



Daily Newswatch

Market Review

The FBM KLCI advanced to 1,590.9 (+0.4%) on Friday, marking its fourth consecutive session of gains, driven by the positive sentiment across global markets. Strong performances in YTLPOWR (+6.5%), GAMUDA (+3.2%), and YTL (+2.5%) lifted the benchmark, as bargain-hunting activities on key AI and data centre counters continued. Sector-wise, Technology (+2.7%) led the gains, followed by Construction (+1.8%) and Health Care (+0.7%). The broader market remained buoyant, with 651 gainers outpacing 372 decliners.

Economics

- Malaysia:** Energy Ministry to open tender for LSS6 and battery energy storage systems, unveils rooftop solar leasing initiative
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- US:** Consumer sentiment drops to seven-month low on price worries
- EU:** ECB paper suggests two more cuts can take rates to neutral
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- Japan:** PM Ishiba, after meeting Trump, voices optimism over averting tariffs
- China:** To roll back clean power subsidies after boom

Companies

- NPC Resources:** Co-founder Loo Pang Kee makes formal privatisation offer
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- SSF Home Group:** To supply kitchen cabinets for affordable housing project
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- Teladan Setia Group:** Bins Melaka land purchase for wellness centre and apartments project
- YNH Property:** RM138m sale of AEON Mall Seri Manjung is subject to shareholders' approval
- Perak Corp:** Partners private firm for mixed development project

Upcoming key economic data releases

Date

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	1,590.9	0.4	(3.1)
Dow Jones	44,303.4	(1.0)	4.1
Nasdaq CI	19,523.4	(1.4)	1.1
S&P 500	6,026.0	(0.9)	2.5
FTSE 100	8,700.5	(0.3)	6.5
Nikkei 225	38,787.0	(0.7)	(2.8)
Shanghai CI	3,303.7	1.0	(1.4)
HSI	21,133.5	1.2	5.4
STI	3,861.4	0.8	1.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,957.9	0.8
Value traded (RM m)	2,222.7	5.4
Gainers	651	
Losers	372	
Unchanged	502	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
KGROUP	0.005	0.0	110.4
MYEG	1.020	3.6	92.1
TWL	0.025	0.0	79.2
VELESTO	0.190	0.0	59.4
SUPERMX	1.200	0.0	45.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.390	2.1	179.7
INARI	2.720	11.9	104.2
GAMUDA	4.560	3.2	103.2
YTLPOWR	3.440	6.5	102.6
MYEG	1.020	3.6	93.5

Currencies	Last Close	% Chg
USD/MYR	4.4397	(0.1)
USD/JPY	151.41	0.0
EUR/USD	1.0328	(0.5)
USD/CNY	7.2947	(0.1)
US Dollar Index	108.04	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.7	0.5
Gold (USD/troy oz)	2,861	0.2
CPO (MYR/metric t)	4,781	2.2
Bitcoin (USD/BTC)	96,471	(0.1)

Economics

Malaysia: Energy Ministry to open tender for LSS6 and battery energy storage systems, unveils rooftop solar leasing initiative

Fresh from finalising the large scale solar 5 (LSS5) winners, the Ministry of Energy Transition and Water Transformation (Petra) is targeting to kick off the bidding round for LSS6 in the second quarter of this year. LSS5 set a new record for the highest capacity ever offered under the LSS programme, featuring four packages with a total capacity of 2,000 megawatts (MW). The Energy Commission (EC) announced the LSS5 winners in December last year, eight months after bidding commenced in April 2024. The ministry also plans to open the bidding round for the installation of battery energy storage systems (BESS) to third parties in the third quarter of this year, according to a statement on Friday. (*The Edge*)

US: Job growth takes a breather; unemployment rate at 4%

Job growth in the United States slowed more than expected in January after robust gains in the prior two months, but a 4% unemployment rate probably will give the Federal Reserve cover to hold off cutting interest rates at least until June. The Labor Department's closely watched employment report on Friday also showed strong wage growth last month, with average hourly earnings surging, which should keep consumer spending supported. Labour market resilience is the driving force behind the economic expansion. "This morning's report may be considered a Goldilocks report, not too hot and not too cold," said Jeffrey Roach, chief economist at LPL Financial. "An unemployment rate at 4% is considered very low, giving the Fed reason to keep fed funds unchanged in the near term." (*Bloomberg*)

US: Consumer sentiment drops to seven-month low on price worries

US consumer sentiment slumped in early February to a seven-month low on a spike in short-term inflation expectations related to concerns about tariffs. The preliminary February sentiment index slid 3.3 points to 67.8, according to the University of Michigan. The latest reading trailed all forecasts of economists surveyed by Bloomberg. Consumers expect prices to rise at an annual rate of 4.3% over the next year, up a full percentage point from the prior month, the data released on Friday showed. And they saw costs rising at an annual rate of 3.3% over the next five to 10 years, up slightly from the previous month. (*Bloomberg*)

EU: ECB paper suggests two more cuts can take rates to neutral

Economists at the European Central Bank (ECB) said the neutral rate of interest, a concept that may help determine where cuts in borrowing costs will end, is probably between 1.75% and 2.25%. That would mean the top of the range could be reached with two more quarter-point reductions in the deposit rate, which currently stands at 2.75%. The ECB downplays the importance of the neutral rate due to high uncertainty and the difficulty in measuring it precisely. Investors anticipate three or four more cuts this year, given the weak economic growth. (*Bloomberg*)

UK: Bank of England's dire forecasts bring Reeves back to earth

Bank of England (BOE) Governor Andrew Bailey does "very strongly agree" with Chancellor of the Exchequer Rachel Reeves' plans to boost UK growth. His deputy, Clare Lombardelli, is also "very supportive." They may well be, but the central bank's latest forecasts are certainly not. Bailey and Lombardelli, who as deputy governor for monetary policy prepares the quarterly outlook, had little good news for Reeves on Thursday beyond the quarter-point interest rate cut that the Monetary Policy Committee delivered. (*Reuters*)

Japan: PM Ishiba, after meeting Trump, voices optimism over averting tariffs

Japanese Prime Minister Shigeru Ishiba expressed optimism on Sunday that his country could avoid higher US tariffs, saying President Donald Trump had "recognised" Japan's huge investment in the US and the American jobs that it creates. At his first White House summit on Friday, Ishiba told public broadcaster NHK, he explained to Trump how many Japanese automakers were creating jobs in the United States. The two did not specifically discuss auto tariffs, Ishiba said, although he said he did not know whether Japan would be subject to the reciprocal tariffs that Trump has said he plans to impose on imports. *(Reuters)*

China: To roll back clean power subsidies after boom

China's top economic planning agency announced on Sunday plans to scale back subsidies for renewable energy projects following a significant increase in solar and wind power installations. In 2024, China's installed solar power capacity rose by 45% from the previous year, reaching nearly 887 gigawatts (GW), more than six times the capacity of the United States, according to the International Renewable Energy Agency. This surge allowed China to achieve its 2030 target six years ahead of schedule, highlighting the rapid expansion of its clean energy sector. The National Development and Reform Commission (NDRC), in conjunction with the energy administration, has introduced "market-oriented" policy changes to encourage clean energy projects. *(Reuters)*

Companies

NPC Resources: Co-founder Loo Pang Kee makes formal privatisation offer

NPC Resources Bhd's co-founder Datuk Loo Pang Kee has formally launched his bid to privatise the Sabah-based palm oil producer Loo, together with his vehicle Jubilant Ventures Sdn Bhd, have proposed a selective capital reduction and corresponding capital repayment to buy out the remaining shareholders of NPC Resources at RM2.82 per share, according to a letter from Loo and the vehicle received by NPC Resources on Friday. Loo, who is NPC Resources group managing director cum CEO, controls a 56.56% stake or 66m shares in NPC Resources. The RM2.82 a piece price-tag values the group at a trailing price-to-earnings ratio (PER) of 10.67 times, and price-to-net asset value (P/NAV) ratio of 0.56 times. *(The Edge)*

Zecon: Sarawak grants Zecon 30-year solar power generation licence

The Sarawak government has approved Zecon Bhd's application for an electricity licence to generate solar power to supply electricity under the Sarawak Electricity Ordinance at the Kota Petra Green Technology Park in Kuching. In a filing with Bursa Malaysia on Friday, Zecon said the licence shall be for a period of 30 years, effective from Feb 5, 2025, with an annual fee of RM300,000. It said during the duration of this licence, the rights granted include, among others, designing, constructing, installing, using, operating and maintaining a solar photovoltaic (PV) system for solar power generation within a 3,000-acre area in the Salak Land district of Kuching. *(The Edge)*

SSF Home Group: To supply kitchen cabinets for affordable housing project

Furniture retailer SSF Home Group Bhd, whose share price hit a record high on Friday, has entered into a deal to supply kitchen cabinets and furniture vouchers for a home ownership scheme offered by social enterprise company Rumah Ibu Sdn Bhd (RISB). Under the Rumah Ibu scheme, RISB intends to offer some 35,000 land owners in Perak the opportunity to own affordable homes via the state's Structured Village Development Programme (RPT), according to SSF's bourse filing. "SSF will provide kitchen cabinets valued between RM1,500 and RM5,000, alongside furniture vouchers worth up to RM5,500, offering flexibility and affordability to Rumah Ibu buyers," the ACE Market company said. *(The Edge)*

Theta Edge: To raise RM46m via new share issuance; Threadstone Capital to become largest shareholder

Theta Edge Bhd is raising up to RM46.01m through the issuance of 35.39m new shares to Threadstone Capital Sdn Bhd, a private limited company controlled by its non-independent non-executive director Zainal 'Abidin Abd Jalil. Threadstone Capital currently holds an 8.48% stake in Theta Edge. Following the completion of the exercise, Threadstone Capital's stake will rise to 29.6%, making it the largest shareholder in the group. The shareholding of the current largest shareholder, Lembaga Tabung Haji, will be diluted from 27.28% to 20.98% following the completion of the share issuance. The subscription price for the new shares has been set at RM1.30 per share, representing a 6.82% discount to the five-day volume-weighted average price of RM1.3951 as of Feb 6, according to Theta Edge's filing with Bursa Malaysia on Friday. *(The Edge)*

EG Industries: Proposes one-for-one bonus issue

Electronic manufacturing services firm EG Industries Bhd, whose share price hit a record high last month, on Friday proposed a one-for-one bonus issue. The bonus issue involves 692.9m new shares, the company said in an exchange filing. The entitlement date will be determined later after all relevant approvals for the bonus issues have been obtained, EG Industries said. The bonus issue will allow shareholders to have greater participation in its equity, while maintaining their percentage of equity interest held, and also possibly encourage trading liquidity and marketability of the shares, EG Industries said. *(The Edge)*

Teladan Setia Group: Bins Melaka land purchase for wellness centre and apartments project

Teladan Setia Group Bhd has cancelled its plan to purchase a piece of land in Melaka Tengah for RM48.54m for a health and wellness centre and serviced apartments project. The decision to cancel the land deal was due to vendor Megan Mastika Sdn Bhd's failure to fulfil conditions precedent despite extensions granted by Teladan's wholly owned unit Asal Harta Sdn Bhd, according to the property developer. "In view thereof, Asal Harta has elected to rescind [the] sales and purchase agreement agreement (SPA) pursuant to the provisions of the SPA," it added in a bourse filing on Friday. *(The Edge)*

YNH Property: RM138m sale of AEON Mall Seri Manjung is subject to shareholders' approval

YNH Property Bhd has clarified that its sale of AEON Mall Seri Manjung in Perak to Sunway Real Estate Investment Trust for RM138m is subject to shareholders' approval in an extraordinary general meeting (EGM) to be fixed later. In an amended bourse filing on Friday, the property developer said the highest aggregated percentage ratio applicable to transactions with Sunway REIT in the past 12 months stood at 30.68% — above the 25% threshold to warrant requiring shareholders' approval to proceed with the AEON Mall Seri Manjung sale. According to the Main Market Listing Requirements, the percentage ratio applicable ranges from the assets' value versus the company's net assets, net profit of the assets versus the company's net profit, value of the transaction's consideration versus the company's net assets, and others. *(The Edge)*

Perak Corp: Partners private firm for mixed development project

Perak Corp Bhd has proposed to undertake a mixed development project on 54.8 acres of land owned by the company in Hulu Kinta, Perak. The Practice Note 17 (PN17) company, whose largest shareholder is the Perak State Development Corp with a 52.9% stake, said in a bourse filing that it entered into a collaboration agreement on Friday to develop the project jointly with a private firm, Spectrum Asets Sdn Bhd. Under the agreement, Perak Corp will provide the land for the development while Spectrum Asets will be the project's developer. *(The Edge)*

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.36	0.16	12.13
MBM Resources	Consumer	5.86	0.52	8.96
Sentral REIT	REIT	0.78	0.06	7.95
British American Tobacco (M)	Consumer	7.31	0.58	7.91
Amway (M)	Consumer	6.86	0.53	7.68
KIP REIT	REIT	0.88	0.07	7.61
Datasonic Group	Technology	0.40	0.03	7.50
Ta Ann Holdings	Plantation	4.07	0.30	7.40
Genting Malaysia	Consumer	2.22	0.16	7.07
CapitaLand Malaysia Trust	REIT	0.69	0.05	7.01
YTL Hospital REIT	REIT	1.19	0.08	6.97
Hektar REITS	REIT	0.54	0.03	6.48
REXIT	Technology	0.78	0.05	6.45
Paramount Corporation	Property	1.09	0.07	6.42
Sports Toto	Consumer	1.58	0.10	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		
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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