



# Daily Newswatch

## Market Review

The FBMKLCI rebounded after five consecutive days of losses, closing higher at 1,608.8 (+0.4), driven by investor reactions to the US jobless claims data, which rose to 242,000, surpassing expectations of 220,000. Among index constituents, PMETAL (+2.0%), TM (+2.0%) and SUNWAY (+2.0%) emerged as the top three gainers. Sector-wise, Healthcare (+2.8%), Technology (+2.2%) and Construction (+1.2%) led the gains. The overall broader market sentiment was positive, with 611 gainers outpacing 488 losers.

## Economics

- Malaysia:** Transmission of green electricity from Malaysia to Singapore begins today
- Malaysia:** Hit to agrofood sector due to floods estimated at over RM177m — Mat Sabu
- Malaysia:** BNM to announce solution to rising insurance premiums soon — Fahmi
- UK:** Joins CPTPP trade pact as fully-fledged member
- EU:** ECB governors back more rate cuts if inflation settles at goal
- Indonesia:** To announce economic policy package, VAT rate on Monday

## Companies

- T7 Global:** Gets LOA from Petronas Carigali for pan-Malaysia services
- Petronas Chemicals:** Chairman Abdul Rahim Hashim to resign
- Lotte Chemical:** Shuts down operations temporarily in Pasir Gudang to cut losses
- Sime Darby:** Issues fifth tranche of sukuk murabahah to raise RM200m
- Datasonic:** Plans to raise RM555m, buy 51% of Innov8tif in transformation plan
- EXSIM Hospitality:** Bags renovation job worth RM21m
- Telekom:** Unveils GPU-as-a-Service, secures new international client

<u>Upcoming key economic data releases</u>	<u>Date</u>
US – Dec 2024 FOMC	Dec 19
Malaysia – Nov 2024 Inflation Rate	Dec 20
Malaysia – Nov 2024 PPI	Dec 24

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,608.8	0.4	10.6
Dow Jones	43,828.1	(0.2)	16.3
Nasdaq CI	19,926.7	0.1	32.7
S&P 500	6,051.1	(0.0)	26.9
FTSE 100	8,300.3	(0.1)	7.3
Nikkei 225	39,470.4	(1.0)	17.9
Shanghai CI	3,391.9	(2.0)	14.0
HSI	19,971.2	(2.1)	17.2
STI	3,810.4	0.0	17.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,785.2	(16.3)
Value traded (RM m)	2,401.7	(5.1)
Gainers	611	
Losers	488	
Unchanged	477	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TOP GLOVE	1.410	6.8	69.9
MYEG	0.945	0.0	40.0
DATASONIC	0.430	0.0	39.6
JF TECHNOLOGY	0.795	12.8	31.6
SUPERMAX	1.100	6.8	31.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.130	0.0	111.8
TOP GLOVE	1.410	6.8	96.5
GAMUDA	9.770	1.8	79.6
MAYBANK	10.140	0.0	74.7
INARI	3.170	5.7	64.0

Currencies	Last Close	% Chg
USD/MYR	4.45	(0.3)
USD/JPY	153.65	(0.7)
EUR/USD	1.0501	0.3
USD/CNY	7.2736	(0.1)
US Dollar Index	107.00	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.5	1.5
Gold (USD/troy oz)	2,648	(1.2)
CPO (MYR/metric t)	4,994	(0.1)
Bitcoin (USD/BTC)	101,916	0.8

## Economics

### Malaysia: Transmission of green electricity from Malaysia to Singapore begins today

The first transmission of green electricity with a capacity of 50 megawatts (MW) from Malaysia to Singapore began on Friday, according to the Ministry of Energy Transition and Water Transformation (Petra). Petra said the distribution followed the signing of the Renewable Energy Supply Agreement (RESA) between Tenaga Nasional Bhd and Sembcorp Power Pte Ltd on Dec 9, 2024. "The cross-border supply of green electricity from Malaysia to Singapore is the result of a bid through the Energy Exchange Malaysia (ENEGEM) in June 2024, and part of Petra's initiative under the Cross-Border Electricity Sales for Renewable Energy Scheme (CBES RE)," it said in a statement here on Friday. (*The Edge*)

### Malaysia: Hit to agrofood sector due to floods estimated at over RM177m — Mat Sabu

The recent floods have caused an estimated loss of over RM177m to the agro-food sector, said Agriculture and Food Security Minister Datuk Seri Mohamad Sabu. The data, compiled between Nov 27 and Dec 12, revealed that the affected area spans approximately 28,265.49 hectares. "A total of 15,456 individuals were impacted, with paddy cultivation being the hardest-hit sector, incurring losses of over RM159m. The fisheries and livestock sectors were also significantly affected," he said, at a press conference after the flag-off of the Ministry of Agriculture and Food Security Skuad Ihsan Madani, here, on Friday. (*The Edge*)

### Malaysia: BNM to announce solution to rising insurance premiums soon — Fahmi

Bank Negara Malaysia (BNM) will announce a solution to the issue of rising medical insurance premium rates soon, said Communications Minister Fahmi Fadzil. Fahmi, also the Unity Government spokesman, said Prime Minister Datuk Seri Anwar Ibrahim told Friday's Cabinet meeting that the central bank needs a little more time before making an announcement. "The prime minister has dealt with this matter during the question and answer session on Tuesday (Dec 10) that BNM will evaluate, discuss and, finally, announce the decision on the issue of insurance rates. (*The Edge*)

### UK: Joins CPTPP trade pact as fully-fledged member

The UK has joined the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, according to a release on Sunday from the country's Department for Business and Trade. The trade partnership could potentially boost the UK economy by £2bn (US\$2.5bn or RM11.1bn) a year in the long run, according to the trade department's estimates. CPTPP is a trade bloc whose members include Australia, Canada, Japan and Singapore. (*Bloomberg*)

### EUR: ECB governors back more rate cuts if inflation settles at goal

Four European Central Bank policymakers backed further interest rate cuts on Friday provided that inflation settles at the ECB's 2% goal as expected. The eurozone's central bank cut interest rates for the fourth time this year on Thursday and kept the door open to more easing. French central bank governor Francois Villeroy de Galhau, his Spanish colleague Jose Luis Escriva, Austria's Robert Holzmann and Luxembourg's Gaston Reinesch appeared to sharpen the message on Friday. "There will be further rate cuts next year," Villeroy told France's *BFM* business radio. (*Bloomberg*)

### Indonesia: To announce economic policy package, VAT rate on Monday

Indonesia will on Monday announce an economic policy package, including its decision on the value-added tax rate, its senior economic minister said after a meeting with President Prabowo Subianto. The government has previously said Indonesia would increase the VAT rate to 12% from the current 11% in January 2025, but only for luxury items, as a means of supporting low-income people. "There will be certain tariffs, but staple goods would not be subject to VAT," Coordinating Minister for Economic Affairs Airlangga Hartarto told reporters on Friday. (*Bloomberg*)



## Companies

### **T7 Global: Gets LOA from Petronas Carigali for pan-Malaysia services**

T7 Global Bhd has received a letter of award from Petronas Carigali Sdn Bhd for the provision of pan-Malaysia offshore maintenance, construction, modification, and hook-up commissioning (HUC) services. In a filing to Bursa Malaysia on Friday, the oil-and-gas company said the contract, awarded to its wholly owned Tanjung Offshore Services Sdn Bhd, was for Package C1 — Peninsular Malaysia Asset (PMA). However, the contract value was not disclosed. The contract, which commenced on Sept 27, is for a period of five years, with an optional three-year plus two-year extension, according to T7 Global. *(The Edge)*

### **Petronas Chemicals: Chairman Abdul Rahim Hashim to resign**

Petronas Chemicals Group Bhd chairman Datuk Dr Abdul Rahim Hashim will resign from his post, effective Jan 1, 2025. In a filing with Bursa Malaysia on Friday, the group said Abdul Rahim is stepping down to pursue other interests. In a separate filing, the group announced the redesignation of its non-executive director Datuk Sazali Hamzah to non-executive chairman, effective Jan 1, 2025. *(The Edge)*

### **Lotte Chemical: Shuts down operations temporarily in Pasir Gudang to cut losses**

Lotte Chemical Titan Holdings Bhd has announced the temporary shutdown of one of its plants at the Pasir Gudang Complex in Johor, effective Dec 15, to mitigate losses stemming from a prolonged downturn in the petrochemical industry. LC Titan will consider resuming the operation of the plant, named Naphtha Cracker Number 1 plant, when market conditions become more favourable, according to its bourse filing on Friday. The plant has a nameplate capacity of 430,000 tonnes per annum, LC Titan noted. "With the shutdown of Naphtha Cracker Number 1, the company's operating guidance for all its plants in Malaysia and Indonesia for 2024 is between 55% to 60%. This guidance may change from time to time," LC Titan said, adding that it will provide updates on future developments. *(The Edge)*

### **Sime Darby: Issues fifth tranche of sukuk murabahah to raise RM200m**

Diversified group Sime Darby Bhd has successfully issued the fifth tranche of its sukuk murabahah programme under its unrated Islamic commercial papers and medium-term notes, to raise RM200m. The sukuk was issued by its indirect wholly owned Sime Darby Enterprise Sdn Bhd, according to the group in a bourse filing with Bursa Malaysia on Friday. The sukuk murabahah will mature on Dec 11, 2030. Sime Darby has so far raised RM4.5bn under the programme via four issuances, with three tranches, with a nominal value of RM1.3bn, issued last week. *(The Edge)*

### **Datasonic: Plans to raise RM555m, buy 51% of Innov8tif in transformation plan**

Datasonic Group Bhd plans to acquire a 51 per cent stake in Innov8tif Holdings Sdn Bhd for RM40m, an artificial intelligence (AI)-driven digital identity solutions provider, as part of its transformation plan. The company said it wants to emerge as a leader in physical and digital identity markets with an AI-based and digital-centric identity management ecosystem focusing on data and security, "enabling it to deliver complete, secure end-to-end identity and security solutions for governments and enterprises." *(The Edge)*

### **Carzo: Gets writ and summons to pay RM48,705 to its supplier**

Loss-making group Carzo Holdings Bhd announced that its wholly-owned subsidiary, Carzo Sdn Bhd (CZSB), has been served with a writ of summons and statement of claims from its fruit supplier. The writ of summons and statement of claims dated Dec 4, 2024, were served to CZSB at the Kuala Lumpur Magistrate Court on Dec 5, 2024. "The disputes between Everfresh Fruits Import Sdn Bhd (EFIT) and CZSB, among others, pertaining to the terms of payment for the fruits supplied by EFIT to CZSB which had resulted the writ of summons and statement of claims was filed against CZSB," the LEAP Market company's bourse filing showed on Friday. *(The Edge)*



**EXSIM Hospitality: Bags renovation job worth RM21m**

Exsim Hospitality Bhd, formerly known as Pan Malaysia Holdings Bhd, has secured a sub-contract worth RM21m for renovation works on 62 office units located on Old Klang Road. The sub-contract was awarded to its wholly-owned subsidiary, Exsim Concepto Sdn Bhd, by interior renovator firm Ntim Reno Sdn Bhd, according to the group's filing with Bursa Malaysia on Friday. The sub-contract, which is expected to be completed in three months, will contribute positively to the net assets, earnings and gearing of the company during the period, the company added. *(The Edge)*

**Telekom: Unveils GPU-as-a-Service, secures new international client**

Telekom Malaysia has unveiled its GPU-as-a-Service (GPUaaS) — a cloud computing service model that provides access to high-performance graphics processing units (GPUs) over the internet where users can rent GPU resources on a pay-as-you-use basis — and announced it has secured an international client with its latest offering. The GPUaaS is the first-of-its-kind solution in Malaysia, and hosted entirely within the country, according to TM in a statement on Friday. It eliminates the need for capital-intensive investments by providing scalable and on-demand access to cutting-edge resources, said TM.

"Backed by TM's nationwide fibre-optic network and edge-computing facilities, it seamlessly integrates GPU resources with high-speed connectivity to power AI-driven applications such as: AI for public services, with real-time AI avatars providing information for citizens; healthcare diagnostics, with AI-powered imaging and analytics; autonomous vehicles, with real-time traffic and navigation systems; and immersive media, with augmented reality/virtual reality content creation with real-time rendering. *(The Edge)*



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.13	0.20	9.44
Sentral REIT	REIT	0.79	0.06	8.10
British American Tobacco (M)	Consumer	7.37	0.60	8.09
KIP REIT	REIT	0.90	0.07	8.04
Datasonic Group	Technology	0.39	0.03	7.69
Genting Malaysia	Consumer	2.16	0.16	7.41
Amway (M)	Consumer	6.90	0.50	7.20
MAG Holdings	Consumer	1.22	0.09	7.05
Magnum	Consumer	1.22	0.09	7.05
Sports Toto	Consumer	1.57	0.11	6.88
CapitaLand Malaysia Trust	REIT	0.65	0.04	6.62
REXIT	Technology	0.77	0.05	6.49
Hektar REITS	REIT	0.53	0.03	6.48
Paramount Corporation	Property	1.06	0.07	6.32
UOA REITS	REIT	0.98	0.06	6.22

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		
TopVision Eye Specialist Bhd	ACE Market	0.33	54.2	-	3 Dec	16 Dec
Vanzo Holdings Bhd	ACE Market	0.15	93.4	46.7	4 Dec	17 Dec
Carlo Rino Group Bhd	ACE Market	0.27	49.7	-	5 Dec	18 Dec
<a href="#">Winstar Capital Bhd</a>	ACE Market	0.35	56.6	17.4	3 Dec	19 Dec
Swift Energy Technology Bhd	ACE Market	0.28	28.0	14.0	23 Dec	08 Jan

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