



Daily Newswatch

Market Review

The FBM KLCI ended the session flattish at 1600.1, as investors paused to digest the US Fed's hawkish interest rate comment for next year. Among the index constituents, YTL (+19.1%), YTLPOWR (+11.4%), and PETGAS (+0.5%) led the gainers. YTL and YTLPOWR experienced significant gains mainly due to positive news that the group has been cleared from the 1Bestarinet investigation by the MACC. Sector wise, Utilities (+3.2%) stood out, buoyed by strong gains in YTL and YTLPOWR, followed by Health Care (+1.1%), while the worst performers were Industrial Products & Services (-0.9%), Telecommunications & Media (-0.9%) and Consumer Products & Services (-0.8%). Overall, the broader market breadth skewed negative, with 693 decliners outpacing 369 gainers.

Economics

- England:** Bank of England keeps rates steady, policy split widens
- Hong Kong:** Central Bank cuts interest rate tracking Fed move, banks follow
- US:** Fed lowers rates but sees fewer cuts in 2025 due to stubbornly high inflation
- EU:** ECB raises bank capital requirements citing heightened risks
- Japan:** BOJ keeps ultra-low rates, gives few clues on when it might hike
- China:** PBOC starts pushback as Fed shift hits currencies

Companies

- TM:** Ink MOU to drive digital transformation for industries together with Petronas and Gentari
- Mah Sing:** Acquires Johor land from S P Setia for RM157m
- Vestland:** Bags RM70m office construction job in KL
- Uzma:** Secures RM44m Kedah solar farm construction sub-contract
- MrDIY:** Secures RM44m Kedah solar farm construction sub-contract
- Catcha Digital:** Acquires 70% stake in Tastefully to tap into consumer food expo sector
- Smile-Link:** Major shareholder seeks removal of external auditor amid financial reporting delays
- Lotus Circular:** To acquire Earthwise Resources, Expert Resource for RM100m

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,600.1	0.0	10.0
Dow Jones	42,342.2	0.0	12.3
Nasdaq CI	19,372.8	(0.1)	29.1
S&P 500	5,867.1	(0.1)	23.0
FTSE 100	8,105.3	(1.1)	4.8
Nikkei 225	38,813.6	(0.7)	16.0
Shanghai CI	3,370.0	(0.4)	13.3
HSI	19,752.5	(0.6)	15.9
STI	3,762.9	(0.4)	16.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,206.7	25.8
Value traded (RM m)	3,030.3	32.6
Gainers	369	
Losers	693	
Unchanged	540	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
YTL	2.550	19.2	89.0
WINSTAR	0.510	45.7	82.4
YTLPOWR	4.080	11.5	71.3
TOPGLOV	1.400	1.4	58.4
SUPERMX	1.240	1.6	51.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
YTLPOWR	4.080	11.5	282.0
YTL	2.550	19.2	212.4
TENAGA	13.940	(1.0)	183.1
CIMB	8.040	0.2	150.7
MAYBANK	10.060	(0.6)	84.3

Currencies	Last Close	% Chg
USD/MYR	4.5055	(0.8)
USD/JPY	157.61	(0.1)
EUR/USD	1.0364	0.0
USD/CNY	7.2958	(0.1)
US Dollar Index	108.41	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.9	(0.7)
Gold (USD/troy oz)	2,594	(0.0)
CPO (MYR/metric t)	4,712	(0.8)
Bitcoin (USD/BTC)	97,923	0.6

Upcoming key economic data releases

Date

Malaysia – Nov 2024 Inflation Rate	Dec 20
Malaysia – Nov 2024 PPI	Dec 24

Economics

England: Bank of England keeps rates steady, policy split widens

The Bank of England kept its interest rate at 4.75%, but three members of its Monetary Policy Committee voted for a rate cut, signalling a division over how to address the slowing economy. Governor Andrew Bailey emphasised a gradual approach to rate cuts, citing economic uncertainty, while financial markets have lowered expectations for rate reductions. Despite a rise in inflation and a weakened growth forecast, some MPC members argued that a restrictive policy could harm the economy, while others believed maintaining high rates was necessary to control inflation. (*The Edge*)

Hong Kong: Central Bank cuts interest rate tracking Fed move, banks follow

The Hong Kong Monetary Authority (HKMA) cut its base interest rate by 25 basis points to 4.75%, following the US Federal Reserve's move, while major banks like HSBC and Bank of China (Hong Kong) made smaller rate reductions. HSBC's CEO noted the uncertainty of future rate movements as the bank lowered its Hong Kong dollar deposit and lending rates. HKMA Chief Executive Eddie Yue warned that interest rates could remain high for some time, with future cuts uncertain, and advised the public to manage interest rate risks when making financial decisions. (*The Edge*)

US: Fed lowers rates but sees fewer cuts in 2025 due to stubbornly high inflation

The US central bank lowered interest rates on Wednesday, but Federal Reserve chair Jerome Powell said more reductions in borrowing costs hinge on further progress in lowering stubbornly high inflation, remarks that showed policymakers are beginning to reckon with the prospects for sweeping economic change under an incoming Trump administration. Powell's explicit — and repeated — references to the need for caution from here jolted Wall Street, sending stocks sharply lower and spurring a dialling back of market estimates of how far borrowing costs are likely to fall over the coming year. The Fed and Powell had been widely expected to deliver a "hawkish" rate cut by estimating roughly half the policy easing in 2025 than the 100 basis points (bps) policymakers had projected three months ago. But by the time Powell had finished speaking, only one 25-bps cut for next year was reflected in market pricing. (*Bloomberg*)

Japan: BOJ keeps ultra-low rates, gives few clues on when it might hike

The Bank of Japan (BOJ) kept interest rates unchanged on Thursday and its governor offered few clues on how soon it could push up borrowing costs, sending the yen and bond yields tumbling on fresh doubts over the near-term chances of a rate hike. As widely expected, the nine-member board maintained its short-term policy rate at 0.25% in a sign policymakers preferred to tread cautiously amid uncertainty over US president-elect Donald Trump's economic plans. But hawkish board member Naoki Tamura dissented and proposed, unsuccessfully, to raise interest rates to 0.5% on the view that inflationary risks were building. The BOJ's meeting concluded hours after the US Federal Reserve cut interest rates but signalled a more cautious path of easing next year, sending global stocks sharply lower. (*Bloomberg*)

China: PBOC starts pushback as Fed shift hits currencies

The People's Bank of China ramped up its support for the yuan on Thursday by setting a daily reference rate that was significantly stronger than the average in a Bloomberg survey. The so-called fixing, which limits moves in the onshore yuan by 2% on either side, is at its strongest level relative to the forecast since July. Chinese state banks sold the dollar in the onshore market at the open and hardly offered to buy the greenback, according to traders. The traders asked not to be identified as they are not allowed to comment on the foreign-exchange market. (*The Edge*)

Companies

TM: Ink MOU to drive digital transformation for industries together with Petronas and Gentari

Telekom Malaysia Bhd has signed a memorandum of understanding (MOU) with Petroliam Nasional Bhd's (Petronas) digital arm Petronas Digital Sdn Bhd and Gentari Sdn Bhd to accelerate digital transformation and sustainable innovation for industries and the nation. Under this collaboration, TM and Petronas will explore new revenue streams by expanding product offerings to enterprise and consumer markets, while fostering growth and innovation through data centres, cloud solutions, and enhanced connectivity for Malaysian businesses. In a joint statement, the partners highlighted that integrating Information and Communication Technology (ICT) with Internet of Things (IOT)-based solutions will optimise city services, improve operational efficiency, and enhance public services, contributing to a smarter and more sustainable future. *(The Edge)*

Mah Sing: Acquires Johor land from SP Setia for RM157m

Property developer Mah Sing Group Bhd has acquired 5.99 acres of land in Taman Pelangi, Johor, from S P Setia Bhd for RM156.8m to develop a premium serviced apartment project. Mah Sing's wholly owned subsidiary Dsara Sentral Sdn Bhd has signed a sale and purchase agreement with Pelangi Sdn Bhd, a subsidiary of S P Setia for the acquisition of two parcels of land for the proposed development, according to its filing with Bursa Malaysia on Thursday. Mah Sing said the premium serviced apartment, to be named as M Grand Minori, will have a gross development value (GDV) of RM1.5bn. The land is located 3km from the upcoming Johor-Singapore Rapid Transit System (RTS) Link's Bukit Chagar Station. *(The Edge)*

Vestland: Bags RM70m office construction job in KL

Construction company Vestland Bhd said on Thursday that it had secured a RM70m contract to build a 59-storey office building along Jalan Mayang, Kuala Lumpur. The contract was awarded to Vestland's wholly-owned subsidiary Vestland Resources Sdn Bhd (VRSB) by Sg Besi Construction Sdn Bhd, it said in a filing with Bursa Malaysia. "The design and build works to be carried out under the contract comprise the design, approval, construction, completion, testing and commissioning of one block of 59-storey strata offices and related facilities," it said. The construction is expected to last over two years, commencing on Thursday and scheduled to be completed on Dec 15, 2027. *(The Edge)*

Uzma: Secures RM44m Kedah solar farm construction sub-contract

Uzma Bhd has been awarded a sub-contract by Samaiden Sdn Bhd, a unit of Samaiden Group Bhd for the development of a 13.42-megawatt AC (MWac) solar photovoltaic plant in Sungai Petani, Kedah. The contract, secured on a lump sum fixed price basis, encompasses the development of the solar generating facility, including interconnection and other works as outlined in the agreement with Tenaga Nasional Bhd, Uzma's filing read. The project is scheduled for completion within eight months and 14 days, with the commercial operation date set for Aug 30, 2025, it added. The project is developed under the Corporate Green Power Programme (CGPP), which allows plant-up of solar farms by developers upon securing commercial offtakers, rather than selling the electricity to Tenaga Nasional Bhd. *(The Edge)*

MrDIY: Indonesian arm of Mr DIY climbs on market debut

The Indonesian arm of Malaysia-based home improvement retailer Mr DIY Group (M) Bhd shook off a wobbly start to rise on its stock market debut on Thursday. The listing came against the backdrop of broad weakness in Asian stocks after the US Federal Reserve cautioned it would ease the pace of rate cuts in the coming year. Bond yields rose and the dollar was perched near a two-year high on Thursday. Shares of Daya Intiguna Yasa, the sister company of Mr DIY, opened at 1,550 rupiah, 6% lower than its initial public offering (IPO) price of 1,650 rupiah a share, before sliding as much as 24.8% to 1,240 rupiah on the Jakarta stock exchange. It recovered to be 9% higher by the midday break at 1,800 rupiah a share, outperforming the local benchmark stock index's 1.63% fall. *(The Edge)*

Catcha Digital: Acquires 70% stake in Tastefully to tap into consumer food expo sector

Catcha Digital Bhd has acquired a 70% stake in Tastefully Malaysia Sdn Bhd for RM7.6m in cash, paid in four tranches over 36 months, contingent on achieving profit targets. This acquisition aims to integrate Catcha Digital's digital advertising capabilities with Tastefully's established offline advertising solutions, creating cross-selling opportunities and enhancing offerings, especially to food and beverage brands. Tastefully, a leading organiser of consumer food expos in Malaysia, has conducted over 100 expos and attracts 1.2 million annual visitors, with strong ties to exhibitors and major brands. *(The Edge)*

Smile-Link: Major shareholder seeks removal of external auditor amid financial reporting delays

Smile-Link Healthcare Global Bhd's major shareholder has proposed removing its external auditors, Messrs HLB Ler Lum Chew, following delays in financial reporting that led to trading suspensions and regulatory scrutiny. The delay in submitting audited financial statements was due to an outstanding audit fee of RM180,000, causing the auditors to withhold the results. Smile-Link, which reported a net loss of RM4.2m for the six months ended June 2024, is restructuring its operations, including relocating unprofitable clinics, and faces potential delisting if it fails to meet financial reporting requirements within six months. *(The Edge)*

Lotus Circular: To acquire Earthwise Resources, Expert Resource for RM100m

Lotus Circular Bhd (LCB) has proposed acquiring Earthwise Resources Sdn Bhd and Expert Resource Management Sdn Bhd for RM100m, to be paid through RM35.0m in cash and the issuance of 156.6m new LCB shares. The acquisitions aim to expand LCB's presence in the waste recycling industry, aligning with its long-term strategy to reduce reliance on its retail business and enhance its market share in recycling. LCB also plans to seek shareholder approval for recurrent related party transactions and an exemption from the Securities Commission for a mandatory takeover offer following the issuance of consideration shares. *(Bernama)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.59	0.18	11.57
MBM Resources	Consumer	6.20	0.53	8.47
Amway (M)	Consumer	6.79	0.56	8.32
British American Tobacco (M)	Consumer	7.50	0.60	7.95
Sentral REIT	REIT	0.79	0.06	7.77
KIP REIT	REIT	0.87	0.07	7.70
Genting Malaysia	Consumer	2.12	0.16	7.36
Ta Ann Holdings	Plantation	4.08	0.30	7.38
Datasonic Group	Technology	0.42	0.03	7.23
Paramount Corporation	Property	1.05	0.07	7.14
YTL Hospital REIT	REIT	1.19	0.08	6.97
CapitaLand Malaysia Trust	REIT	0.66	0.05	6.82
Sports Toto	Consumer	1.48	0.10	6.76
Hektar REITS	REIT	0.53	0.04	6.60
UOA REITS	REIT	0.92	0.06	6.63

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		
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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