate the nations' sluggish economy. More than three million senior citizens were given 10,000 baht each (US\$297), and the dole out will boost the country's US\$500bn economy, Prime Minister Paetongtarn Shinawatra said. The government will continue the cash stimulus programme, she said without elaborating. The handout was a flagship election promise of the ruling Pheu Thai party led by Paetongtarn but its rollout was delayed due to legal risks and lack of readiness of a digital application. In the first phase, the government extended the cash gift to 14.45m welfare cardholders and disabled. Thailand's economic growth has lagged its regional peers in the past decade, and Paetongtarn's administration has unveiled a raft of measures including debt moratoriums, higher state spending and cash stimulus to lift growth this year to about 3%. *(Reuters)*

Companies

Icon Offshore: Shareholders greenlight vessel ops buy, name change to Lianson Fleet Group

Icon Offshore Bhd has received the nod from its shareholders to change its name to Lianson Fleet Group Bhd, along with the RM403.5m acquisition of equity stakes in vessel operating companies, including from its largest shareholder Liannex Corp. The group received over 99% acceptance from eligible shareholders for the proposed acquisitions, including 100% in Liannex Pte Ltd from Liannex for RM182m; 51% in Yinson Power Marine Sdn Bhd from Lim Han Weng for RM18m; 70% in Regulus Offshore Sdn Bhd from Yinson Offshore Services Sdn Bhd for RM136m and 100% in Yinson Camellia Sdn Bhd also from Yinson Offshore Services for RM24m. Lim Han Weng is the controlling shareholder of Liannex, which in turn owns a 56.7% indirect stake in Icon Offshore. Lim is also the largest shareholder in Yinson Holdings Bhd with a 22.1% indirect and 1.44% direct stake. *(The Edge)*

Prolintas: Distances itself from graft cases involving sponsor Prolintas' COO, project manager

Prolintas Managers Sdn Bhd, the trustee-manager of Prolintas Infra Business Trust, on Monday clarified that two individuals charged with corruption linked to its sponsor Projek Lintasan Kota Holdings Sdn Bhd (Prolintas) are not related to the operations of the business trust. In a statement, Prolintas Managers said the individuals "are affiliated with Turnpike Synergy Sdn Bhd, which is in charge of the construction of the Sungai Besi-Ulu Kelang Elevated Expressway (SUKE), which is unrelated to our operations, as the project is not part of Prolintas Business Trust". The two individuals are Prolintas chief operating officer Rostam Shahrif Tami, 59, and project manager Zairulnizam Rohani, 47. Rostam was charged earlier on Monday with soliciting and accepting RM70,000 in bribes to award work packages for SUKE. He pleaded not guilty. Zairulnizam claimed trial on Jan 23 for allegedly accepting RM50,000 in bribes in exchange for assisting a company to secure a highway construction project two years ago. *(The Edge)*

Ekovest: Extends unit merger talks with Knusford for six more months

Ekovest Bhd and Knusford Bhd have agreed to have another six months to discuss a merger deal worth RM450m. Under the proposal, Ekovest will dispose of its entire stake in Ekovest Construction Sdn Bhd (ECSB) to Knusford for RM450m. Knusford will finance the purchase via the issuance of new shares at 60 sen per share. In separate filings with Bursa Malaysia on Monday, both Ekovest and Knusford said the extension is from Jan 28 to July 27, 2025, marking the third extension since Ekovest initially entered into a binding heads of agreement in October 2023. Ekovest explained that the latest extension would allow both parties to further assess, evaluate, and negotiate the detailed terms of the merger. *(The Edge)*

Unitrade: Clarifies funding sources for subsidiary's RM42m acquisition of metal recycler

Unitrade Industries Bhd clarified on Monday that its 51%-owned Intergreen Metal Sdn Bhd's acquisition of a controlling stake in metal recycling specialist Kien San Metal Sdn Bhd (KMSB) for RM42m will be financed via a combination of capital injection to Intergreen by its shareholders, and Unitrade's own internal funds. Unitrade plans to pump RM9.2m into Intergreen — reflecting its 51% stake in the company — while Intergreen's minority shareholders will contribute RM8.82m. This will expand Intergreen's paid-up capital by RM18m — from RM2m — to RM20m. The remaining RM24m required for the acquisition will be sourced from Unitrade's internal funds, Unitrade said in a filing with Bursa Malaysia. *(The Edge)*

AirAsia X: Deadline for AAX takeover of Capital A's aviation biz extended by 2 months to March 24

The deadline for AirAsia X Bhd's proposed RM6.8bn acquisition of Capital A Bhd's short-haul aviation business — AirAsia Bhd and AirAsia Aviation Group Ltd — has been extended by two months. According to a statement on AirAsia Group Bhd's website, the mutually agreed extension moves the completion deadline to Mar 24, from the original date of Jan 25, in order to allow both companies to finalise the deal. AAX chief executive officer Benyamin Ismail said the extension is a pragmatic step to ensure all aspects of the exercise are thoroughly and meticulously addressed, including securing final approvals and consents

from relevant authorities, financiers, and lessors most of which he noted to have been already "substantially completed". (*The Edge*)

YNH Property: Expects independent review of JV and turnkey contracts to be completed by Feb 15

YNH Property Bhd announced on Monday that the independent review of its joint venture (JV) and turnkey contracts, conducted by Messrs UHY, is expected to be completed and issued by Feb 15, 2025. The property developer informed Bursa Malaysia that UHY is in the final stages of completing the assessment, with the remaining pending items being cheque images from the bank. The company did not provide further details. "The company is closely monitoring the progress, and shall release further announcements if there are any significant developments," it added. YNH had appointed UHY in June 2024 to conduct an independent review of certain JV and turnkey contracts undertaken by its wholly owned unit, Kar Sin Bhd. (*The Edge*)

MMAG: Buys another aircraft from Japan-based JPA for RM29.3m

MMAG Holdings Bhd announced on Monday that it is acquiring a second Boeing B737-400SF aircraft from Japan-based JPA No 161 Co Ltd (JPA) for US\$6.6m (RM29.1m) in cash. MMAG's subsidiary, MJets Air Sdn Bhd, signed an installment sale agreement with JPA to purchase and take delivery of the aircraft, which is currently leased and operated by MJets Air for its freight business. This marks the second Boeing B737-400SF aircraft acquisition by MJets Air from JPA, a wholly-owned subsidiary of JP Lease Products & Services Co Ltd (JLPS), one of Japan's largest independent tax lease arrangers. Last December, MJets Air acquired the first aircraft from JPA for RM20.8m, also paid in cash. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.35	0.17	12.44
MBM Resources	Consumer	5.80	0.52	9.05
British American Tobacco (M)	Consumer	7.19	0.60	8.29
Amway (M)	Consumer	6.72	0.53	7.84
Sentral REIT	REIT	0.81	0.06	7.70
KIP REIT	REIT	0.88	0.07	7.61
Datasonic Group	Technology	0.40	0.03	7.50
Ta Ann Holdings	Plantation	4.04	0.30	7.45
Genting Malaysia	Consumer	2.19	0.16	7.17
CapitaLand Malaysia Trust	REIT	0.68	0.05	7.06
YTL Hospital REIT	REIT	1.18	0.08	7.03
Paramount Corporation	Property	1.07	0.07	6.54
Hektar REITS	REIT	0.54	0.03	6.54
REXIT	Technology	0.79	0.05	6.33
RHB Bank	Finance	6.38	0.40	6.32

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 Bhd	ACE Market	0.20	125.0	25.0	04 Feb	18 Feb
ES Sunlogy Bhd	ACE Market	0.30	140.0	70.0	05 Feb	20 Feb

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