



Daily Newswatch

Market Review

The FBM KLCI ended sharply lower on Tuesday to 1,597.3 (-0.6%), in line with the weaker regional markets as investors await the upcoming US Fed interest rate decision. Among index constituents, PCHEM (-4.0%), SIME (-3.7%), PMAH (-3.4%) were the top three losers. Sector-wise, Industrial Products and Services (-1.7%), Property (-0.9%) and Consumer Products and Services (-0.7%) led the decline. The overall broader market sentiment remained negative, with 704 losers outnumbering 346 gainers.

Economics

- Malaysia:** Fitch affirms Malaysia's long-term issuer rating with stable outlook
- Malaysia:** MITI extends deferral of 80:20 employment ratio rule for manufacturing sector
- US:** Senate advances massive defence bill, despite transgender provision
- EU:** ECB raises bank capital requirements citing heightened risks
- Japan:** Aims to expand nuclear power in break from Fukushima era
- China:** Plans record budget deficit of 4% of GDP in 2025

Companies

- EcoWorld:** Partners with Maplehome for two upcoming serviced apartment projects in Selangor
- Matrix:** Breaks ground for MVV City Phase 1 in Malaysia Vision Valley 2.0
- KPS:** Looking to appeal against RM7.9m claims by IRB
- Sapura Energy:** Gets fourth deadline extension to submit regularisation plan to May 2025
- Sunway:** Launches GreenRE-certified townhome development in Penang
- Perak Transit:** Rebrands MyBAS to BAS.MY for enhanced service

<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	1,597.3	(0.6)	9.8
Dow Jones	43,449.9	(0.6)	15.3
Nasdaq CI	20,109.1	(0.3)	34.0
S&P 500	6,050.6	(0.4)	26.9
FTSE 100	8,195.2	(0.8)	6.0
Nikkei 225	39,364.7	(0.2)	17.6
Shanghai CI	3,361.5	(0.7)	13.0
HSI	19,700.5	(0.5)	15.6
STI	3,799.9	(0.6)	17.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,993.0	(5.3)
Value traded (RM m)	2,437.6	(0.7)
Gainers	346	
Losers	704	
Unchanged	530	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VANZO	0.165	10.0	201.6
ZEN TECH	0.010	0.0	160.5
MYEG	0.950	(1.0)	45.3
PESTECH	0.170	17.2	42.2
BUMI ARMADA	0.665	4.7	41.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	10.140	0.2	181.2
CIMB	8.040	(0.7)	178.8
TNB	13.800	0.6	97.9
PUBLIC BANK	4.520	(0.4)	74.9
GAMUDA	9.610	0.1	74.8

Currencies	Last Close	% Chg
USD/MYR	4.4668	(0.3)
USD/JPY	153.58	(0.1)
EUR/USD	1.0495	0.0
USD/CNY	7.2841	(0.0)
US Dollar Index	106.96	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.2	(1.0)
Gold (USD/troy oz)	2,648	0.0
CPO (MYR/metric t)	4,839	(1.0)
Bitcoin (USD/BTC)	106,125	(0.3)

Economics

Malaysia: Fitch affirms Malaysia's long-term issuer rating with stable outlook

Fitch Ratings has affirmed Malaysia's long-term foreign-currency issuer default rating (IDR) at BBB+ with a stable outlook, according to a statement on Monday. "Malaysia's ratings are supported by strong and broad-based medium-term growth, driven by robust domestic and foreign investments, and persistent current account surpluses with a diversified export base. "These strengths are balanced against high public debt, a low revenue base relative to current expenditure, and weaker external liquidity relative to peers," it said. Fitch Rating expects Malaysia's economy to expand by 5.2% in 2024, then slow to 4.5% in 2025, and 4.3% in 2026. *(The Edge)*

Malaysia: MITI extends deferral of 80:20 employment ratio rule for manufacturing sector

MITI said the deferral will continue to be in effect until the multi-level levy mechanism is fully implemented. "This gives flexibility to the industry to adjust their workforce needs more flexibly, without compromising the government's objective to reduce dependence on foreign workers. The government is continuously encouraging the manufacturing sector to switch to automation and technology, in line with the aspirations of CIVIL Malaysia and the Industrial Master Plan New," it said in a statement on Monday. *(The Edge)*

US: Senate advances massive defence bill, despite transgender provision

The US Senate on Monday voted overwhelmingly to advance an US\$895bn bill setting policy for the Pentagon towards passage as soon as Tuesday, which would send it to the White House for President Joe Biden to sign into law. The tally was 83 to 12 in favour of advancing the National Defense Authorization Act, or NDAA, to a vote on final passage, comfortably over the 60 needed in the 100-member Senate. The bill advanced despite the inclusion of a controversial provision aimed at banning some gender-affirming care for transgender children of service members. *(Bloomberg)*

EUR: ECB raises bank capital requirements citing heightened risks

The ECB slightly raised capital requirements for the region's lenders, saying geopolitical risks had increased despite bumper profits. Overall, banks face a minimum bar of 11.3% for high-quality capital next year, up from 11.2% in 2024, the ECB said on Tuesday in Frankfurt. The watchdog increased its portion of those buffers after "changes in the risk profile of selected banks." European banks have benefitted from higher interest rates over the past two and a half years, fuelling payouts to shareholders. Yet the ECB has warned that they face numerous risks, from geopolitical tensions to climate change. *(Bloomberg)*

Japan: Aims to expand nuclear power in break from Fukushima era

Japan's government plans to decisively back the expansion of nuclear power, dropping a decade-long policy of reducing dependence on the energy source and reversing curbs initiated following the 2011 Fukushima meltdown. The nation, which relied on coal and natural gas for more than 60% of electricity generation last year, set out a proposed new energy strategy on Tuesday, which urges both nuclear and renewables to be utilised "to the fullest extent" to maintain growth and help curb emissions. The draft policy, which is expected to be adopted, also recommends the construction of entirely new reactors. *(Bloomberg)*

China: Plans record budget deficit of 4% of GDP in 2025

Chinese leaders agreed last week to raise the budget deficit to 4% of gross domestic product (GDP) next year, its highest on record, while maintaining an economic growth target of around 5%, two sources with knowledge of the matter said. The new deficit plan compares with an initial target of 3% of GDP for 2024, and is in line with a "more proactive" fiscal policy outlined by leading officials after December's Politburo meeting and last week's Central Economic Work Conference (CEWC), where the targets were agreed but not officially announced. *(The Edge)*

Companies

EcoWorld: Partners with Maplehome for two upcoming serviced apartment projects in Selangor

Eco World Development Group Bhd signed a memorandum of understanding (MOU) with short-term stay management company Maplehome to manage the developer's two upcoming serviced apartment projects, namely Luna at Eco Ardence in Shah Alam and Se.Ruma at Eco Sanctuary in Teluk Panglima Garang. Both developments are planned to be launched in 1Q2025. Under the MOU, Maplehome will be managing all the three-key units at the projects. According to Ho in a statement issued Dec 16, each of the three-key units contains three studio units, each equipped with a kitchenette and en-suite bathroom. *(The Edge)*

Matrix: Breaks ground for MVV City Phase 1 in Malaysia Vision Valley 2.0

Matrix Concepts Holdings Bhd broke ground for the first phase of the Malaysia Vision Valley City (MVV City) project in Negeri Sembilan on Tuesday. Matrix Concepts will be jointly developing MVV City Phase 1 with the Negeri Sembilan state government (NS Corp), with the developer holding an 85% stake in the development and will be leading the development. With a gross development of RM15bn and a 12-year development period, MVV City Phase 1 covers 2,382 acres and will comprise over 1,000 acres of industrial space, 15,000 residential units and a 174-acre commercial lot. *(The Edge)*

KPS: Looking to appeal against RM7.9m claims by IRB

Selangor state-linked Kumpulan Perangsang Selangor Bhd has filed an appeal against a capital gains tax (CGT) assessment and penalty totalling RM7.9m issued by the Inland Revenue Board (IRB). According to the assessment under Section 90(3) of the Income Tax Act 1967, IRB imposed a 2% CGT on the gross consideration of RM272m, resulting in a tax amount of RM5.4m. Additionally, a 45% penalty for non-filing was applied to the CGT, amounting to RM2.5m. According to KPS, the total RM7.9m must be settled within 30 days, by Dec 28. *(The Edge)*

Sapura Energy: Gets fourth deadline extension to submit regularisation plan to May 2025

Sapura Energy Bhd has secured its fourth deadline extension from Bursa Securities to submit its regularisation plan to exit its Practice Note 17 (PN17) status. The deadline extension is for another six months until May 31, 2025, it said. The oil and gas services outfit fell into PN17 status over two years ago on May 31, 2022, with the first deadline for its PN17 regularisation plan submission on May 31, 2023. The group's outgoing CEO Datuk Anuar Taib has earlier expressed his aspiration for Sapura Energy to exit PN17 status in 2026 at the earliest. *(The Edge)*

Sunway: Launches GreenRE-certified town home development in Penang

Sunway Bhd's property arm, Sunway Property, has launched the GreenRE-certified townhome project, Serene Villas, as part of its ongoing Sunway Wellesley master-planned development in Bukit Mertajam, Penang. The project, which has a gross development value (GDV) of RM150m, would span 3.65 hectares and comprise 210 townhomes designed for multigenerational living, and equipped with infrastructure for electric-vehicle chargers, it said in a statement on Tuesday. Sunway Property's chief executive officer for central and northern regions Chong Sau Min said the project reflects the company's vision as a master community developer to create sustainable, vibrant communities that enhance the quality of life. *(The Edge)*

Perak Transit: Rebrands MyBAS to BAS.MY for enhanced service

In a statement, the company said the rebranding is not merely a change of name and colour, but also reflects its commitment to enhancing service efficiency, comfort and user-friendliness. This initiative also marks a step towards revitalising the stage bus service in the state. According to the statement, BAS.MY will operate six routes from Medan Kidd to various areas, including Bercham, Tanjung Rambutan, Chemor, Pasir Puteh, Pengkalan Sentosa, Sultan Azlan Shah Airport, and Taman Botani. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.66	0.18	11.08
KIP REIT	REIT	0.88	0.08	8.69
MBM Resources	Consumer	6.29	0.53	8.35
Amway (M)	Consumer	6.80	0.57	8.31
British American Tobacco (M)	Consumer	7.49	0.60	7.96
Sentral REIT	REIT	0.79	0.06	7.72
Genting Malaysia	Consumer	2.10	0.16	7.43
Paramount Corporation	Property	1.04	0.07	7.21
Ta Ann Holdings	Plantation	4.19	0.30	7.18
Datasonic Group	Technology	0.42	0.03	7.23
YTL Hospital REIT	REIT	1.18	0.08	7.03
CapitaLand Malaysia Trust	REIT	0.66	0.05	6.82
Sports Toto	Consumer	1.49	0.10	6.71
UOA REITS	REIT	0.92	0.06	6.63
Hektar REITS	REIT	0.53	0.04	6.60

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		
Carlo Rino Group Bhd	ACE Market	0.27	49.7	-	5 Dec	18 Dec
Winstar Capital Bhd	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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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