



# Daily Newswatch

## Market Review

The FBM KLCI rebounded to 1,629.8 (+0.3%), snapping a three-day losing streak, supported by gains in selected blue-chip stocks. Notable performers included GAMUDA (+7.0%), SUNWAY (+2.8%), and SDG (+2.6%). Sector-wise, Construction (+3.5%) led the advances, buoyed by optimism surrounding the Johor-Singapore Special Economic Zone (JS-SEZ) agreement signed yesterday. Meanwhile, Technology (+1.7%) and Plantation (+0.6%) also contributed to the positive momentum. Nonetheless, the overall broader market breadth remained cautious, with 614 decliners outpacing 490 gainers.

## Economics

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- Malaysia:** Imposes provisional anti-dumping duties on synthetic fibre imports from China, Indonesia
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- MAHB:** Gateway Development Alliance ups MAHB stake after KWAP disposes of 7.15% block
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- ITMAX:** Gets RM11.8m video-surveillance contract in Penang
- Netcon:** Wins RM25m earthworks contract for Senai Airport City project

### Upcoming key economic data releases

	Date
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	1,629.8	0.3	(0.8)
Dow Jones	42,528.4	(0.4)	(0.0)
Nasdaq CI	19,489.7	(1.9)	0.9
S&P 500	5,909.0	(1.1)	0.5
FTSE 100	8,245.3	(0.1)	0.9
Nikkei 225	40,083.3	2.0	0.5
Shanghai CI	3,229.6	0.7	(3.6)
HSI	19,447.6	(1.2)	(3.1)
STI	3,828.2	0.2	1.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,910.4	12.4
Value traded (RM m)	3,296.0	23.9
Gainers	490	
Losers	614	
Unchanged	537	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VELOCITY	0.080	0.0	133.3
GAMUDA	5.200	7.0	78.5
TOPGLOV	1.320	(2.9)	41.7
JCY	0.570	0.0	40.0
SUPERMX	1.220	(5.4)	39.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	5.200	7.0	401.7
CIMB	8.150	0.9	134.7
TENAGA	14.320	(1.8)	110.2
NATGATE	2.950	6.9	96.0
MAYBANK	10.160	0.6	86.0

Currencies	Last Close	% Chg
USD/MYR	4.4975	(0.2)
USD/JPY	158.11	(0.0)
EUR/USD	1.0344	0.0
USD/CNY	7.328	0.0
US Dollar Index	108.54	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	77.1	1.0
Gold (USD/troy oz)	2,650	0.0
CPO (MYR/metric t)	4,700	(0.3)
Bitcoin (USD/BTC)	96,746	0.3



## Economics

### Malaysia: Singapore, Malaysia ink deal creating new vast economic zone

The leaders of Malaysia and Singapore formalised an agreement establishing a special economic zone linking their two nations' border region, with the aim of attracting 50 projects in the first five years of its establishment. Malaysia Prime Minister Datuk Seri Anwar Ibrahim and Singapore Prime Minister Lawrence Wong officiated a ceremony on Tuesday for the economic zone in Malaysia's southern state of Johor — which shares one of the world's busiest border crossings with Singapore. The signing was postponed to January after Wong contracted Covid. "It's an important project which was built on the complementary structure of Singapore and Johor so that we can both be more competitive, enhance our value proposition and jointly attract more investments to our shores," Wong said in Putrajaya, Malaysia's administrative capital. The two countries pledged to promote and facilitate 100 projects within the first 10 years. They're counting on incentives including special corporate and income tax rates to lure in new investment. (*The Edge*)

### Malaysia: Imposes provisional anti-dumping duties on synthetic fibre imports from China, Indonesia

The Malaysian government is imposing provisional anti-dumping duties ranging from 6.33% to 37.44% on imports of polyethylene terephthalate (PET), a type of synthetic fibre, originating from China and Indonesia. The move comes as part of a preliminary determination following a petition filed by Recron (M) Sdn Bhd, a domestic producer, alleging that PET imports from China and Indonesia were being sold at prices below their domestic market value, causing significant harm to Malaysia's local industry. The Ministry of Investment, Trade, and Industry (Miti), which initiated an investigation in August 2024, said it found sufficient evidence to justify the latest measures. The provisional duties are effective from Tuesday, Jan 7, and will remain in place for up to 120 days, pending the final determination scheduled to be announced by May 6, 2025. (*The Edge*)

### EU: Slight inflation pickup backs cautious ECB cutting

French inflation accelerated in December, supporting the European Central Bank's (ECB) plan to only lower interest rates gradually. Consumer prices in the euro area's second-largest economy were up 1.8% from a year ago in December — faster than November's 1.7%, statistics agency Insee said. Still, economists in a Bloomberg survey had estimated a quicker increase of 1.9%. France's data follow hotter readings in both Germany and Spain and come before a euro-area release later on Tuesday that's likely to show an uptick to 2.4% from 2.2%. A separate report from the ECB showed that inflation expectations of consumers in the euro area increased in November. (*Bloomberg*)

### UK: Highest debt costs since 1998 risk more Labour tax hikes

The UK's long-term borrowing costs surged to the highest level in more than a quarter of a century, raising the prospect of Chancellor of the Exchequer Rachel Reeves needing to raise taxes again in order to meet her fiscal rules. The yield on 30-year gilts climbed four basis points to 5.22% on Tuesday after the first of a string of bond sales due over the coming weeks. The yield was last higher in 1998 when Tony Blair was prime minister and the Bank of England (BOE) was slashing interest rates from a six-year peak to contain the global fallout from the Asian currency crisis and Russian debt default. Today's Labour government is ramping up borrowing in an effort to improve Britain's public services and boost investment in large infrastructure projects. Reeves has also committed to maintain fiscal discipline but was given just £9.9bn (RM55.3bn) of headroom despite lifting taxes by more than £40bn in her Oct 30 budget. (*Bloomberg*)

**China: Details steps to form unified market free of local hurdles**

China is pressing local officials to deliver on plans to build a unified national market, issuing guidelines for improving competition and dismantling barriers to access as Beijing looks to expand domestic demand. The document, published on Tuesday by the National Development Reform and Commission — China's top economic planner — aims to provide a "working direction and basic reference" for local governments to implement the initiative that's been in the works for years. The push aims to remove policies that hinder fair competition and worsen overcapacity. The effort has gained new urgency as China looks to rev up consumption to offset the impact of rising trade tensions weeks before Donald Trump takes office. *(Reuters)*

**Indonesia: Joins BRICS to help boost global South on world stage**

Indonesia has become the newest member of the BRICS group of developing nations, in a move that could further bolster the Global South as Donald Trump's trade policies pose risks to the world economy. Brazil, the president of the bloc this year, announced the formal entry of Indonesia into BRICS as a full member on Monday (Jan 6), according to a statement by its Ministry of Foreign Affairs. BRICS countries unanimously approved Indonesia's entry into the group, it said. "BRICS is an important platform for Indonesia to strengthen South-South cooperation, ensuring that the voices and aspirations of Global South countries are heard and represented in global decision-making processes," Indonesia's Ministry of Foreign Affairs said in a separate statement on Tuesday. "We are fully dedicated to working with all BRICS members, or with other parties, to realise the creation of a just, peaceful and prosperous world." *(Reuters)*

## Companies

### **MAHB: Gateway Development Alliance ups MAHB stake after KWAP disposes of 7.15% block**

Kumpulan Wang Persaraan (Diperbadankan), or KWAP, and its affiliates have disposed of 119.25m shares, or a 7.15% stake in Malaysia Airport Holding Bhd (MAHB), pursuant to the takeover offer by Gateway Development Alliance Sdn Bhd (GDA). According to MAHB's filing with Bursa Malaysia, the shares were disposed of on Jan 6, at RM11 apiece. GDA — comprising the Employees Provident Fund (EPF), Khazanah Nasional Bhd, the Abu Dhabi Investment Authority (ADIA), and Blackrock Inc-backed Global Infrastructure Partners (GIP) — has already held 70.1% in MAHB as at 5pm on Jan 6. With the KWAP's disposal, this could mean GDA has effectively held more than 77% of the total issued shares in MAHB. *(The Edge)*

### **Petronas: EA Technique to get payoff from Petronas to settle vessel lease dispute**

EA Technique (M) Bhd said on Tuesday that it will get an undisclosed payoff as part of an amicable settlement with national oil-and-gas company Petronas over the lease of a floating storage unit vessel. Vestigo Petroleum Sdn Bhd, owned by Petronas, will pay off to settle a dispute over the lease of the FSU Nautica Muar vessel in April 2017. Details of the settlement were not provided, though the payoff is expected to enhance the company's cash flow and liquidity position, EA Technique said in an exchange filing. Vestigo and EA Technique "have both demonstrated shared commitment through this resolution and remain dedicated to fostering strong, collaborative relationships," EA Technique executive director Datuk Mubarak Hussain Akhtar Husin said in a statement. The resolution allows EA Technique to focus on its core business areas, including marine transportation, offshore storage, and port marine services, he noted. *(The Edge)*

### **FGV: Partners MPOB to help smallholders meet global sustainability standards**

Agribusiness firm FGV Holdings Bhd has signed an agreement with the Malaysian Palm Oil Board (MPOB), to increase awareness and provide comprehensive support to independent smallholders in meeting global sustainability standards and regulations. The collaboration aims to assist smallholders in achieving compliance with the Malaysian Sustainable Palm Oil (MSPO) standards and the European Union Deforestation Regulation (EUDR) requirements, according to both parties during the signing ceremony here on Tuesday. These efforts are expected to enhance the competitiveness of smallholders and facilitate their access to premium palm oil markets, both parties noted. As of November 2024, data from MSPO indicates that the number of independent smallholders that MSPO certified stood at 80% and 87% for estate smallholders. *(The Edge)*

### **Infomina: Gets RM22.35m contract to maintain enforcement camera system**

Infomina Bhd has secured a three-year, RM22.35m contract from the Road Transport Department to maintain and support the Automated Awareness Safety System (Awas), including infrastructure, disaster recovery, and integration services. The contract, running from February 2025 to January 2028, will also involve exploring advanced technologies like 5G and AI to enhance enforcement capabilities. *(The Edge)*

### **Swift Haulage: To expand into cold chain logistics in JV deal**

Swift Haulage Bhd has announced plans to expand into cold chain logistics to diversify its revenue streams through a joint venture (JV) investment. The company signed a JV agreement with its major shareholder, Singapore-based JWD Asia Holding Pte Ltd (JAH), to establish Swift Cold Chain Sdn Bhd, which will operate and manage a temperature-controlled warehouse and transport business. Under the agreement, Swift Haulage will hold 7.34 million shares or a 51% stake in the JV, amounting to an investment of RM7.34m, while JAH will own the remaining 49% stake, equivalent to 7.06m shares, with an RM7.06m investment. JAH currently owns a 20.48% direct stake in Swift Haulage, according to the company's Bursa Malaysia filing on Tuesday. *(The Edge)*

**UUE: Bags RM37m contracts for underground cable installation and commissioning works**

UUE Holdings Bhd, via its wholly owned subsidiary Kum Fatt Engineering Sdn Bhd, has secured contract extensions and renewals worth a total of about RM36.5m from Komasi Engineering Sdn Bhd. The contracts cover underground cable installation and commissioning works within Tenaga Nasional Bhd's distribution network. The first contract is a nine-month extension — valued at over RM22m — for the installation, testing, and commissioning of 33kV underground cables and accessories for asset development in Terengganu and Kelantan. The extension is valid until Oct 8. The second contract is an 11-month renewal — worth RM14.5m — for similar works involving 11kV underground cables and accessories for asset development in Johor. This renewal is valid until Dec 5. Both contracts were secured by UUE in 2022, prior to its listing on Bursa Malaysia's ACE Market in July 2024 (*The Edge*)

**ITMAX: Gets RM11.8m video-surveillance contract in Penang**

ITMAX System Bhd has secured an RM11.8m contract from the Penang Island City Council to upgrade and maintain select CCTV cameras in its video surveillance network. The contract, running from January 2025 to September 2030, includes integrating ITMAX's AI-driven traffic features to enhance system efficiency. This follows an earlier contract with the council for deploying cameras and upgrading its surveillance system and command center infrastructure. (*The Edge*)

**Nestcon: Wins RM25m earthworks contract for Senai Airport City project**

Nestcon Bhd's subsidiary, Nestcon Infra Sdn Bhd, has secured an RM25.01m contract for earthworks and erosion control in Johor's Senai Airport City as part of its industrial development expansion. The project, starting on January 13, 2025, and completing by July 12, 2026, aims to prepare industrial plots with necessary infrastructure, including a 12-month defect liability period. (*The Edge*)



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.57	0.17	11.02
MBM Resources	Consumer	6.35	0.53	8.27
British American Tobacco (M)	Consumer	7.39	0.60	8.06
Amway (M)	Consumer	6.83	0.53	7.72
Sentral REIT	REIT	0.80	0.06	7.67
KIP REIT	REIT	0.88	0.07	7.66
Ta Ann Holdings	Plantation	4.15	0.30	7.25
Paramount Corporation	Property	1.06	0.08	7.08
YTL Hospital REIT	REIT	1.18	0.08	7.03
Datasonic Group	Technology	0.42	0.03	6.99
Genting Malaysia	Consumer	2.26	0.16	6.95
CapitaLand Malaysia Trust	REIT	0.67	0.05	6.72
Sports Toto	Consumer	1.52	0.10	6.58
UOA REITS	REIT	0.95	0.06	6.42
RHB Bank	Finance	6.43	0.40	6.30

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
Oriental Kopi Holdings Bhd	ACE Market	0.44	418.1	-	10 Jan	23 Jan
Northern Solar Holdings Bhd	ACE Market	0.63	67.3	35.6	20 Jan	06 Feb



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