



Daily Newswatch

Market Review

The FBM KLCI climbed to 1,585.2 (+0.7%) on Thursday, marking its third straight session of gains as last-minute buying interest lifted the benchmark, mirroring strength across regional markets. Gains in PETGAS (+2.5%), GAMUDA (+2.1%), and YTLPOWER (+1.9%) supported the positive momentum and lifted the index. Sector-wise, Transportation & Logistics (+1.2%) led the gains, followed by Construction (+0.8%) and Industrial Products & Services (+0.8%). The broader market breadth remained in a positive tone, with 489 gainers outpacing 388 decliners.

Economics

- Malaysia:** Minimal impact on semiconductor exports as M'sia excluded from Trump's tariff increase, says Zafrul
- US:** Treasury Secretary Bessent says tariffs aimed at bringing manufacturing back to US
- EU:** Europe could be a big loser in US-China trade war, ECB warns
- EU:** French service sector downturn deepens in January, PMI shows
- China:** China challenges Trump tariffs at WTO, package shippers warn of chaos
- Japan:** BOJ board member says rate should be at least 1% in 2H
- Indonesia:** Prabowo plays populist card to energise Indonesia's growth
- Singapore:** Investments into Singapore hit US\$10bn last year on chip, AI pledges

Companies

- TNB:** Suspends second helicopter operations following Bentong crash
- Zecon:** Signs pact to explore large-scale floating solar project in Sabah
- Bank Islam:** To set up JV to sell financial tech products, services
- Notion Vtec:** Acquires land in Klang for manufacturing expansion
- IHH:** Seeks as much as RM5.7bn in compensation from Japan's Daiichi Sankyo
- Bina Puri:** Seeks to restructure debt with Exim Bank
- Scomi Energy:** To be delisted on Feb 12
- Pentamaster:** To privatise Hong Kong unit and issue special dividend

<u>Upcoming key economic data releases</u>	<u>Date</u>
US – Jan 2024 NFP, Unemployment Rate	Feb 07
Malaysia – Dec 2024 Unemployment Rate	Feb 10
US – Jan 2025 CPI	Feb 12
US – Jan 2025 PPI	Feb 13
Malaysia – GDP Growth Rate	Feb 14
US – Jan 2025 FOMC	Feb 20
Malaysia – Jan 2024 Inflation Rate	Feb 21

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,585.2	0.7	(3.5)
Dow Jones	44,747.6	(0.3)	5.2
Nasdaq CI	19,792.0	0.5	2.5
S&P 500	6,083.6	0.4	3.4
FTSE 100	8,727.3	1.2	6.8
Nikkei 225	39,066.5	0.6	(2.1)
Shanghai CI	3,270.7	1.3	(2.4)
HSI	20,891.6	1.4	4.1
STI	3,830.4	0.4	1.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,934.6	2.4
Value traded (RM m)	2,108.4	(9.4)
Gainers	489	
Losers	388	
Unchanged	514	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
BORNOIL	0.010	0.0	198.5
NORTHERN	0.790	25.4	133.6
MYEG	0.985	1.5	72.5
INGENIEU	0.055	22.2	51.9
VELESTO	0.190	0.0	51.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	10.420	0.8	134.0
NORTHERN	0.790	25.4	114.0
CIMB	8.220	0.6	107.2
TENAGA	13.720	0.7	102.5
GAMUDA	4.470	2.1	99.7

Currencies	Last Close	% Chg
USD/MYR	4.429	0.1
USD/JPY	151.18	0.2
EUR/USD	1.039	0.1
USD/CNY	7.2852	(0.2)
US Dollar Index	107.69	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.3	(0.4)
Gold (USD/troy oz)	2,859	0.1
CPO (MYR/metric t)	4,680	0.0
Bitcoin (USD/BTC)	96,760	(0.1)

Economics

Malaysia: Minimal impact on semiconductor exports as M'sia excluded from Trump's tariff increase, says Zafrul

The risk of negative impact on Malaysia's semiconductor exports to the US, following the implementation of tariffs by US President Donald Trump, is seen as minimal for the time being, said the Ministry of Investment, Trade and Industry (Miti). Minister Tengku Datuk Seri Zafrul Aziz said this is because Malaysia was excluded from the recent US tariff increase imposed on several countries. "Additionally, investment records also show that investments from the US remain strong, as the country is among the largest investors, totalling RM5.1bn in the third quarter of 2024," he said during the minister's question time in the Dewan Rakyat on Thursday. *(The Edge)*

US: Treasury Secretary Bessent says tariffs aimed at bringing manufacturing back to US

US. President Donald Trump's tariff plans are largely aimed at bringing manufacturing back to the United States, Treasury Secretary Scott Bessent told Fox Business on Wednesday, singling out medical supplies and shipbuilding as targeted sectors. Bessent said Trump was pursuing different strategies with different tariffs, noting that recent tariff threats against Colombia, Mexico and Canada were aimed at ensuring action by those governments on non-trade issues, such as immigration. Those actions were not aimed at raising revenue but effecting change in the targeted countries, he said. Overall, however, he said tariffs were focused on helping re-establish manufacturing in the United States in key sectors, which should boost corporate revenue and ultimately result in declining income from the tariffs themselves. *(The Edge)*

EU: Europe could be a big loser in US-China trade war, ECB warns

European Central Bank interest rates have room to fall further as inflation moderates, ECB board member Piero Cipollone said, warning that the US administration's trade war with China could have a detrimental impact on the 20-member eurozone. The ECB has lowered borrowing costs five times since June as growth concerns start to trump price worries, and investors see at least three more rate cuts this year in a bid to boost an economy struggling to rebound from two years of near stagnation. "We all agree there is still room for adjusting rates downwards," Cipollone told Reuters in an interview. "We are almost on target...(and) we are still in restrictive territory." *(Bloomberg)*

EU: French service sector downturn deepens in January, PMI shows

France's service sector contracted faster than first estimated in January, with business activity declining for the fifth consecutive month amid persistent demand weakness and political uncertainty, a survey reported on Wednesday. The HCOB France Services Purchasing Managers' Index (PMI), compiled by S&P Global, fell to 48.2 in January from 49.3 in December, moving further below the 50.0 threshold that separates growth from contraction. January's flash services PMI had come in at 48.9 points. Weaker client demand and political uncertainty were cited as factors weighing on output. *(Bloomberg)*

China: Challenges Trump tariffs at WTO, package shippers warn of chaos

China filed a World Trade Organization (WTO) complaint on Wednesday against US President Donald Trump's new 10% tariff on Chinese imports, and his cancellation of a duty-free exemption for low-value packages, arguing the actions are "protectionist" and break WTO rules. Beijing's request for US trade consultations came as confusion reigned among shippers and retailers over Trump's closure of the "de minimis" exemption for package imports valued under US\$800 (RM3,541) and widely used by e-commerce firms, including Shein, Temu, and Amazon. A US Customs and Border Protection (CBP) official said all small packages from China and Hong Kong needed to have customs entries on file prior to arrival, and there was the potential for some cargo to be sent back without this paperwork. *(Reuters)*

Japan: BOJ board member says rate should be at least 1% in 2H

The Bank of Japan's (BOJ) most hawkish board member Naoki Tamura flagged the need for two or more interest rate hikes by early next year to contain upside risks for prices. "The short-term interest rate should be at the 1% level by the second half of fiscal 2025," up from the current 0.5%, Tamura said on Thursday in a speech to local business leaders in Nagano, central Japan. "I think the bank needs to raise this rate in a timely and gradual manner, in response to the increase in the likelihood of achieving the price stability target." While Tamura is the leading advocate for rate hikes on the board, the speech is likely to further fuel market speculation that more rate hikes are in the pipeline, a day after solid wage data prompted yen strength on that assumption. *(Reuters)*

Indonesia: Prabowo plays populist card to energise Indonesia's growth

Indonesian President Prabowo Subianto is banking on a raft of populist measures in his first months in office to energise consumers in Southeast Asia's largest economy, part of his goals to boost growth to levels not seen in nearly three decades. The decisions — some of which override proposals of the president's ministers — are aimed at jolting economic growth from a 5% average pace over the last two decades to Prabowo's lofty target of 8%. Many will come at a steep cost to the state budget, putting investors on alert. Indonesia's currency and stocks were among the worst performers in Asia on Thursday. *(Reuters)*

Singapore: Investments into Singapore hit US\$10bn last year on chip, AI pledges

Investments into Singapore last year rose to S\$13.5bn (US\$10bn or RM59.75bn) from S\$12.7bn in 2023, driven by pledges from sectors including semiconductors, aerospace and artificial intelligence (AI) despite a tough business environment. The commitments are expected to create 18,700 jobs over the next five years, according to the Economic Development Board (EDB), the country's investment promotion agency. About two-thirds of those jobs are likely to have a gross monthly wage above S\$5,000. "Companies continued to demonstrate strong interest in locating and expanding headquarters functions, as well as research and development and innovation activities here," the EDB said in a statement on Thursday. "Singapore also gained traction with start-ups and founders from around the world, which have launched new ventures here." *(Reuters)*

Companies

TNB: Suspends second helicopter operations following Bentong crash

Tenaga Nasional Bhd (TNB) has suspended operations of a second helicopter involved in maintenance work at its project site in Bentong, Pahang. In a statement on its TNB Careline Facebook page on Thursday, the company confirmed receiving a report of a helicopter crash that occurred while landing for refuelling near the TNB project site in Bentong. "TNB will fully cooperate with the authorities in their investigation, and extends its condolences to the victim's family. "According to preliminary reports, the pilot was safely rescued, while a helicopter company staff member, an Indonesian national, was killed," the statement said. *(The Edge)*

Zecon: Signs pact to explore large-scale floating solar project in Sabah

Zecon Bhd said on Thursday it has signed a non-binding pact with a Sabah state-owned firm to explore joint development of a large-scale floating solar project in Lahad Datu. Under the terms of the memorandum of understanding (MOU), Zecon will hold a 70% stake in a company to be formed, and Petrosabah Sdn Bhd will have 30%, the company said in an exchange filing. The project's estimated costs, planned capacity, and other details were not disclosed. "This MOU will serve as a platform for the parties to sign a formal joint venture agreement" as well as any other agreements related to the proposed project, Zecon said. *(The Edge)*

Bank Islam: To set up JV to sell financial tech products, services

Bank Islam Malaysia Bhd said on Thursday it has signed an agreement to set up a joint venture with a local firm to sell finance-related digital technology products and services. The total investment is RM9m cash, of which Bank Islam will contribute 40% of the capital and 60% will be contributed by partner Reldyn Tech Sdn Bhd, the company said in an exchange filing. The joint venture Finodyn Sdn Bhd will operate as a technology finance entity, it said. Finodyn will adopt a business-to-business model, focusing on delivering financial and banking platforms that offer Shariah-compliant financial solutions, consulting, maintenance, and support services to diverse businesses and organisations, Bank Islam said. *(The Edge)*

Notion Vtec: Acquires land in Klang for manufacturing expansion

Precision components manufacturer Notion VTec Bhd said it is acquiring a four-hectare vacant freehold agricultural land in Kapar, Klang, for RM29.62m, as part of the expansion of its manufacturing operations. The expansion plans include the construction of a large new factory to accommodate growing production needs, Notion VTec said in a filing with Bursa Malaysia on Thursday. "The board believes that the proposed acquisition will augur well for the group's expansion needs, which in turn enable the group to potentially enhance its income in the long term," it said. The company said the land's strategic location near its existing extrusion plant provides a natural extension for future development. *(The Edge)*

IHH: Seeks as much as RM5.7bn in compensation from Japan's Daiichi Sankyo

IHH Healthcare Bhd said on Thursday it is seeking as much as RM5.7bn in compensation from Japan's Daiichi Sankyo Co Ltd. The compensation estimate, ranging from 4.24bn Indian rupees to 109.3bn Indian rupees, is based on an expert report on losses suffered when Daiichi Sankyo prevented IHH from acquiring shares of Fortis Healthcare Ltd through open offer in 2018. IHH initially sought the equivalent of RM634m in damages, together with interest at 3% per year, from the Japanese pharmaceutical company. *(The Edge)*

Bina Puri: Seeks to restructure debt with Exim Bank

Bina Puri Holdings Bhd on Thursday said it is in the midst of restructuring its loan with Export-Import Bank of Malaysia Bhd (Exim Bank), following a winding-up petition from the bank on Tuesday. "The escalation of the US\$ against ringgit Malaysia and the increase of interest rates from 4% to 11% had warranted the company to negotiate a restructuring of the loan with Exim Bank," Bina Puri said in a filing. The loss-making property developer said it had taken a US\$7.65m (RM33.93m) loan, with an initial interest rate of 4%. Throughout the loan tenure, the company had paid US\$5.10m, with an inclusive interest of US\$2.35m. *(The Edge)*

Scomi Energy: To be delisted on Feb 12

Bursa Securities Bhd has rejected Scomi Energy Services Bhd's request for an extension to submit its regularisation plan, leading to its delisting from Bursa Malaysia on February 12, 2025. Despite the delisting, the company's securities may remain deposited with Bursa Malaysia Depository, though shareholders can opt to withdraw them as physical certificates. Scomi Energy has been under PN17 status since January 2020. *(Bernama)*

Pentamaster: To privatise Hong Kong unit and issue special dividend

Pentamaster Corp Bhd has proposed to privatise and delist its Hong Kong-listed subsidiary, Pentamaster International Ltd, from the Hong Kong Stock Exchange. Shareholders will vote on the proposal at a court meeting and EGM on February 28, 2025, with delisting expected by March 19, 2025. A special dividend will be distributed to eligible shareholders, with payments set for March 26, 2025. *(The Star)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.32	0.17	12.50
MBM Resources	Consumer	5.87	0.53	8.94
British American Tobacco (M)	Consumer	7.29	0.60	8.18
Amway (M)	Consumer	6.78	0.53	7.77
Sentral REIT	REIT	0.81	0.06	7.70
Datasonic Group	Technology	0.40	0.03	7.59
KIP REIT	REIT	0.89	0.07	7.57
Ta Ann Holdings	Plantation	4.06	0.30	7.41
Genting Malaysia	Consumer	2.21	0.16	7.10
CapitaLand Malaysia Trust	REIT	0.68	0.05	7.06
YTL Hospital REIT	REIT	1.20	0.08	6.92
Hektar REITS	REIT	0.54	0.03	6.54
Paramount Corporation	Property	1.09	0.07	6.42
REXIT	Technology	0.78	0.05	6.45
Sports Toto	Consumer	1.59	0.10	6.29

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		
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

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