



Daily Newswatch

Market Review

The FBM KLCI rose to 1637.7 (+0.6%), extending its rally as year-end window-dressing activities continued to boost sentiment. Buying momentum in select heavyweights such as NESTLE (+3.1%), GAMUDA (+1.9%), and YTL (+1.9%) underpinned the market's gains, reflecting robust institutional support. Sector-wise, Construction (+1.7%) led the advances, followed by Property (+1.6%) and Utilities (+1.3%). The broader market maintained a bullish tone, with 614 gainers outpacing 452 losers.

Economics

- EU:** Knot says trade war could export China deflation to Europe
- EU:** Spanish inflation accelerates, backing gradual ECB rate cuts
- Japan:** Factory activity shrinks at slower pace, PMI shows
- China:** Urges more aid for people in need as economic woes persist
- Philippines:** Marcos signs in law record US\$109bn budget for 2025
- South Korea:** November factory output falls more sharply than expected

Companies

- Apex Equity:** Buys office building in Bangsar South for RM50m for relocation
- Gadang:** Unit's JV wins bid to develop 15MWac solar plant in Tawau, Sabah
- MUI Properties:** Shares suspended for corporate exercise announcement
- Yinson:** Secures RM161.8m bareboat charter extension for FPSO unit
- Samaiden:** Picked for Kelantan solar plant project
- Petronas:** Conducts review on productivity to streamline operations, eliminate inefficiency

<u>Upcoming key economic data releases</u>	<u>Date</u>
US – Dec 2024 Manufacturing PMI	Jan 03
US – Dec 2024 Unemployment Rate	Jan 10
Malaysia – Nov 2024 Unemployment Rate	Jan 10
US – Jan 2025 PPI	Jan 14
US – Jan 2025 CPI	Jan 15
Malaysia – GDP Growth Rate	Jan 20
Malaysia – Dec 2024 Inflation Rate	Jan 22
Malaysia – Interest Rate Decision	Jan 22
Malaysia – Dec 2024 PPI	Jan 28
US – Jan 2025 FOMC	Jan 30
US – Jan 2025 PCE	Jan 31

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,637.7	0.6	12.6
Dow Jones	42,573.7	(1.0)	13.0
Nasdaq CI	19,486.8	(1.2)	29.8
S&P 500	5,906.9	(1.1)	23.8
FTSE 100	8,121.0	(0.4)	5.0
Nikkei 225	39,894.5	(1.0)	19.2
Shanghai CI	3,407.3	0.2	14.5
HSI	20,041.4	(0.2)	17.6
STI	3,795.7	0.6	17.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,552.6	(11.1)
Value traded (RM m)	2,085.4	0.4
Gainers	614	
Losers	452	
Unchanged	526	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PESTECH	0.210	10.5	54.4
VANZO	0.210	5.0	50.3
JCY	0.575	0.9	48.4
SIMEPROP	1.700	5.6	31.4
SUPERMX	1.340	4.7	29.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.840	0.7	116.3
GAMUDA	4.780	1.9	99.0
YTL	2.670	1.9	60.4
MAYBANK	10.240	1.4	60.2
PBBANK	4.540	(0.7)	54.1

Currencies	Last Close	% Chg
USD/MYR	4.4672	0.1
USD/JPY	157	(0.1)
EUR/USD	1.0405	(0.0)
USD/CNY	7.2993	(0.0)
US Dollar Index	108.13	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.0	0.3
Gold (USD/troy oz)	2,606	(0.0)
CPO (MYR/metric t)	4,909	(0.3)
Bitcoin (USD/BTC)	92,449	0.6

Economics

EU: ECB's Knot says trade war could export China deflation to Europe

China may start selling its products to Europe at discounted rates if the US starts a trade war by imposing new tariffs, according to European Central Bank Governing Council member Klaas Knot. In such a situation, "there is a chance that the Chinese will start offering their goods in Europe at lower and lower prices," Knot said in an interview published in Dutch newspaper Volkskrant on Monday. "We already seeing that happening in steel market, he said. "In this way, China were exporting its deflation to us." (*Bloomberg*)

EU: Spanish inflation accelerates, backing gradual ECB rate cuts

Spanish inflation quickened more than anticipated this month, staying above 2% for a second month on base effects and supporting the case for gradual interest-rate cuts. The change in inflation in December was mainly due to fuel prices, which had dropped in December 2023. Leisure and culture also were drivers, but to a smaller degree, the statistics office said. Consumer prices advanced 2.8% from a year ago in December, according to national statistics agency data published Monday. That compares with 2.4% in November and is stronger than the 2.6% median estimate in a Bloomberg survey of economists. A gauge of underlying pressures that strips out energy and some food prices rose to 2.6%.

European Central Bank President Christine Lagarde said this month that while inflation across the euro area is set to fluctuate around its current level in the near term, the spike of recent years is increasingly moving into the rear-view mirror. That's allowed the ECB to cut borrowing costs in four quarter-point moves this year and economists anticipate another four in 2025, bringing the deposit rate to 2%. (*Reuters*)

Japan: Factory activity shrinks at slower pace, PMI shows

Japan's factory activity shrank at a slower pace in December as declines in production and new orders eased, a private-sector survey showed on Monday, edging closer to stabilisation after recent falls. The final IHS Markit Japan manufacturing purchasing managers' index (PMI) rose to 49.6 in December, indicating the softest contraction in three months. The index was slightly higher than 49.5 in the flash reading and 49.0 in November but stayed below the 50.0 threshold that separates growth from contraction for the sixth straight month. "The headline reading moved closer to neutrality amid softer reductions in both production and new order intakes," said Usamah Bhatti at S&P Global Market Intelligence, which compiled the survey. The subindex of production shrank for a fourth straight month in December, but the contraction was also slower than last month. Manufacturers noted that subdued new orders were the main factor behind the decline in output. (*Reuters*)

China: Urges more aid for people in need as economic woes persist

The Chinese government urged local officials to provide more financial relief or step up one-time allowances to people in need ahead of major holidays over the next month, as China's economic difficulties are set to extend into 2025. China's economy has struggled to gather steam this year, mainly due to a property crisis and weak domestic demand. Securing employment, particularly for fresh college graduates, is also a policy priority, authorities say. Ahead of New Year's Day and the Lunar New Year in late January, local governments with financial capacity are encouraged to distribute relief funds or one-time allowances to those in need, the Ministry of Civil Affairs said in a statement published on Saturday. (*Bloomberg*)



Philippines: Marcos signs into law record US\$109bn budget for 2025

Philippine President Ferdinand Marcos Jr signed the 2025 budget into law on Monday, saying a planned 10% increase in government spending to a record 6.33tn pesos (US\$109.2bn or RM488.3bn) would support economic growth and reduce poverty. The spending is higher than a projection of 6.2tn pesos announced earlier this month, when revenue was forecast at 4.6tn pesos and the budget deficit at 5.3% of gross domestic product. "It is designed not just to address our present need but to sustain growth and to uplift the lives of generations that are yet to come," Marcos said following the ceremonial signing. The education sector has the largest budget allocation for 2025 with 1.1tn pesos, followed by the public works ministry at 1tn, Budget minister Amenah Pangandaman said in a press briefing. Pangandaman said 35bn pesos were earmarked for the military's modernisation programme, lower than the 50bn pesos that government originally proposed. *(Bloomberg)*

South Korea: November factory output falls more sharply than expected

South Korea's factory output fell more sharply than expected in November, government data showed on Monday, amid slowing exports and weakening business confidence. The industrial output index fell 0.7% over the month on a seasonally adjusted basis, after no change in the prior month. That compared with a fall of 0.4% forecast in a Reuters survey of economists. On an annual basis, the index was up 0.1%, according to Statistics Korea, slower than gains of 6.3% the month before and 0.4% expected by economists. Last month, South Korea's export growth slowed to a 14-month low, as shipments to the US and China fell amid tariff uncertainty. The country's business sentiment hit this month the weakest in more than four years. *(Bloomberg)*

Companies

Apex Equity: Buys office building in Bangsar South for RM50m for relocation

Apex Equity Holdings Bhd, which is involved in stockbroking, property development, and money lending services, said on Monday that it is buying a boutique office building in Bangsar South, Kuala Lumpur, for RM50m. In an exchange filing, Apex said its wholly-owned unit Apex Development Sdn Bhd has entered into a sale and purchase agreement with Noah Foundation for the acquisition of the building, measuring approximately 54,876 sq ft, for RM911.15 per sq ft. The building, which is currently vacant, will serve as the office for Apex Group and its subsidiaries, the company said. Any remaining unoccupied floors will be made available for lease, it added. *(The Edge)*

Gadang: Unit's JV wins bid to develop 15MWac solar plant in Tawau, Sabah

Gadang Holdings Bhd and its joint venture (JV) partners have successfully won a bid to develop a 15-megawatt alternating current (MWac) large-scale solar (LSS) photovoltaic (PV) plant in Tawau, Sabah. In a bourse filing on Monday, the construction and engineering company said that the Energy Commission of Sabah (Ecos) had issued a letter of notification (LON), awarding the project to the JV of its wholly owned subsidiary, Regional Utilities Sdn Bhd (RUSB), and Hotrend Corporation Sdn Bhd. The LON requires the RUSB–Hotrend JV to fulfil certain compliance obligations, including submitting and executing project documents to confirm acceptance. However, Gadang did not provide further details. *(The Edge)*

MUI Properties: Shares suspended for corporate exercise announcement

Trading in MUI Properties Bhd has been suspended on Monday, following a request for a material announcement. The suspension will last until 5pm, the property developer said in an exchange filing. The request is made under a listing regulation that spells out trading suspension for “any other corporate exercise which the exchange considers to be material”. MUI Properties was last traded at 43.5 sen, valuing the company at RM332m. *(The Edge)*

Yinson: Secures RM161.8m bareboat charter extension for FPSO unit

Yinson Production, the offshore business arm of Yinson Holdings Bhd, has secured an 18-month extension for the bareboat charter contract of its floating production storage and offloading (FPSO) unit operating in offshore Vietnam. The FPSO PTSC Lam Son — jointly owned by Yinson Production (49%) and PetroVietnam Technical Services Corporation (PTSC) (51%) through their joint venture, PTSC Asia Pacific Pte Ltd — has been operating for PetroVietnam in Block 1-2/97 offshore Vietnam since 2014. In a bourse filing on Monday, Yinson said the extension is from Jan 1, 2025 to June 30, 2026, with an automatic six-month extension until Dec 31, 2026, subject to certain conditions. The contract value, including the automatic extension period, is estimated at US\$36.2m (RM161.8m), of which about US\$17.7m is attributable to Yinson Production. *(The Edge)*

Samaiden: Picked for Kelantan solar plant project

Samaiden Group Bhd said on Monday that it has been selected to develop a 99.99-megawatt large-scale solar photovoltaic plant in Pasir Mas, Kelantan. A letter of notification from the Energy Commission was received by its unit Samaiden Sdn Bhd for the project under Package 3 of the Large Scale Solar 5 (LSS5) programme, the company said in an exchange filing. The project is expected to be completed by the commercial operation date on Oct 11, 2027. “The project will operate under a 21-year solar power purchase agreement between Samaiden and Tenaga Nasional Bhd, ensuring a stable and long-term revenue stream,” the company said in a separate statement. The LSS5 bidding round is Malaysia’s largest solar farm tender to date, comprising four packages totalling 2,000 megawatts. The third package is for capacities of between 30 megawatts and 500 megawatts. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.57	0.18	11.27
MBM Resources	Consumer	6.15	0.52	8.54
British American Tobacco (M)	Consumer	7.51	0.60	7.94
Amway (M)	Consumer	6.80	0.53	7.75
Sentral REIT	REIT	0.79	0.06	7.72
KIP REIT	REIT	0.88	0.07	7.66
Ta Ann Holdings	Plantation	4.19	0.30	7.18
Paramount Corporation	Property	1.05	0.07	7.14
Datasonic Group	Technology	0.41	0.03	7.07
Genting Malaysia	Consumer	2.23	0.16	7.04
YTL Hospital REIT	REIT	1.19	0.08	6.97
CapitaLand Malaysia Trust	REIT	0.67	0.04	6.77
Sports Toto	Consumer	1.50	0.10	6.67
UOA REITS	REIT	0.93	0.06	6.56
Hektar REITS	REIT	0.55	0.03	6.36

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
CBH Engineering Holding Bhd	ACE Market	0.28	298.0	188.1	02 Jan	16 Jan
Northern Solar Holdings Bhd	ACE Market	0.63	67.3	35.6	20 Jan	06 Feb

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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