



Daily Newswatch

Market Review

The FBM KLCI rebounded marginally on Tuesday to 1,599.6 (+0.1%), amid broadly positive performance among the regional peers. Among index constituents, TENAGA (+2.0%), GENM (+1.4%), and NESTLE (+1.2%) were the top three outperformers. Sector-wise, Healthcare (+2.6%), Transportation & Logistics (+0.2%) and Industrial Products and Services (+0.2%) were the top 3 gainers. Healthcare was the strongest performer, driven by strong gains in glove-related counters such as SUPERMX (+10.9%), TOPGLOV (+5.3%) and HARTA (+5.2%). The broader market breadth remained mixed, with 501 losers against 480 gainers.

Economics

- US:** Congress to vote on new restrictions on US investment in China
- UK:** Inflation hits eight-month high but underlying pressures steady
- China:** Pushes back against bond frenzy, sends yields climbing
- China:** Youth jobless rate falls for third straight month
- Thailand:** Bank of Thailand defies government over rates, seeing risks
- Indonesia:** Holds key rate to bolster falling Rupiah currency

Companies

- T7 Global:** Appointed Petronas panel contractor for well continuity services in sixth pan-Malaysia contract
- MAHB:** Reports 16.1% y-o-y passenger growth in November
- MRCB:** Pulls out of Berjaya-led consortium vying for KL-HSR
- YTL Power:** MACC has cleared YTL Power of wrongdoing in 1BestariNet project
- EcoWorld, SD Guthrie:** Together with NS Corp to jointly develop RM2.95bn industrial park
- YNH Property:** MD Kuan Huat replaces brother Kuan Chon as new chairman
- Pestech:** Proposes scheme of arrangement to settle outstanding RM267m debt
- PTT Synergy:** Hives off 70% stake in sanitary wares firm to fund working capital

Upcoming key economic data releases

| | Date |
|------------------------------------|--------|
| 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 | 1,599.6 | 0.1 | 10.0 |
| Dow Jones | 42,326.9 | (2.6) | 12.3 |
| Nasdaq CI | 19,392.7 | (3.6) | 29.2 |
| S&P 500 | 5,872.2 | (2.9) | 23.1 |
| FTSE 100 | 8,199.1 | 0.0 | 6.0 |
| Nikkei 225 | 39,081.7 | (0.7) | 16.8 |
| Shanghai CI | 3,382.2 | 0.6 | 13.7 |
| HSI | 19,864.6 | 0.8 | 16.5 |
| STI | 3,779.6 | (0.5) | 16.6 |

| Market Activities | Last Close | % Chg |
|-----------------------|------------|--------|
| Vol traded (m shares) | 2,548.4 | (14.9) |
| Value traded (RM m) | 2,286.0 | (6.2) |
| Gainers | 480 | |
| Losers | 501 | |
| Unchanged | 562 | |

| Top 5 Volume | Last Close | Daily chg % | Vol (m) |
|--------------|------------|-------------|---------|
| CARLORINO | 0.230 | (14.8) | 139.4 |
| SUPERMX | 1.220 | 10.9 | 75.6 |
| TOPGLOV | 1.380 | 5.3 | 50.5 |
| MYEG | 0.945 | (0.5) | 39.1 |
| TALAMT | 0.025 | 0.0 | 31.3 |

| Top 5 Turnover | Last Close | Daily chg % | Val (RM m) |
|----------------|------------|-------------|------------|
| TENAGA | 14.080 | 2.0 | 139.6 |
| GAMUDA | 9.570 | (0.4) | 120.8 |
| SUPERMX | 1.220 | 10.9 | 89.3 |
| MAYBANK | 10.120 | (0.2) | 81.8 |
| CIMB | 8.020 | (0.2) | 76.7 |

| Currencies | Last Close | % Chg |
|-----------------|------------|-------|
| USD/MYR | 4.4697 | (0.1) |
| USD/JPY | 154.64 | 0.1 |
| EUR/USD | 1.0357 | 0.0 |
| USD/CNY | 7.2857 | (0.0) |
| US Dollar Index | 108.03 | 1.0 |

| Commodities | Last Close | % Chg |
|--------------------|------------|-------|
| Brent (USD/barrel) | 73.4 | 0.3 |
| Gold (USD/troy oz) | 2,590 | 0.2 |
| CPO (MYR/metric t) | 4,679 | (0.4) |
| Bitcoin (USD/BTC) | 100,723 | (0.2) |

Economics

US: Congress to vote on new restrictions on US investment in China

The U.S. Congress is set to vote in the coming days on legislation restricting U.S. investments in China as part of a bill to fund government operations through mid-March, lawmakers said late on Tuesday. In October, the Treasury finalized rules effective Jan. 2 that will limit U.S. investments in artificial intelligence and other technology sectors in China that could threaten U.S. national security. The bill expands on those restrictions and also includes other provisions aimed at concerns about China, including a requirement to study national security risks posed by Chinese-made consumer routers and modems and mandate reviews of Chinese real estate purchases near additional national security-sensitive sites. (*The Edge*)

UK: Inflation hits eight-month high but underlying pressures steady

British inflation hit an eight-month high in November, but the rise in services prices — watched closely by the Bank of England as an underlying measure of inflationary pressures — held steady, offering the central bank a little bit of relief. Investors added slightly to their bets on interest rate cuts by the BOE next year — having slashed them on Tuesday after strong wage growth data — and sterling weakened as official data showed consumer prices rose by an annual 2.6% in November. That was the highest inflation rate since March, up from 2.3% in October. (*Bloomberg*)

China: Pushes back against bond frenzy, sends yields climbing

China's central bank sent its first signal in months of its discomfort with the record-setting sovereign bond rally, triggering a slide in the market. The People's Bank of China has urged financial institutions involved in "aggressive trading" in the bond market to pay close attention to relevant risks including those in the rates market, PBOC-backed Financial News reported on Wednesday, citing unidentified people. (*The Edge*)

China: Youth jobless rate falls for third straight month

Joblessness among the youth in Chinese cities eased for a third straight month in November after reaching its highest this year in August, official data showed on Wednesday. The urban jobless rate for 16-to-24-year-olds, excluding students, fell to 16.1% from 17.1% in October. Whereas, the unemployment rate for 25-29-year-olds also dropped, falling slightly to 6.7% from 6.8%, while the jobless rate for 30-59-year-olds was unchanged at 3.8%. China's economic recovery has stuttered this year amid weak domestic demand and a prolonged property crisis, although some officials are expecting the economy to achieve its 2024 growth target of around 5%. (*The Edge*)

Thailand: Bank of Thailand defies government over rates, seeing risks

Thailand's central bank left its key interest rate unchanged after a surprise cut in October, warning of rising future uncertainties as it resists government calls for further policy easing. The Monetary Policy Committee voted unanimously to keep the one-day repurchase rate steady at 2.25% at Wednesday's meeting, a decision expected by 21 of the 23 economists surveyed by Bloomberg. The baht was little changed by the decision, which came shortly before neighbouring Indonesia held its main rate unchanged at 6%. (*The Edge*)

Indonesia: Holds key rate to bolster falling Rupiah currency

Indonesia's central bank kept its key interest rate steady at 6% for a third consecutive month to stabilize the rupiah, which had fallen below the key level of 16,000 against the dollar. Bank Indonesia faces pressure from global economic uncertainty, including US policies and rising geopolitical tensions, which have impacted the currency. Despite weaker-than-expected GDP growth and ongoing challenges, the central bank remains focused on supporting currency stability while the government introduces fiscal measures to cushion the impact of higher VAT rates. (*Bloomberg*)

Companies

T7 Global: Appointed Petronas panel contractor for well continuity services in sixth pan-Malaysia contract

T7 Global Bhd has been appointed by Petroliaam Nasional Bhd (Petronas) as a panel contractor to provide integrated well continuity services for a five-year term. Under the pan-Malaysia appointment, which commenced on Oct 10, T7 Global is to provide well intervention, workover and abandonment services for Sub-Package B1, Sub-Package B3 and Sub-Package D1, according to the offshore oil and gas services provider's bourse filing on Wednesday. The letter of appointment was awarded to T7 Global's wholly-owned unit Tanjung Offshore Services Sdn Bhd. *(The Edge)*

MAHB: Reports 16.1% y-o-y passenger growth in November

Malaysia Airports Holdings Bhd (MAHB) reported a 16.1% year-on-year increase in passenger traffic across its Malaysian and Turkish airport networks in November, reaching 11.2m passengers compared to 9.6m in the same month last year. The international sector experienced robust growth, recording a 21.8% y-o-y increase to 6 million passengers, driven by factors such as new airline operations, the introduction of new routes, and increased flight frequencies. Domestically, 5.1m passengers were recorded, representing 85.4% of pre-pandemic (2019) levels, MAHB's bourse filing on Wednesday showed. *(The Edge)*

MRCB: Pulls out of Berjaya-led consortium vying for KL-HSR

Malaysian Resources Corporation Bhd has withdrawn from the Berjaya-led consortium that participated in the request for information exercise for the Kuala Lumpur-Singapore High-Speed Rail (HSR) project, to pursue other strategic opportunities. Despite this change, the consortium, comprising Berjaya Rail Sdn Bhd, Keretapi Tanah Melayu Bhd, IJM Corp Bhd, and key technical partners such as Deutsche Bahn, Hitachi Rail, and Hyundai Rotem, remains committed to delivering a world-class HSR system. *(The Edge)*

YTL Power: MACC has cleared YTL Power of wrongdoing in 1BestariNet project

YTL Power International Bhd said the Malaysian Anti-Corruption Commission (MACC) has cleared the group's 60%-owned subsidiary, YTL Communications Sdn Bhd, of any wrongdoing in connection with the 1BestariNet project. YTL Power said it was informed of this by MACC after concluding an investigation into the multi-billion-ringgit project undertaken by YTL Communications. MACC had launched an investigation into payment claims related to the 1BestariNet service tender, and that the graftbuster raided several government offices as well as the office of YTL Communications. According to the report, the investigation was centred on claims involving false details related to RM2.7bn in payments, as well as other criminal elements under the MACC Act 2009. *(The Edge)*

EcoWorld, SD Guthrie: Together with NS Corp to jointly develop RM2.95bn industrial park

Eco World Development Group Bhd, in collaboration with SD Guthrie Bhd and Negeri Sembilan's state investment arm NS Corporation, will jointly develop a 1,166-acre industrial park in Bukit Pelanduk, Negeri Sembilan, that will have an estimated gross development value (GDV) of RM2.95bn. To be developed over eight years, the project will have industrial lots, ready-built factories and commercial properties that will cater to high-growth sectors such as aerospace, electrical and electronics, logistics and biotechnology, according to the parties in a joint statement. *(The Edge)*

YNH Property: MD Kuan Huat replaces brother Kuan Chon as new chairman

YNH Property Bhd executive chairman Datuk Dr Yu Kuan Chon has been redesignated as an executive director of the property developer. Kuan Chon, 62, is YNH Property's largest shareholder controlling a direct and indirect shareholding of 32.58% as at Oct 7, 2024. Kuan Chon's brother, Datuk Yu Kuan Huat, who is currently managing director of YNH Property, has been named to take over the role of executive chairman. Kuan Huat, 66, is the second largest shareholder with a direct and indirect shareholding of 29.34%. (*The Edge*)

Pestech: Proposes scheme of arrangement to settle outstanding RM267m debt

Pestech International Bhd, now a subsidiary of Dhaya Maju Infrastructure, has proposed a scheme of arrangement to settle its RM267m outstanding debt with a one-off upfront cash payment of RM65m. This payment will be funded by proceeds from a restricted issuance that resulted in Dhaya Maju acquiring a 57.52% stake in Pestech. The scheme creditors, representing over 75% of the debt, will face a 75.66% haircut, amounting to RM202m in debt reduction. The company's restructuring plan was approved by shareholders on December 10, following IJM Corp's decision to abandon its acquisition of Pestech. (*The Edge*)

PTT Synergy: Hives off 70% stake in sanitary wares firm to fund working capital

PTT Synergy Group Bhd is selling its 70% stake in Heap Wah Barakah Sdn Bhd (HWBSB) to HW Barakah Sdn Bhd for RM15m, resulting in a one-off loss of RM13.8m. The proceeds will be used to fund PTT's working capital for its property development and construction business as part of a strategy to streamline its corporate structure. The sale price was based on a willing buyer-willing seller basis, reflecting PTT's cost of investment and its share of HWBSB's net assets. (*The Edge*)



Stock Selection Based on Dividend Yield

| | Sector | Price (RM) | Dividend/Share (RM) | Dividend Yield (%) |
|------------------------------|------------|------------|---------------------|--------------------|
| Bermaz Auto | Consumer | 1.68 | 0.18 | 10.95 |
| MBM Resources | Consumer | 6.20 | 0.53 | 8.47 |
| Amway (M) | Consumer | 6.80 | 0.57 | 8.31 |
| British American Tobacco (M) | Consumer | 7.48 | 0.60 | 7.97 |
| Sentral REIT | REIT | 0.79 | 0.06 | 7.72 |
| KIP REIT | REIT | 0.88 | 0.07 | 7.66 |
| Genting Malaysia | Consumer | 2.13 | 0.16 | 7.32 |
| Ta Ann Holdings | Plantation | 4.14 | 0.30 | 7.27 |
| Datasonic Group | Technology | 0.42 | 0.03 | 7.14 |
| Paramount Corporation | Property | 1.06 | 0.08 | 7.08 |
| YTL Hospital REIT | REIT | 1.18 | 0.08 | 7.03 |
| CapitaLand Malaysia Trust | REIT | 0.66 | 0.04 | 6.87 |
| Sports Toto | Consumer | 1.50 | 0.10 | 6.67 |
| Hektar REITS | REIT | 0.53 | 0.04 | 6.60 |
| UOA REITS | REIT | 0.93 | 0.06 | 6.59 |

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 | | |
| 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 |
| Northern Solar Holdings Bhd | ACE Market | 0.63 | 67.3 | 35.6 | 20 Jan | 06 Feb |

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