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Daily Newswatch

Market Review

The FBM KLCI fell -0.1% to close at 1,621.1 points on Thursday, amid sustained profit-taking, particularly across banking stocks. Across major sectors, REIT (-1.4%), Utilities (-0.9%) and Transportation & Logistics (-0.5%) were the worst performers. Among key constituents, Tenaga Nasional, Mr DIY Group and Public Bank led the losses, falling -2.7%, -1.3%, and -1.1%, respectively. Overall, market breadth turned slightly negative, with 530 losers outpacing 527 winners, while 563 counters remained unchanged.

Asian stocks ended mixed on Thursday, as investors balanced regional weakness against shifting global cues. Expectations of an earlier US rate cut, driven by softer labour and inflation signals, supported sentiment, but volatility in Japanese bond markets and the yen kept risk appetite in check. The Shanghai Composite fell -0.1% to 3,875.8, the Hang Seng rose +0.7% to 25,935.9, Taiwan's TAIEX increased +0.01% to 27,795.7, and the KOSPI dropped -0.2% to 4,028.5. In China, Consumer Staples (-0.9%), Real Estate (-0.7%), and Materials (-0.5%) were the worst-performing sectors, dragged by losses in Jiangsu GDK Biotechnology, HPGC Renmintongtai Pharmaceutical, and Tongqinglou Catering, which fell by -10.8%, 10%, and -10%, respectively. Meanwhile, in South Korea, Consumer Services (-1.9%), Energy Minerals (-1.8%), and Industrial Services (-1.3%) were among the worst-performing sectors, with Daesung Industrial, Century Co, and Samyang Biopharmaceuticals led the losses by -12.8%, -11.1%, and -9.5%, respectively.

European stocks closed higher on Thursday, with the STOXX 50 and STOXX 600 both up 0.5%, led by rebounds in banks and autos as Inditex rose 2.6%, Stellantis gained 3.6%, Mercedes Benz, BMW and Volkswagen added over 3% each, and Santander, BNP Paribas and BBVA climbed around 2%. Pharmaceutical names lagged, with Sanofi and Bayer down 1.3% and 2.6%, while expectations of a Fed rate cut next week, despite strong US jobless claims, provided additional support in afternoon trade.

Wall Street closed mixed on Thursday, with the S&P 500, Nasdaq 100 and Dow changing by +0.1%, +0.2%, and -0.1%, as traders looked ahead to next week's Fed meeting and digested mixed labour indicators that kept expectations firmly tilted toward a 25bp cut. ADP showed an unexpected 32,000 drop in private payrolls and Challenger reported 71,321 layoffs in November, reinforcing easing bets, though weekly initial claims improved to about 191,000. Treasury yields edged higher, with the 10-year near 4.10%, weighing on rate-sensitive tech and boosting small caps. Intel tumbled 7.5%, while Amazon, Apple and Alphabet slipped 1.4%, 1.2% and 0.7%. Meta jumped 3.4% on potential metaverse spending cuts, and strong results from Salesforce (+3.7%) and Dollar General (+14%) provided selective support ahead of Friday's PCE and the FOMC.

Macro Snapshots

- **US:** Weekly jobless claims drop to lowest level in more than three years
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- **DRBHCOM:** Revises purchase price for Spirit AeroSystems Malaysia
- **MULPHA:** Begins CEO search following retirement of Gregory Shaw
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Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,621.1	(0.1)	(1.3)
Dow Jones	47,850.9	(0.1)	12.5
Nasdaq CI	23,505.1	0.2	21.7
S&P 500	6,857.1	0.1	16.6
SX5E	5,718.1	0.4	16.8
FTSE 100	9,710.9	0.2	18.8
Nikkei 225	51,028.4	2.3	27.9
Shanghai CI	3,875.8	(0.1)	15.6
HSI	25,935.9	0.7	29.3
STI	4,535.1	(0.4)	19.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,479.5	36.4
Value traded (RM m)	2,746.4	19.6
Gainers	527	
Losers	530	
Unchanged	563	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PSP	0.145	(9.4)	112.7
TANC	1.150	0.9	62.3
ZETRIX	0.835	2.5	59.4
CAPITALA	0.380	(2.6)	45.8
GENM	2.170	(0.9)	43.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TNB	12.500	(2.6)	154.9
MAY	10.240	(0.2)	116.4
PMAH	6.750	0.7	103.4
RHBBANK	7.280	0.3	94.9
GENM	2.170	(0.9)	93.6

Currencies	Last Close	% Chg
USD/MYR	4.114	0.2
USD/JPY	155.050	0.0
EUR/USD	1.165	0.0
USD/CNY	7.072	(0.1)
US Dollar Index	99.054	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	63.3	1.1
Gold (USD/troy oz)	4,208.1	0.0
CPO (MYR/metric t)	4,093.0	0.7
Bitcoin (USD/BTC)	92,207.2	0.0

Source: Bloomberg

Macro News

US: Weekly jobless claims drop to lowest level in more than three years

The number of Americans filing new applications for unemployment benefits dropped to the lowest level in more than three years last week, still showing no signs of a deterioration in labour market conditions. Initial claims for state unemployment benefits fell 27,000 to a seasonally adjusted 191,000 for the week ended Nov 29, the lowest level since September 2022, the Labor Department said on Thursday. Economists polled by *Reuters* had forecast 220,000 claims for the latest week. The data included last Thursday's Thanksgiving holiday. Claims tend to be volatile around holidays. They are at levels consistent with historically low layoffs, and could allay fears the labour market was weakening sharply after the ADP employment report on Wednesday showed private payrolls dropped by the most in more than 2-1/2 years in November. (*Reuters*)

US: Trump could decide next year to withdraw from USMCA trade deal — USTR Greer

US President Donald Trump could decide next year to withdraw from the United States-Mexico-Canada trade agreement (USMCA), *Politico* reported on Thursday, citing US Trade Representative Jamieson Greer. "The president's view is he only wants deals that are a good deal. The reason why we built a review period into USMCA was in case we needed to revise it, review it or exit it," Greer told *Politico*'s White House bureau chief Dasha Burns in a podcast episode that airs Friday. Greer also raised the idea of negotiating separately with Canada and Mexico and dividing the agreement into two parts in the podcast, adding that he spoke with Trump about that possibility just this week. *(Reuters*)

US: Seeks big investment from Taiwan while Lai hints at issues

Commerce Secretary Howard Lutnick said that the US is expecting a large investment pledge from Taiwan in trade talks, while the self-governing island's president, Lai Ching-te, listed areas that need improvement in order for projects to be completed. "We are in the midst of discussions," Lutnick said on Wednesday in a *CNBC* interview. "But the fact is, this administration's goal is to bring semiconductor manufacturing to America." Lai said separately on Wednesday that Taiwan is supportive of US President Donald Trump's goal of reindustrialising America, including efforts to ramp up semiconductor production. Such a goal would require the US to reduce its reliance on Taiwan as a key source of chips. To bring those plans to fruition, Taiwanese firms need some assurances on moves to facilitate investment, Lai said. (*Bloomberg*)

CN: State-owned banks soak up dollars to slow yuan gains

China's major state-owned banks bought dollars in the onshore spot market this week and held on to them in an unusually strong effort to rein in yuan strength, according to people with knowledge of the matter. The dollar buying came as the yuan leapt to a 14-month high on Wednesday and extended a trend of state banks leaning against yuan gains in order to smooth its rise. But unlike their usual trading strategy, the lenders did not appear to recycle the dollars into the swap market, market sources said, noting the move was likely aimed at tightening dollar liquidity and so raising the cost of long yuan bets. Back-end dollar/yuan swap points have since dropped, reflecting a deeper negative carry of owning yuan with the one-year tenor down from a one-month high hit last week. (*Reuters*)

CN: Shanghai copper hits record high on tightening supply

Shanghai copper hit a record high on Thursday, boosted by a spike in cancellation of the metal in warehouses registered with the London Metal Exchange, along with increasing bets of a Federal Reserve rate cut this month. The most-active copper contract on the Shanghai Futures Exchange SCFcv1closed daytime trading surging 2.3% to 90,980 yuan (US$12,873) per metric ton, after hitting an all-time high of 91,450 yuan earlier in the day. The rally came after the benchmark three-month LME copper CMCU3 notched a record high of US$11,540 a ton on Wednesday. London copper nudged 0.1% lower at US$11,476 a ton as of 0700 GMT. Copper found support after LME data on Wednesday showed fresh net cancellations of 50,725 tons in warehouses in South Korea and Taiwan, bringing the on-warrant copper in LME sheds to the lowest level since July at 105,275 tons. *(Reuters*)

MY: Ringgit rally, fiscal strength fuel Malaysia's bond momentum

Malaysia's improving fiscal outlook, moderating inflation and resilient currency are enhancing the appeal of its bonds, positioning them for continued gains into next year. Global funds have poured about US$1.3bn (RM5.4bn) into Malaysia's corporate and government bonds in November, the largest inflows since May, according to *Bloomberg*-compiled data. Citigroup Inc, Fidelity International and State Street Investment Management are among the major institutions voicing confidence in these assets. (*Bloomberg*)

MY: Basic medical and health insurance to be introduced in 2027 to be a standalone product

The basic medical and health insurance (MHIT) to be introduced in early 2027 will be a standalone product and not linked to investments, according to the Finance Ministry (MOF). In a written reply on the Parliament portal, the ministry said the status of medical plans sold as riders (additional benefits) in investment-linked policies is also being reviewed by Bank Negara Malaysia (BNM). According to MOF, in Malaysia, MHIT coverage can be offered as a rider in investment-linked policies, which is designed with a level premium rate throughout its policy term via upfront funding to cover future insurance costs. (*Bernama*)

Corporate News

DRBHCOM: Revises purchase price for Spirit AeroSystems Malaysia

DRB-Hicom Bhd said on Thursday that it has revised the purchase price for its proposed acquisition of the Malaysian business of aerospace manufacturer Spirit AeroSystems to US$110.6m (RM455.5bn), from US$109.8m previously. The revision follows an earlier amendment to the sale and purchase agreement (SPA) in end-October involving DRB-Hicom's wholly-owned aerospace subsidiary, Composites Technology Research Malaysia Sdn Bhd (CTRM), and the sellers of Spirit AeroSystems Malaysia Sdn Bhd. Under the revised terms, if the SPA is terminated or rescinded under specific clauses — including circumstances where the US Federal Trade Commission (FTC) deems CTRM unacceptable as the purchaser — the sellers are required to refund the purchase consideration actually paid and to jointly pay the purchaser approval termination fee to CTRM, according to DRB-Hicom's filing with Bursa Malaysia. (*The Edge*)

MULPHA: Begins CEO search following retirement of Gregory Shaw

Property developer and hospitality group Mulpha International Bhd announced on Thursday that its chief executive officer (CEO) Gregory David Shaw has retired. Shaw, 66, helmed the group for almost a decade, having been appointed CEO in December 2016, according to Mulpha's annual report. Shaw does not hold any directorship in listed issuers or non-listed public companies in Malaysia. "The company is presently undertaking the search for a new CEO," Mulpha said in announcing Shaw's retirement. An Australian national, Shaw holds a Bachelor of Commerce degree from the University of Queensland. He brings management experience across the education, leisure, entertainment, property and finance sectors. (*The Edge*)

ALAQAR: Sells Bukit Mertajam asset below cost for RM12m

Al-Aqar Healthcare Real Estate Investment Trust (Al-Aqar REIT) is expected to record a disposal loss from its planned divestment of non-performing property in Bukit Mertajam, Penang, for RM12m — below both its market value and original investment cost. The healthcare-focused REIT said it has signed a sale and purchase agreement (SPA) with Icon Square Sdn Bhd (ISSB) to dispose of a six-storey purpose-built building with a basement level — currently operated as KPJ Healthcare College, Penang — together with all fixtures and fittings, according to its filing with Bursa Malaysia on Thursday. (*The Edge*)

PSP: Slips after flat debut on ACE Market

PSP Energy Bhd closed lower on its maiden trading day on the ACE Market of Bursa Malaysia, after delivering a flat debut at the opening bell. Shares of PSP initially opened unchanged at their initial public offering (IPO) price of 16 sen on Thursday, but began slipping almost immediately after the trading period started. It fell as much as 12.5%, or two sen, to 14 sen during intraday trading after moving within a tight range of 14.5 sen to 15.5 sen. The counter closed at 14.5 sen, with 112.7m shares exchanged. At that price, the group carried a market capitalisation of RM155m. "Our priority is to build a modern and scalable fleet that allows us to meet customers' needs efficiently and reliably," PSP Energy group managing director Ong Chee Seng said in a post-listing statement. (*The Edge*)

APB: Files arbitration claims against BASF PETRONAS Chemicals over alleged unpaid amounts

APB Resources Bhd said its wholly owned subsidiary has filed a claim with an arbitral tribunal against BASF PETRONAS Chemicals Sdn Bhd for alleged unpaid contract sums and payment for additional works. In a filing with Bursa Malaysia on Thursday, APB said Amalgamated Metal Corporation (M) Sdn Bhd (AMC) is seeking payment for a remaining sum of €1.85 million (RM8.82 million) under a 2017 contract, as well as €439,482 (RM2.10m) for additional works carried out for a steam boiler and turbine package project. Under the contract, AMC was the on-shore consortium partner while Christof Projects GmbH was the off-shore consortium partner appointed by BASF PETRONAS Chemicals, a Malaysia-based joint venture between BASF and Petroliam Nasional Bhd (PETRONAS), for supply, installation, and commissioning works. (*The Edge*)

DESTINI: Appoints former MRT Corp CEO Shahril Mokhtar as executive director, adds two independent directors

Destini Bhd has appointed former MRT Corp chief executive officer Datuk Seri Dr Shahril Mokhtar as executive director and added two new independent directors to its board. The two independent non-executive directors are Tuas Capital Partners founder Datuk Syed Haizam Hishamuddin Putra Jamalullail and former Sabah MCA Liaison chairman Datuk Wilfred Yong Chen Leong. In a statement, Destini said Shahril brings extensive leadership experience across the public sector, transportation, infrastructure development and corporate organisations. (*The Edge*)

PGLOBE: Unit to sell land in Johor worth RM64.5m

Paragon Globe Bhd's wholly-owned unit PGB Landmark Sdn Bhd plans to sell a parcel of freehold land in Tanjung Kupang, Johor, for RM64.5m to GSP Automotive Malaysia Sdn Bhd. Paragon Globe said in a Bursa Malaysia filing on Thursday that PGB Landmark has entered into a conditional sale and purchase agreement with GSP Automotive for the 5.5-hectare land. "The proceeds from the proposed disposal will be utilised for expenses relating to the proposed disposal, repayment of bank borrowings and working capital," it said. It said the group's total bank borrowings consisted of term loans amounting to RM455.6m. *(Bernama)*

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Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bonia Corporation	Consumer	0.82	0.11	13.99
Taliworks Corporation	Utilities	0.52	0.05	9.62
REXIT	Technology	0.53	0.05	9.43
British American Tobacco (M)	Consumer	4.42	0.39	8.89
MBM Resources	Consumer	5.35	0.43	8.06
Sentral REIT	REIT	0.78	0.06	8.00
KIP REIT	REIT	0.89	0.07	7.80
Ta Ann Holdings	Plantation	4.29	0.33	7.67
Paramount Corporation	Property	1.00	0.08	7.50
CapitaLand Malaysia Trust	REIT	0.63	0.05	7.20
MAG Holdings	Consumer	1.32	0.10	7.20
Magnum	Consumer	1.32	0.10	7.20
Bermaz Auto	Consumer	0.71	0.05	6.76
YTL Hospital REIT	REIT	1.13	0.07	6.55
Kim Loong Resources	Plantation	2.38	0.15	6.43

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		
BMS Holdings Berhad	ACE Market	0.22	364.0	156.0	19 Nov	08 Dec
Orkim Berhad	Main Market	0.92	100.0	300.0	26 Nov	09 Dec
LAC Med Berhad	MAIN Market	0.75	74.2	30.0	25 Nov	10 Dec
Wasco Greenergy Berhad	Main Market	1.00	75.0	75.0	28 Nov	11 Dec

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Published & Printed By:

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