



Daily Newswatch

Market Review

The FBM KLCI climbed to 1,556.9 (+0.3%), rebounding from early losses to close the holiday-shortened trading week on a positive note, albeit in thin trading. Gains in SIME (+3.7%), PPB (+2.4%), and PETDAG (+2.0%) underscored renewed investor buying interest, helping to lift the benchmark. Sector-wise, Utilities led the advances with a +1.3% gain, followed by Construction (+0.9%) and Property (+0.9%). The broader market breadth stayed positive with 508 gainers outpacing 319 decliners.

Economics

- Malaysia:** Pahang inks six MOUs with Australian agricultural industry players
- US:** Trump launches trade war with tariffs on Mexico, Canada and China
- US:** Trump vows tariffs, hit on Saturday with more in coming months
- US:** Inflation rises in December; consumer spending accelerates
- China:** Denounces Trump tariff: 'Fentanyl is America's problem'
- EU:** French inflation unexpectedly steady, stoking ECB cut bets
- Canada:** Economy picks up in final quarter with 1.8% growth

Companies

- Malakoff:** Completes acquisition of ZEC Solar, TJZ Suria
- Focus Point:** Lembaga Tabung Haji emerges as substantial shareholder of Focus Point
- Compugates:** To jointly develop Cyberjaya land into RM1.36bn GDV project
- DXN:** Scraps plans to develop medicine facility and wellness centre
- Cypark Resources:** Floating solar farm achieves commercial operations for remaining 30MW
- Citaglobal:** To buy 1.6-acre land in KL for RM73m
- Awantec:** Selling Cyberjaya office building for RM25m
- Lebtech:** Wins RM21m contract to build terraced houses in Shah Alam

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,556.9	0.3	(5.2)
Dow Jones	44,544.7	(0.8)	4.7
Nasdaq CI	19,627.4	(0.3)	1.6
S&P 500	6,040.5	(0.5)	2.7
FTSE 100	8,674.0	0.3	6.1
Nikkei 225	39,572.5	0.1	(0.8)
Shanghai CI	3,250.6	(0.1)	(3.0)
HSI	20,225.1	0.1	0.8
STI	3,855.8	1.4	1.8

Market Activities	Last Close	% Chg
Vol traded (m shares)	1,472.8	(32.7)
Value traded (RM m)	1,921.3	(4.2)
Gainers	508	
Losers	319	
Unchanged	445	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
YTL	1.910	0.5	45.8
YTLPOWR	3.130	0.6	44.6
GAMUDA	4.040	0.2	36.9
VELESTO	0.190	2.7	30.6
NATGATE	1.790	0.0	29.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.020	1.0	165.2
GAMUDA	4.040	0.2	148.0
YTLPOWR	3.130	0.6	139.9
TENAGA	13.600	0.0	97.8
YTL	1.910	0.5	89.0

Currencies	Last Close	% Chg
USD/MYR	4.4575	(1.4)
USD/JPY	155.19	(0.6)
EUR/USD	1.0362	(0.3)
USD/CNY	7.2446	(0.0)
US Dollar Index	108.37	0.5

Commodities	Last Close	% Chg
Brent (USD/barrel)	75.7	(0.3)
Gold (USD/troy oz)	2,798	0.1
CPO (MYR/metric t)	4,552	0.4
Bitcoin (USD/BTC)	100,317	(0.9)

Upcoming key economic data releases

Date

US – Jan 2024 Manufacturing PMI	Feb 03
US – Jan 2024 NFP, Unemployment Rate	Feb 07
Malaysia – Dec 2024 Unemployment Rate	Feb 10
US – Jan 2025 CPI	Feb 12
US – Jan 2025 PPI	Feb 13
Malaysia – GDP Growth Rate	Feb 14
US – Jan 2025 FOMC	Feb 20
Malaysia – Jan 2024 Inflation Rate	Feb 21

Economics

Malaysia: Pahang inks six MOUs with Australian agricultural industry players

The Pahang government has signed six memorandums of understanding (MOUs) with Australian agricultural industry players, to strengthen its position as a key sector leader in Malaysia and enhance national food security. Pahang Menteri Besar Datuk Seri Wan Rosdy Wan Ismail said the MOUs were finalised during the state's agriculture, livestock and fisheries sector technical benchmarking visit to Australia, which began on Jan 28 and runs until Feb 4. He said the agreements include collaborations between AGK Dairy Fresh Sdn Bhd and Austrex Co for the development of the wagyu beef industry in Pahang, while the Pahang Agricultural Development Board and ZML Agritrade Pty Ltd will work together on high-quality goat and sheep farming projects. "The MOUs also cover a partnership between Rangkaian Delima Sdn Bhd and JBS Australia ty Ltd in the import, distribution and development of halal meat-based products. (*The Edge*)

US: Trump launches trade war with tariffs on Mexico, Canada and China

US President Donald Trump on Saturday ordered sweeping tariffs on goods from Mexico, Canada and China, demanding they stanch the flow of fentanyl — and illegal immigrants in the case of Canada and Mexico — into the United States, kicking off a trade war that could dent global growth and reignite inflation. Mexico and Canada, the top two US trading partners, immediately vowed retaliatory tariffs, while China said it would challenge Trump's move at the World Trade Organization and take other "countermeasures". In three executive orders, Trump imposed 25% tariffs on Mexican and most Canadian imports and 10% on goods from China, starting on Tuesday. He vowed to keep the duties in place until what he described as a national emergency over fentanyl, a deadly opioid, and illegal immigration to the US ends. The White House provided no other parameters for determining what might satisfy Trump's demands. (*Bloomberg*)

US: Trump vows more tariffs to hit in coming months

US President Donald Trump said he would impose tariffs on a wide range of imports, including oil and metals, in the coming months, expanding his plans to enact sweeping trade levies well beyond those set to hit China, Canada and Mexico on Saturday. "We will be doing pharmaceuticals and drugs, medicines, etc, all forms of medicine and pharmaceuticals. And we will be doing very importantly steel, and we will also be doing chips and things associated with chips," Trump said on Friday from the Oval Office, where he was signing an executive order on deregulation. "We are going to put tariffs on chips. We are going to put tariffs on oil and gas. That will happen very soon, I think about the 18th of February. And we are going to put a lot of tariffs on steel," he added. Trump said there was nothing Canada, Mexico or China could do to forestall the more immediate levies, a response to what he says is a failure by those nations to prevent the flow of undocumented migrants and illegal drugs, like fentanyl, across US borders. And Trump told reporters that the US would "be doing something very substantial" with tariffs targeting the European Union (EU). (*Bloomberg*)

US: Inflation rises in December; consumer spending accelerates

US prices increased in December while consumer spending surged, suggesting that the Federal Reserve (Fed) could delay cutting interest rates for some time this year. The personal consumption expenditures (PCE) price index rose 0.3% last month after an unrevised 0.1% gain in November, the Commerce Department's Bureau of Economic Analysis said on Friday. Economists polled by Reuters had forecast the PCE price index climbing 0.3%. In the 12 months through December, the PCE price index advanced 2.6% after rising 2.4% in November. The data was included in the advance gross domestic product report for the fourth quarter published on Thursday, which showed price pressures picking up in the final three months of the year against the backdrop of robust consumer spending. (*Bloomberg*)

China: Denounces Trump tariff: 'Fentanyl is America's problem'

China's government on Sunday denounced the Trump administration's imposition of a long-threatened 10% tariff on Chinese imports, while leaving the door open for talks with the US that could avoid a deepening conflict. Beijing will challenge President Donald Trump's tariff at the World Trade Organization (WTO) and take unspecified "countermeasures" in response to the levy, which takes effect on Tuesday, the finance and commerce ministries said. The response stopped short of the immediate escalation that had marked China's trade showdown with Trump in his first term as president, and repeated the more measured language Beijing has used in recent weeks. *(Reuters)*

EU: French inflation unexpectedly steady, stoking ECB cut bets

French inflation unexpectedly held steady at the start of the year, remaining below the European Central Bank's (ECB) 2% target and validating policymakers' plans to gradually cut interest rates. Consumer prices in the euro area's second-largest economy rose 1.8% from a year ago in January, matching December's reading, statistics agency Insee said. Analysts in a Bloomberg survey had estimated a 1.9% advance. The data come less than a day after the ECB lowered its deposit rate by a quarter-point for a fourth straight meeting, reiterating that it considers the continent's disinflation process to be "well on track", despite lingering pressures in the services industry. Money markets added to wagers on monetary loosening, fully pricing three more quarter-point reductions this year — up from 72 basis points on Thursday. *(Reuters)*

Canada: Economy picks up in final quarter with 1.8% growth

The Canadian economy gained strength at the end of last year, fuelled by a rapid series of interest-rate cuts, as the northern nation braces for the Trump administration's threatened 25% tariffs. Advance data suggested gross domestic product (GDP) grew 0.2% in December, Statistics Canada said on Friday. That's a reversal from a 0.2% decline in November, the largest monthly contraction since December 2023 and weaker than a median estimate of a 0.1% drop from economists in a Bloomberg survey. Taken together with a 0.3% increase in October, industry-based figures point to fourth-quarter output rising at a 1.8% annualised pace, ending 2024 with 1.4% growth for the full year — somewhat in line with expectations. *(Reuters)*

Companies

Malakoff: Completes acquisition of ZEC Solar, TJZ Suria

Malakoff Corporation Bhd has completed its acquisition of ZEC Solar Sdn Bhd and TJZ Suria Sdn Bhd. In a statement on Friday, the group said it had fulfilled all conditions precedent under the share sale and purchase agreement for the acquisition of 22.39m shares, representing a 51% equity interest in ZEC Solar, and 49,000 ordinary shares, representing a 49% equity stake in TJZ Suria. "The acquisition is expected to immediately increase the group's effective capacity to 159 megawatts (MW) in the renewable energy (RE) sector, and optimise operational costs through resource synergies, resulting in economies of scale," it said. *(The Edge)*

Focus Point: Lembaga Tabung Haji emerges as substantial shareholder

Lembaga Tabung Haji has emerged as a substantial shareholder of optical retail chain operator Focus Point Holdings Bhd. The pilgrimage fund crossed the substantial shareholder threshold following the purchase of 250,000 shares on Tuesday, according to Focus Point's bourse filing on Friday. The company's total stake in Focus Point now stands at 5.02% or 23.18m shares. Besides Tabung Haji, Focus Point's other substantial shareholders include Focus Point president and CEO Datuk Liaw Choon Liang with a 51% stake and Perbadanan Nasional Bhd with 8.4%. *(The Edge)*

Compugates: To jointly develop Cyberjaya land into RM1.4bn GDV project

Compugates Holdings Bhd said it has teamed up with a property developer to undertake a mixed-use development on a 14.5-hectare land in Cyberjaya with an estimated gross development value (GDV) of RM1.4bn. The land, owned by Compugates' 70%-owned subsidiary Compugates Development and Mining Sdn Bhd (CDMSB), has a market value of RM134.6m, while its audited net book value stood at RM95.6m as of December 2023, said Compugates. Through CDMSB, Compugates will be entitled to a minimum landowner's entitlement of RM234m, representing a 73.9% premium over the market value of the land. The proceeds will be used to fund Compugates group's future expansion plans and working capital requirements, according to Compugates' bourse filing. The group expects to record a pro forma net gain of RM83.3m upon completion of the proposed joint venture (JV), which is set to be completed over a 13-year period. *(The Edge)*

DXN: Scraps plans to develop medicine facility and wellness centre

DXN Holdings Bhd said it is terminating its plan to develop a medicine facility and a wellness centre due to a lack of progress and failure to achieve the expected benefits. The group had signed a memorandum of agreement with Persatuan Holistik dan Herba Malaysia (MMHO) in September 2023 for the establishment of the medicine facility, and a memorandum of understanding with European Wellness Centres Inc in October 2023 for the development of the wellness centre. In a filing with Bursa Malaysia on Friday, DXN said it has issued a 30-day notice of termination to both MMHO and EW. *(The Edge)*

Cypark Resources: Floating solar farm achieves commercial operations for remaining 30MW

Cypark Resources Bhd said its remaining 30MW floating solar plant at Danau Tok Uban (DTU), Kelantan, achieved commercial operation date (COD) on Friday, marking the successful completion of all outstanding projects. The plant, dubbed DTU1, is one of two 30MW solar installations at DTU. Its sister DTU2, with a 30MW capacity, achieved COD back on Jan 7. The project is Malaysia's largest floating solar installation, according to Cypark. "The combined 60MW floating solar facility is now fully operational and supplying clean energy to the national grid, reinforcing Cypark's commitment to driving Malaysia's renewable energy transition," Cypark said in a statement on Friday. "Subsequent to the company's strategic review launched 12 months ago, this milestone marks the successful completion of all outstanding projects under Cypark's reconstituted board and new senior management," it added. *(The Edge)*

Citaglobal: To buy 1.6-acre land in KL for RM73m

Citaglobal Bhd signed a deal on Friday to buy a 1.58-acre land at Jalan Tun Razak from Bank Islam Malaysia Bhd, for RM73m. The energy and construction outfit said it sees the purchase as a strategic opportunity for long-term value creation and growth, citing the increasing scarcity of sizeable and well-positioned commercial land in the city. “The land’s strategic location, high visibility, and excellent accessibility — fronting the main road of Jalan Tun Razak — along with its strong connectivity to public transport infrastructure, make it a highly desirable address in Kuala Lumpur,” it added in a bourse filing. Prominent landmarks in the vicinity include Prince Court Medical Centre, Hospital Kuala Lumpur, and the National Heart Institute, as well as the Double Tree by Hilton hotel. *(The Edge)*

Awantec: Selling Cyberjaya office building for RM25m

AwanBiru Technology Bhd is disposing of an eight-storey office and retail building in Cyberjaya to tenant Puncak Hartanah Intelek Sdn Bhd for RM25m. Awantec’s wholly owned unit Awantec Systems Sdn Bhd inked various sale and purchase agreements with Puncak Hartanah Intelek for the property sale, according to the cloud-based service provider’s bourse filing on Friday. Seven floors of the property, totalling 35,904 square feet, are rented to Commerce Dot Com Sdn Bhd while the remaining floor, encompassing 4,471 square feet, serves as an office for Awantec and its units. Commerce Dot Com wholly owns Puncak Hartanah Intelek, the property purchaser, according to Awantec. *(The Edge)*

Lebtech: Wins RM21m contract to build terraced houses in Shah Alam

Lebtech Bhd has secured a RM21m contract to develop 104 units of two-storey terraced houses in Seksyen U13, Shah Alam. In a bourse filing on Friday, the construction firm said its wholly owned subsidiary Lebtech Construction Sdn Bhd was awarded the contract by Brighton Land Sdn Bhd. The project commenced on Jan 28, and is expected to be completed within 18 months. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.28	0.17	13.13
MBM Resources	Consumer	5.70	0.52	9.21
British American Tobacco (M)	Consumer	7.17	0.60	8.31
Amway (M)	Consumer	6.75	0.53	7.81
Sentral REIT	REIT	0.81	0.06	7.70
Datasonic Group	Technology	0.40	0.03	7.59
KIP REIT	REIT	0.89	0.07	7.57
Ta Ann Holdings	Plantation	4.02	0.30	7.49
Genting Malaysia	Consumer	2.23	0.16	7.04
CapitaLand Malaysia Trust	REIT	0.69	0.05	7.01
YTL Hospital REIT	REIT	1.19	0.08	6.97
Hektar REITS	REIT	0.54	0.03	6.48
Paramount Corporation	Property	1.09	0.07	6.42
Sports Toto	Consumer	1.56	0.10	6.41
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 Bhd	ACE Market	0.20	125.0	25.0	04 Feb	18 Feb
ES Sunlogy Bhd	ACE Market	0.30	140.0	70.0	05 Feb	20 Feb

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