



Daily Newswatch

Market Review

The FBM KLCI continued to ease to 1,573.7 (-0.2%) last Friday, extending its decline as profit-taking activities continued to outweigh bargain-hunting efforts. Sharp losses in YTL (-10.9%), YTLPOWR (-10.9%), and GAMUDA (-2.3%) weighed down heavily on the benchmark. Sector-wise, Utilities (-2.7%) led the declines amid heavy selloffs in YTL stocks, followed by Construction (-2.0%) and Property (-1.0%). The broader market remained subdued, with 654 decliners exceeding 314 gainers, as cautious sentiment kept investors on the sidelines.

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<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,573.7	(0.2)	(4.2)
Dow Jones	44,424.3	(0.3)	4.4
Nasdaq CI	19,954.3	(0.5)	3.3
S&P 500	6,101.2	(0.3)	3.7
FTSE 100	8,502.4	(0.7)	4.0
Nikkei 225	39,932.0	(0.1)	0.1
Shanghai CI	3,252.6	0.7	(3.0)
HSI	20,066.2	1.9	0.0
STI	3,804.3	(0.1)	0.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,005.9	(7.1)
Value traded (RM m)	3,059.2	11.3
Gainers	314	
Losers	654	
Unchanged	491	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
KOPI	0.850	(2.9)	93.1
YTLPOWR	2.120	(10.9)	88.6
GAMUDA	4.190	(2.3)	79.3
YTLPOWR	3.610	(10.9)	75.3
EAH	0.005	(50.0)	64.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
AIRPORT	10.940	0.0	376.3
GAMUDA	4.190	(2.3)	329.4
YTLPOWR	3.610	(10.9)	280.8
YTL	2.120	(10.9)	192.6
CIMB	8.010	0.5	122.6

Currencies	Last Close	% Chg
USD/MYR	4.3775	1.5
USD/JPY	156	0.0
EUR/USD	1.0497	0.8
USD/CNY	7.2411	0.6
US Dollar Index	107.44	(0.6)

Commodities	Last Close	% Chg
Brent (USD/barrel)	78.5	0.3
Gold (USD/troy oz)	2,771	0.6
CPO (MYR/metric t)	4,488	0.4
Bitcoin (USD/BTC)	104,931	(0.1)

Economics

Malaysia: Moody's affirmation reflects gov't's consistent efforts to sustain economic growth

Moody's Ratings has reaffirmed Malaysia's sovereign credit rating at "A3" with a "stable" outlook while declaring that Malaysia's medium-term growth prospects remain buoyant. This reflects the consistent efforts undertaken by the government to sustain economic growth, as well as staying the course in its fiscal reforms despite the uncertainties reshaping the global economy and geopolitical fragmentation, the Finance Ministry (MOF) said in a statement on Saturday. Prime Minister and Finance Minister Datuk Seri Anwar Ibrahim said Moody's affirmation recognises the Madani government's relentless efforts to drive structural change, guided by clear policy directions and an unwavering commitment to high governance standards. *(The Edge)*

US: Trump's week one ends with a heap of climate rollbacks

President Donald Trump wasted no time in laying the groundwork for a sweeping anti-climate agenda, signing a series of executive orders just hours after being sworn into office that seek to unravel former president Joe Biden's policies and double down on fossil fuel extraction. That was just the beginning. The rest of the week brought even more executive orders, the deletion of White House climate webpages, postponing climate-related seminars, vows to shrink or dismantle the Federal Emergency Management Agency and more. Many of these efforts were signalled ahead of time and have repeated steps Trump took the first time he was in office, though on a more accelerated timeline. "It is all happening very fast," says Michael Burger, executive director of Columbia University's Sabin Center for Climate Change Law. *(Bloomberg)*

EU: Eurozone's private sector unexpectedly returns to growth

The euro area's private sector grew in January after two months of contraction, surprising analysts as the embattled manufacturing sector showed small signs of improvement. S&P Global's composite purchasing managers' index (PMI) rose to a five-month high of 50.2 from 49.6 the previous month, edging back above the 50 level that separates expanding from shrinking output. Analysts had estimated a reading of 49.7. The result reflects a slightly stronger showing for manufacturers, though at 46.1 they remain deep in contraction territory. The services industry continues to be the bright spot, with its gauge broadly stable at 51.4. *(Bloomberg)*

UK: UK jobs cut at pace seen after financial crisis, PMI shows

Stagflation fears stalked Britain at the start of 2025 with a closely watched survey showing jobs being slashed at a pace seen in the aftermath of the financial crisis. S&P Global said its composite purchasing manager index (PMI) edged up to 50.9 in January from 50.4 in December. It was slightly better than economists' expectations, yet remained only narrowly above the 50-threshold separating growth and contraction. S&P said the rate of job-cutting in January and December was the fastest since 2009, barring the pandemic. Firms cut headcount for a fourth straight month. The warning comes days after J Sainsbury plc, the country's second-largest grocer, announced 3,000 roles would go — including a 20% reduction in senior management — and that of all its remaining in-store cafes will close. *(Bloomberg)*

Japan: BOJ raises interest rates to highest in 17 years, yen jumps

The Bank of Japan raised interest rates on Friday to their highest since the 2008 global financial crisis and revised up its inflation forecasts, underscoring its confidence that rising wages will keep inflation stable around its 2% target. The decision marks its first-rate hike since July last year and comes days after the inauguration of US President Donald Trump, who is likely to keep global policymakers vigilant ahead of potential repercussions from threatened higher tariffs. BOJ governor Kazuo Ueda told a news conference that the weak yen continued to put upward pressure on import prices, while wage hikes were becoming more embedded and broad-based among companies. *(Reuters)*

China: Misses fiscal spending target on effects of housing slump

China's government failed to meet its spending target for last year, as the housing market slump left local governments strapped for cash and unable to meet funding commitments. Total augmented spending was 38.6tn yuan (US\$5.3tn or RM23.4tn) for 2024, according to a statement from the Ministry of Finance on Friday. That's 5% less than what was budgeted in March. Increased public spending is key to China's economic recovery since private investment and consumption demand remain sluggish. But local authorities are struggling to keep up due to plunging land sale revenue and tighter borrowing rules imposed by Beijing to rein in debt risks. *(Reuters)*

India: Maharashtra gets US\$200bn investment vows at Davos

The home state of India's financial capital signed investment pledges worth US\$200bn (RM875.49bn) at Davos, with a majority coming from foreign investors, said Maharashtra's chief minister on Thursday. "My pitch to investors is that there is very good investment climate" in the state, Devendra Fadnavis told Bloomberg News's Menaka Doshi in an interview. "We have got huge investments from diverse sectors," the minister said, adding that companies like Amazon.com Inc and Microsoft Corp are keen to build data centres in the state. In a series of posts on X, Fadnavis announced pledges signed with Blackstone Inc, Reliance Industries Ltd, Jindal Steel Works Ltd and Brookfield Corp. States often make investment vows at high-profile summits but only a handful get converted into functioning projects. *(Reuters)*

Companies

MAHB: Acceptance of Khazanah-led consortium's offer reaches 92.82%

A consortium led by Khazanah Nasional Bhd has received valid acceptances of 1.548bn shares or 92.82% of the total number of issued shares in Malaysia Airports Holdings Bhd on its conditional voluntary offer for shares of the airport operator, better known as MAHB. The latest acceptance level was at 5pm on Jan 24, MAHB told Bursa Malaysia in a filing on Friday. Notably, the current acceptance level is now higher than the revised acceptance conditions of at least 85% made by the Khazanah-led consortium on Monday (Jan 20). At that time, the consortium had only secured acceptance of 86.51%, below the rate of 90% required for the offer to become valid, following several extensions. *(The Edge)*

Gamuda: Gamuda-Ferrovial JV lands early role in Australian hydroelectric storage project

A joint venture between Gamuda Bhd and Ferrovial (GFJV) has inked an early contractor involvement (ECI) agreement with Capricornia Energy Hub (CEH) for a hydroelectric storage project in Queensland, Australia. CEH is backed by Copenhagen Infrastructure Partners, one of the world's largest clean energy investors. Under the five-month ECI deal, whose contract value was not disclosed, Gamuda said in a statement that its JV will develop an engineering, procurement and construction framework for delivering the project, named Capricornia Pumped Hydroelectric Storage. Located about 80km west of Mackay, the project is poised to play a pivotal role in bolstering Queensland's renewable energy ambitions, Gamuda said, and will supply affordable and reliable power to about 900,000 homes in the state. The project's energy storage system will feature a 750-megawatt pump and generation facility capable of continuously delivering power for 16 hours. *(The Edge)*

MRCB: Forms JV with Melaka Corp for RM520m hospital project

Malaysian Resources Corp Bhd is partnering with Melaka Corp to develop a hospital on a parcel of land in Melaka Tengah, that will have an estimated gross development cost of RM520m. MRCB said its wholly-owned unit MRCB Land Sdn Bhd has entered into a joint venture (JV) and shareholders' agreement with Melaka Corp's subsidiary PM Multilink Sdn Bhd to form a JV company to undertake the project, according to the property and infrastructure group's bourse filing on Friday. MRCB Land and PM Multilink's JV company — Majestic Quest Sdn Bhd — will be formed on a 70:30 basis. The project, which is located in the Bukit Baru district in Melaka, will later be leased to Putra Specialist Hospital (Melaka) Sdn Bhd. *(The Edge)*

Scientex: Buys Melaka land from Genting Plantations for RM333m cash

Packaging manufacturer and developer Scientex Bhd on Friday said it is acquiring 528.49 acres of land in Paya Rumput, Melaka for RM333.8m cash (RM14.50 per sq ft) from Genting Plantations Bhd. Scientex said the acquisition will boost its existing landbank, which aligns with the company's goal to build more affordable homes, according to its filing. The group is targeting to complete 50,000 affordable homes nationwide by 2028. "The land is expected to provide a steady and sustainable property development model as Scientex continues to focus on affordably priced landed properties where demand continues to remain firm and resilient," it said. *(The Edge)*

TMC Life Science: Issues profit warning due to contract issues

TMC Life Sciences Bhd warned on Friday that it expects to report a loss for the second quarter ended Dec 31, 2024 (2QFY2025), compared to the net profit recorded in the same period last year. The company attributed the anticipated loss primarily to "termination and discount of customer contracts", according to its profit guidance statement filed with Bursa Malaysia, following a preliminary review of its unaudited results for 2QFY2025. In light of this, TMC Life Sciences advised shareholders and potential investors to exercise caution when trading in the company's shares. "The group is currently finalising its unaudited consolidated financial results for the financial period ended Dec 31, 2024, and will provide further details of its performance when the financial results are released to Bursa Malaysia Securities in February 2025," it said. *(The Edge)*

Axis REIT: In hot pursuit of industrial deals

After spending RM719.4m to acquire eight new assets in 2024, Axis Real Estate Investment Trust (Axis REIT) said it will continue to aggressively source potential acquisition targets, particularly industrial properties. Axis REIT Managers Bhd chief executive officer and executive director Leong Kit May shared that the REIT is currently in closed talks with potential acquisition targets valued at RM300m with heavy inclination towards industrial. Those deals are likely to be finalised in the next two months. "Currently, whatever that we talk with, [are] that we see that it's likely going to happen in [the next] two months," Leong said during the investor briefing on Friday. (*The Edge*)

AmanahRaya: Pursues new asset buy as its RM42.5m Cyberjaya property sale falls through

AmanahRaya Real Estate Investment Trust (AmanahRaya REIT) has terminated its plan to sell the Contraves building in Cyberjaya due to a failed condition precedent but is simultaneously pursuing the acquisition of a sustainable asset to boost its distribution per unit (DPU). The purchaser, 4X Software Sdn Bhd, was unable to fulfill the stipulated condition precedent within the agreed timeline, which ended on Dec 26, 2024, according to AmanahRaya Kenedix REIT Manager Sdn Bhd, the REIT's manager. While it did not stipulate what the condition was, the REIT had previously said the sale of the property, for RM42.5m cash, had to obtain the approval of the Economic Planning Unit. (*The Edge*)

Taghill: Clinches RM152m mixed-development project in Pahang

Taghill Holdings Bhd formerly known as Siab Holdings Bhd, has secured a RM152m construction job in Kuantan, Pahang. Its wholly-owned subsidiary, Taghill Projects Sdn Bhd (TPSB), accepted the letter of award (LOA) from Kuantan Waterfront Resort City Sdn Bhd (KWR) for the proposed development of a commercial strata scheme. The project includes four business blocks, one serviced apartment block, and a six-level podium parking structure with residential facilities. The construction is expected to span 28 months, commencing on Feb 4, 2025, and targeting completion by June 3, 2027, subject to any extensions allowed under the contract, according to the company's filing with Bursa Malaysia. (*The Edge*)

SCIB: Developer disagrees over repayment conditions

Sarawak Consolidated Industries Bhd on Friday said that the project developer for the now-scrapped civil servants housing project in Perak has disagreed with the repayment terms, and denied the outstanding debt it owed to the Main Market-listed company. On Jan 13, SCIB announced that the RM162m contract awarded to its wholly owned unit, SCIB Properties Sdn Bhd (SCIBP), from Awana JV Suria Saga Sdn Bhd in July 2024 as part of a debt settlement collapsed after Awana failed to fulfil a key condition precedent within the stipulated time frame. The industrialised building systems (IBS) specialist said that it has received a letter from Awana disputing the repayment terms outlined in their previous settlement agreement in 2023 (SA 2023), according to the filing. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.39	0.17	12.09
MBM Resources	Consumer	5.88	0.52	8.93
British American Tobacco (M)	Consumer	7.19	0.60	8.29
Amway (M)	Consumer	6.83	0.53	7.72
Sentral REIT	REIT	0.81	0.06	7.70
KIP REIT	REIT	0.88	0.07	7.61
Datasonic Group	Technology	0.40	0.03	7.50
Ta Ann Holdings	Plantation	4.10	0.30	7.34
Genting Malaysia	Consumer	2.19	0.16	7.17
YTL Hospital REIT	REIT	1.19	0.08	6.97
CapitaLand Malaysia Trust	REIT	0.69	0.05	6.96
Paramount Corporation	Property	1.08	0.07	6.48
Hektar REITS	REIT	0.54	0.03	6.48
RHB Bank	Finance	6.38	0.40	6.32
REXIT	Technology	0.80	0.05	6.29

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		
Northern Solar Holdings Bhd	ACE Market	0.63	67.3	35.6	20 Jan	06 Feb
Colform Group Bhd	ACE Market	0.36	114.4	54.0	23 Jan	10 Feb
Richtech Digital Bhd	ACE Market	0.25	54.7	-	31 Jan	17 Feb
Techstore Berhad	Ace Market	0.20	125.0	25.0	04 Feb	18 Feb

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