



Daily Newswatch

Market Review

The FBM KLCI continued its winning streak, as the local bourse marginally rose 0.3% to close at 1,676.6 points on Tuesday. The extended optimism was boosted by upbeat rallies in the region, coupled with the strengthening of the ringgit at 4.06/USD. Broader sectoral performance remained resilient, with Property (+0.6%), Utilities (+0.6%) and Industrial Products & Services (+0.4%) emerging as leaders. Among index constituents, PPB was the top gainer, climbing 3.6%, followed by Axiata Group and Petronas Dagangan by 1.6% and 1.2% respectively. Overall market breadth slightly tilted negative, with losers outnumbering gainers 489 to 459, with 609 counters unchanged.

Asian markets were mostly positive on Tuesday, with heightened foreign inflows, strength in technology stocks and improved sentiment driving gains from previous sessions. The Shanghai Composite rose 0.1% to 3,920.0 points, Taiwan's TAIEX edged 0.6% higher to 28,310.5 points, and the KOSPI rising marginally by 0.3% to 4,117.3 points. Meanwhile, the Hang Seng slightly trimmed 0.1% to 25,774.1 points. In the mainland markets, nonferrous metals powered much of the rise, with Shandong Gold up nearly 7% as investors reacted positively to China's housing policy conference. Local technology companies also benefited from increased optimism in the semiconductor sector following rumors that US tech giant Nvidia intends to begin distributing its second-most powerful AI chips to Chinese customers ahead of the Lunar New Year. The top gainers were Foxconn Industrial (+4%), NAURA (+4%), Cambricon Technologies (+3.4%), Contemporary Amperex (+1.7%), and Zhongji Innolight (+1.1%).

European equities closed modestly higher on Tuesday, with pharmaceutical support offsetting weakness in consumer staples and discretionary. The Eurozone's STOXX 50 edged up to 0.1% while the broader STOXX 600 surged a sharper 0.4%.

Wall Street rallied on Tuesday, as the S&P 500 jumped 0.5% to a new high, while the Nasdaq gained 0.6% and the Dow advanced 0.2%. Earlier in the session, markets were more cautious as investors digested robust economic statistics, which strengthened expectations that the Fed will hold interest rates steady in January. Technology and energy companies led the broad-based increase, with megacaps mainly higher. Nvidia increased by 3%, while Apple rose by 0.5%, Microsoft gained by 0.4%, Alphabet added 1.4%, Amazon increased by 1.6%, Meta advanced by 0.5%, and Broadcom increased by 2.3%. A delayed report showed that the US economy grew at an annualized rate of 4.3% in the third quarter, the strongest pace in two years.

Macro Snapshots

- **US:** Economy grows at fastest pace in years with 4.3% GDP gain
- **US:** Consumer confidence deteriorates in December
- **CN:** Yuan climbs to 15-month high, overcoming weak PBOC fixing
- **MY:** Silicon Island project: Government continues to strengthen economy, welfare of fishermen

Corporate Snapshots

- **HEXTAR:** To acquire fertiliser businesses in related-party deal
- **EPMB:** Scraps Kota Kinabalu commercial project after 12 years
- **ITMAX:** Clinches RM42m contract to operate smart traffic light system in KL
- **KIMLUN:** Bags RM618m worth of construction jobs in Johor

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,676.6	0.3	2.1
Dow Jones	48,442.4	0.2	13.9
Nasdaq CI	23,561.8	0.6	22.0
S&P 500	6,909.8	0.5	17.5
SX5E	5,749.3	0.1	17.4
FTSE 100	9,889.2	0.2	21.0
Nikkei 225	50,412.9	0.0	26.4
Shanghai CI	3,920.0	0.1	17.0
HSI	25,774.1	(0.1)	28.5
STI	4,639.0	0.6	22.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	1,966.8	(16.7)
Value traded (RM m)	1,811.8	(8.8)
Gainers	459	
Losers	489	
Unchanged	609	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PHRM	0.295	5.4	103.9
VSI	0.505	5.2	66.0
TANC	1.150	1.8	57.3
ZETRIX	0.815	1.2	54.2
PH	0.005	0.0	46.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	10.540	0.6	119.7
TNB	13.660	0.9	80.3
TANC	1.150	1.8	66.1
CIMB	8.180	0.4	65.7
PMAH	7.150	0.8	63.3

Currencies	Last Close	% Chg
USD/MYR	4.064	0.4
USD/JPY	156.220	0.0
EUR/USD	1.179	(0.0)
USD/CNY	7.030	0.1
US Dollar Index	97.913	(0.4)

Commodities	Last Close	% Chg
Brent (USD/barrel)	62.5	0.6
Gold (USD/troy oz)	4,484.5	0.9
CPO (MYR/metric t)	3,986.0	(0.6)
Bitcoin (USD/BTC)	87,419.1	(0.3)

Source: Bloomberg



Macro News

US: Economy grows at fastest pace in years with 4.3% GDP gain

The US economy expanded in the third quarter at the fastest pace in two years, bolstered by resilient consumer and business spending and calmer trade policies. Inflation-adjusted gross domestic product, which measures the value of goods and services produced in the US, increased at a 4.3% annualised pace, a Bureau of Economic Analysis report showed Tuesday. That was higher than all but one forecast in a *Bloomberg* survey and followed 3.8% growth in the prior period. The BEA was originally due to publish an advance estimate of GDP on Oct 30, but the report was cancelled due to the government shutdown. The agency typically releases three estimates of quarterly growth — fine-tuning its projections as more data comes in — but it will only release two for the period leading up to the longest shutdown on record. (*Bloomberg*)

US: Delays announcement of China chip tariffs until 2027

The Trump administration on Tuesday said it will slap tariffs on Chinese semiconductor imports over Beijing's "unreasonable" pursuit of chip industry dominance but would delay the action until June 2027. The tariff rate will be announced at least 30 days in advance, according to the filing, which follows a year-long investigation into China's chip imports into the United States, launched by the Biden administration. "China's targeting of the semiconductor industry for dominance is unreasonable and burdens or restricts US commerce and thus is actionable," the US Trade Representative said in its release. The Chinese Embassy in Washington did not immediately respond to a request for comment. (*Reuters*)

CN: Consumer confidence deteriorates in December

US consumer confidence deteriorated in December amid deepening anxiety over jobs and income, consistent with economists' expectations for a sharp moderation in consumer spending after it surged in the third quarter. The Conference Board said on Tuesday its consumer confidence index fell 3.8 points to 89.1 this month. Economists polled by Reuters had forecast the index at 91. "Consumers' write-in responses on factors affecting the economy continued to be led by references to prices and inflation, tariffs and trade, and politics," said Dana Peterson, chief economist at the Conference Board. "However, December saw increases in mentions of immigration, war, and topics related to personal finances — including interest rates, taxes and income, banks and insurance." (*Reuters*)

CN: Bars approvals of new models of DJI, all other foreign drones

The Federal Communications Commission said on Monday it was adding China's DJI, Autel and all foreign-made drones and components to a list of companies determined to pose unacceptable risks to US national security and would bar approvals of new types of drones for import or sale in the United States. The addition to the FCC's "Covered List" means that DJI, Autel and other foreign drone companies will not be able to obtain FCC approval to sell new models of drones or critical components in the United States, which is required. The move is a significant escalation in Washington's battles to crack down on Chinese drones in recent years. In September, the Commerce Department said it plans to issue rules to restrict Chinese drone imports. (*Reuters*)

CN: Yuan climbs to 15-month high, overcoming weak PBOC fixing

China's yuan climbed to a 15-month high against a weakening US dollar on Tuesday, even as the central bank signalled rising unease over the currency's recent rally via its official guidance fix. The onshore yuan ended the domestic trading session at 7.0287 per dollar, the strongest such close since September 30, 2024. Its offshore counterpart fetched 7.0181 around 0830 GMT. (*Reuters*)

CN: Pledges to step up urban renewal, stabilise housing market in 2026

China will step up urban renewal and efforts to stabilise its property market in 2026 at the start of its latest Five-Year Plan (2026-2030), according to a readout of a housing policy conference released on Tuesday. The conference, held in Beijing on Dec 22-23, mapped out key housing development tasks for the Five-Year Plan period, and called next year a critical starting point for policy implementation, according to the readout published by the housing ministry's official outlet. A major focus will be the "vigorous implementation of urban renewal", alongside efforts to stabilise the real estate market, prevent and defuse risks and improve the supply of affordable housing. (*Reuters*)

MY: Silicon Island project: Government continues to strengthen economy, welfare of fishermen

The Penang government remains committed to strengthening the state's economy and safeguarding the welfare of fishermen, dismissing allegations that there are no solutions to issues faced by the group, particularly those affected by the Silicon Island project. State Agrotechnology, Food Security and Cooperative Development Committee chairman Fahmi Zainol said that throughout the 26-month implementation period of the Silicon Island reclamation works, various compensation measures had been continuously carried out under the Social Impact Management Plan (SIMP) to benefit affected fishermen. "The state government maintains that issues raised during a recent press conference by opposition leaders stemmed from misunderstandings among the fishermen involved, and that their concerns were exploited by certain parties for political purposes. (*Bernama*)

Corporate News

TANCO: Teams up with China-backed construction firm to bid for warehouse and mega-storage contracts

Tanco Holdings Bhd said it has entered into a joint-venture deal with a China-backed construction firm to jointly bid for logistics warehouse and mega-storage construction projects. The firm, CNECC Engineering (Malaysia) Sdn Bhd (CEMSB), is engaged in building construction and project management, with its ultimate parent company being China Nuclear Industry HuaXing Construction Company Ltd. In a filing with Bursa Malaysia on Tuesday, Tanco said the agreement, entered into via its wholly-owned subsidiary Tanco Builders Sdn Bhd (TBSB), aims to leverage the strengths of both parties. (*The Edge*)

PETGAS: Prepays USD174m for Pengerang LNG jetty fees as ringgit hits five-year high

PETRONAS Gas Bhd said on Monday it is paying up to USD173.6m (RM705.7m) cash upfront for 18 years of jetty fees at its Pengerang liquefied natural gas (LNG) terminal in a one-off deal to reduce its exposure to currency fluctuations. The ringgit rose to a five-year high against the US dollar at 4.0645 on Tuesday. In a filing with the bourse, PETRONAS Gas said its subsidiary Pengerang LNG (Two) Sdn Bhd (PLNG2) signed a one-off agreement with Pengerang Terminals (Two) Sdn Bhd (PT2SB) to prepay annual fixed charges under the 2017 Jetty Usage Agreement (JUA) for jetty services at the Pengerang LNG terminal. (*The Edge*)

HEXTAR: To acquire fertiliser businesses in related-party deal

Agrochemical company Hextar Global Bhd is acquiring three fertiliser-related companies for RM120m in a related-party cash transaction. "The proposed acquisitions are expected to generate operational and commercial synergies with the group's existing agriculture business by complementing its current product offerings and enabling the group to provide more comprehensive and integrated solutions to customers through a broader range of products, including both agrochemicals and fertilisers," said Hextar in a bourse filing. The acquisition of the entire stake in PK Fert Sdn Bhd (PKFT) from Hextar's 52.4%-owned unit Hextar Industries Bhd (HIB) is priced at RM3.3m, while the acquisition of PK Fertilizers Sdn Bhd and Hextar Fert Sdn Bhd (HFT) from HIB's wholly owned subsidiary Hextar Fertiliser Group Sdn Bhd is valued at RM116.7m. (*The Edge*)

SLVEST: Acquires 22% stake in Solar District Cooling from MD and wife for RM42.0m

Solarvest Holdings Bhd is buying a 22% stake in ACE Market-listed Solar District Cooling Group Bhd from its controlling shareholders, managing director Kong Kam Onn and his wife, for RM42.0m in cash, to gain a foothold in solar thermal systems and energy-saving services. The clean energy player is acquiring the stake, equivalent to 93.2m shares, from Kong and Liuk Ing Hong, who is also an executive director of the company, via a direct business transaction, according to a Bursa Malaysia filing. Solarvest bought 83.9m shares (19.8%) from Kong for RM37.8m and 9.3m shares (2.2%) from Liuk for RM4.2m. After the deal, Kong will hold 45% and Liuk 5% of the company. (*The Edge*)

JASKITA: Proposes land acquisition from newly appointed chairman's spouse

Jasa Kita Bhd said it has entered into a deal with the spouse of its recently appointed executive chairman Datuk Yasmin Mahmood to acquire a 55% stake in a firm that owns a parcel of industrial land in Pahang. The group said it will pay for the stake in SPPH Eco Biomass Resources Sdn Bhd via a cash payment of RM14.5m to the seller, Abd Azis Mohamad. In addition, Jasa Kita will assume advances of RM23.8m owed by SPPH to Abd Azis, bringing the total value of the transaction to RM38.3m. "The acquisition is aligned with Jasa Kita's strategy to strengthen its asset base and diversify beyond its core trading and distribution activities," the group said in its filing with Bursa Malaysia on Tuesday. (*The Edge*)

EPMB: Scraps Kota Kinabalu commercial project after 12 years

Automotive solutions provider EP Manufacturing Bhd has scrapped plans to jointly develop a commercial project in Kota Kinabalu, Sabah, following the winding up of the project's turnkey contractor Bina Puri Properties Sdn Bhd (BPPSB), a wholly owned subsidiary of Bina Puri Holdings Bhd. The project, which was planned as a 30-storey commercial development comprising two levels of commercial units and 22 levels of serviced suites along Jalan Tuaran, Kota Kinabalu, was to be undertaken by EP Manufacturing's wholly owned property development subsidiary, Kensington Development Sdn Bhd. In a filing with Bursa Malaysia on Tuesday, EP Manufacturing said Kensington has terminated all agreements with BPPSB and will take the necessary steps to reclaim possession of the land involved in the project. (*The Edge*)

CBHB: Wins RM130m data centre electrical works

CBH Engineering Holding Bhd has secured two letters of award worth RM130m for electrical works for the extension of an existing 275-kilovolt consumer landing station at a data centre from a private firm, referred to as "Company A". Due to a non-disclosure agreement, CBH Engineering said it is unable to disclose the identity of Company A but noted that it is principally engaged in the business of builders, contractors, property developers, real estate investment, and project managers. According to an exchange filing on Tuesday, the electrical engineering services provider's wholly owned subsidiary CBH Engineering Sdn Bhd is to be responsible for the design, engineering, construction, installation, testing and commissioning, as well as the supply of materials under the contract. (*The Edge*)



ITMAX: Clinches RM42m contract to operate smart traffic light system in KL

ITMAX System Bhd said on Tuesday it has secured a RM42m contract to operate and maintain a smart traffic light system across Kuala Lumpur for three years. The contract was awarded by the Kuala Lumpur City Hall (DBKL), which will determine the site possession date and the completion date of the contract in due course, said ITMAX in a filing with Bursa Malaysia. The artificial intelligence (AI)-powered digital infrastructure solutions provider was previously appointed in 2023 to deploy the smart traffic controller system in Kuala Lumpur. (*The Edge*)

JPG: To fully acquire JPG Greenergy Ventures to boost bioenergy operations

Johor Plantations Group Bhd said on Tuesday it is buying the remaining 45% of JPG Greenergy Ventures, giving it full ownership and greater control to expand its bioenergy business. A share sale agreement was executed with MTC Orec Sdn Bhd on Monday, according to its statement. The group will have full ownership of the entity upon completion. "The consolidation enables JPG to streamline execution, optimise capital allocation and integrate renewable energy more effectively into its core plantation operations," JPG's statement read. (*The Edge*)

KIMLUN: Bags RM618m worth of construction jobs in Johor

Kimlun Corp Bhd said on Tuesday that its wholly-owned subsidiary, Kimlun Sdn Bhd, has accepted the award of three construction contracts in Johor with a combined value of RM617.7m. In a filing with Bursa Malaysia, the engineering and construction services provider said the contracts were awarded by Permas Jaya Sdn Bhd, Melia Spring Sdn Bhd and CJ Developments Sdn Bhd. The largest contract, valued at RM271.6m, was awarded by Melia Spring for the main building works of two blocks of serviced apartments and ancillary buildings in Mukim Pulau, Johor Bahru, with completion expected by the third quarter of 2028. (*The Edge*)

UOAREIT: Unitholders adjourn meeting on related-party property deal, income distribution investment plan

UOA Real Estate Investment Trust announced that its unitholders' meeting, scheduled for Tuesday (Dec 23), was adjourned after unitholders duly passed a motion to adjourn. The meeting was intended to seek unitholder approval for the proposed acquisition of three UOA Business Park assets and the establishment of an income distribution reinvestment plan. "The board of directors will issue further announcements to the unitholders to fix the date, time and venue of the adjourned meeting," according to the REIT's bourse filing on Tuesday (Dec 23). (*The Edge*)

CITAGLB: Consortium secures Tenaga as off-taker for 200MW solar project in Pahang

Citaglobal Bhd said its consortium has secured Tenaga Nasional Bhd as the long-term off-taker for a 200-megawatt (MW) large-scale solar photovoltaic project in Pahang. In a filing with Bursa Malaysia, the group said Chereh Solar Sdn Bhd (CSSB), a special purpose vehicle (SPV) established by the consortium, signed a 21-year power purchase agreement (PPA) with Tenaga on Dec 17 for the sale of electricity generated by the project. The development follows the Energy Commission's decision on Sept 2 to shortlist a consortium comprising Abu Dhabi Future Energy Company PJSC (Masdar), Citaglobal Renewable Energy Sdn Bhd and TIZA Global Sdn Bhd for the project at Chereh Dam in Kuantan, Pahang. (*The Edge*)

ARREIT: Completes RM390m issuance under RM2b medium-term notes programme

AmanahRaya Real Estate Investment Trust, via ARREIT MTN 1 Sdn Bhd, has completed the first issuance of RM390m in nominal value of medium-term notes (MTNs) under its MTN programme of up to RM2bn in nominal value. In a filing with Bursa Malaysia on Monday, the manager of AmanahRaya REIT, AmanahRaya Kenedix REIT Manager Sdn Bhd, said the proceeds will be utilised to fully refinance the MTNs issued under the Tranche 1 Series 1 of the unrated MTN programme of up to RM950m and the existing term loan facility granted by Public Bank Bhd in favour of AmanahRaya REIT vide Pacific Trustees Bhd. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bonia Corporation	Consumer	0.80	0.11	14.25
British American Tobacco (M)	Consumer	4.43	0.58	13.16
Taliworks Corporation	Utilities	0.51	0.05	9.90
REXIT	Technology	0.56	0.05	9.01
MBM Resources	Consumer	5.14	0.43	8.39
Ta Ann Holdings	Plantation	4.13	0.33	7.97
Sentral REIT	REIT	0.79	0.06	7.85
Paramount Corporation	Property	1.02	0.08	7.84
KIP REIT	REIT	0.89	0.07	7.75
MAG Holdings	Consumer	1.29	0.09	7.36
Magnum	Consumer	1.29	0.09	7.36
CapitaLand Malaysia Trust	REIT	0.63	0.05	7.20
Bermaz Auto	Consumer	0.73	0.05	6.48
Kim Loong Resources	Plantation	2.40	0.15	6.38
Sports Toto	Consumer	1.34	0.08	6.27

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		
Semico Capital Berhad	ACE Market	0.25	92.7	18.0	2 Jan	13 Jan
SBS Nexus Berhad	ACE Market	0.25	122.5	49.0	7 Jan	20 Jan

Source: Bursa Malaysia

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