



Daily Newswatch

Market Review

The FBM KLCI started off the week higher, rising 0.6% to finish strongly at 1,680.3 points on Monday as regional market strength buoyed sentiment despite ongoing geopolitical conflicts in Venezuela. Across the broader sector, Property (+1.8%), Financial Services (+1.2%) and Technology (+1.2%) carried the local bourse. Among index constituents, banking heavyweights led the charge, as Hong Leong emerged as the top gainer, increasing 2.0%, followed by IHH Healthcare and CIMB Group adding 1.7% each respectively. Overall market breadth shifted positively, as gainers outpaced losers 641 to 455, with 534 counters unchanged.

Asian stocks extended its bull run to fresh highs on Monday, as optimism in technology stocks, coupled with growing interest in defence stocks amid intensifying geopolitical risks drove the surge. The Shanghai Composite climbed up 1.4% to 4,023.4 points, the KOSPI jumped 3.4% higher to 4,457.5 points, Taiwan's TAIEX rose 2.6% to 30,105.0 points while the Hang Seng was almost flat at 26,347.2 points. Technology stocks led the advance in the mainland markets, with BlueFocus Intelligent (+20%), Victory Giant (+7.8%) and Giga Device Semiconductor (+10%). Among other notable gainers were clean energy and defense stocks, including Goldwin Science Technology (+7%) and China Spacesat Co (+4.7%). Similarly in South Korea, heavyweight semiconductor stocks raised the index, with Samsung Electronics (+7.5%), Sung Moon Electronics (+24.0%) and Hanmi Semiconductor (+15.8%) among the top gainers. Meanwhile, Hong Kong markets turned cautious as focus turned to China's upcoming December CPI and PPI data.

European stocks closed substantially higher on Monday, boosted by gains in technology and manufacturing. The Eurozone STOXX 50 jumped 1.3% to 5,923.7, while the pan-European STOXX 600 advanced 0.9% to 602, both reaching new highs.

The US market surge persisted on Monday, with broad gains led by energy and financials, as investors viewed the US capture of Venezuela's leader as an event that may unlock future investment in the country's oil sector, rather than a sudden spike in geopolitical risk. The Dow surged 1.4% to a new record high, while the S&P 500 increased 0.8% and the Nasdaq advanced 0.9%. Chevron (+5.3%) was considered as the most likely benefactor given its existing presence in Venezuela, and it rose strongly, while refiners surged on the possibility of increased availability of heavy sour oil. Meanwhile, JPMorgan (+2.6%), Citi (+3.9%), and NY Mellon (+3.4%) also outperformed during a solid session for lenders. Broader sectors remained supported by the Fed's outlook for rate cuts this year, which will be tested on Friday when the December jobs report is released.

Macro Snapshots

- **US:** Trump warns of higher tariffs on India over Russian oil purchases
- **CN:** Blow from loss of Venezuela oil blunted by hoard at sea
- **CN:** Services gauge slows again with growth at six-month low
- **MY:** Service tax on rentals for Malaysian MSMEs reduced to 6%

Corporate Snapshots

- **MALTON:** Unveils first residential project Iskandar Malaysia
- **INGENIEU:** To sell vacant factory in Nilai for RM22m
- **AHEALTH:** Pharmora succeeds in takeover offer, en route to delist
- **SUNWAY:** Expands land bank with RM180m acquisition in Selangor & Penang

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,680.3	0.6	0.0
Dow Jones	48,977.2	1.2	1.9
Nasdaq CI	23,395.8	0.7	0.7
S&P 500	6,902.1	0.6	0.8
SX5E	5,923.7	1.3	2.3
FTSE 100	10,004.6	0.5	0.7
Nikkei 225	51,832.8	3.0	3.0
Shanghai CI	4,023.4	1.4	1.4
HSI	26,347.2	0.0	2.8
STI	4,680.5	0.5	0.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,528.6	21.5
Value traded (RM m)	2,404.2	33.5
Gainers	641	
Losers	455	
Unchanged	534	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TANC	1.180	0.0	74.9
IAB	1.460	29.2	53.3
ZETRIX	0.805	(0.6)	47.2
PHRM	0.280	0.0	34.9
TWL	0.025	0.0	30.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	10.560	1.1	177.3
CIMB	8.240	1.7	114.3
PMAH	7.130	1.1	109.2
TANC	1.180	0.0	88.3
TNB	13.740	(0.3)	77.9

Currencies	Last Close	% Chg
USD/MYR	4.072	(0.4)
USD/JPY	156.480	(0.1)
EUR/USD	1.172	(0.0)
USD/CNY	6.989	0.0
US Dollar Index	98.329	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	61.8	1.7
Gold (USD/troy oz)	4,449.2	2.7
CPO (MYR/metric t)	3,937.0	(0.3)
Bitcoin (USD/BTC)	94,186.0	0.1

Source: Bloomberg



Macro News

US: Trump warns of higher tariffs on India over Russian oil purchases

The United States could raise tariffs on India if New Delhi does not meet Washington's demand to curb purchases of Russian oil, President Donald Trump said on Sunday, escalating pressure on the South Asian country as trade talks remain inconclusive. Trump's comments follow months of trade negotiations after the US doubled import tariffs on Indian goods to 50% last year as punishment for its heavy buying of Russian oil. Indian markets reacted on Monday, with the information technology stock index falling about 2.5% to its lowest in more than a month, as investors worried that strained trade relations could further delay a US-India trade deal. (*Reuters*)

US: Dollar advances as Maduro ouster fuels rising geopolitical risks

A Bloomberg gauge of the dollar rose to the strongest level in two weeks after the US move to oust Venezuela's President Nicolás Maduro sparked an increase in geopolitical risks. The *Bloomberg* Dollar Spot Index advanced as much as 0.3% to reach the highest since Dec 22. Benchmark Treasury yields slipped one basis point while the euro dropped 0.3% and the Mexican peso slid 0.7%. Traders are gravitating to the greenback as questions swirl about what's next for Venezuela after the US captured Maduro and US President Donald Trump said Washington plans to "run" the South American country. A raft of US reports due this week including inflation figures and non-farm payrolls data is also expected to shape the dollar's trajectory. (*Bloomberg*)

US: OECD finalises agreement on global minimum tax

The US and more than 100 other countries finalised an agreement that would exempt American companies from some foreign taxes, the culmination of a months-long effort to create a carve-out from a corporate global minimum levy. The deal excludes US-based multinational corporations from the 15% global minimum tax negotiated through the Organisation for Economic Co-operation & Development, or OECD. President Donald Trump last year pulled the US out of a framework to implement that levy negotiated during President Joe Biden's administration. Under the agreement, other countries would be effectively blocked from imposing additional taxes on foreign subsidiaries of US multinationals to compensate for profits that are under-taxed in other jurisdictions. (*Bloomberg*)

CN: Blow from loss of Venezuela oil blunted by hoard at sea

The US's shock intervention in Venezuela will likely choke oil flows to China, although the short-term impact will be softened by large volumes of sanctioned crude being stored at sea. China is the major buyer of crude from the South American country but that trade now looks in jeopardy after the seizure of Venezuelan leader Nicolas Maduro over the weekend. US President Donald Trump said the US would run the country and American companies would rebuild its oil industry and sell a "large amount" to global buyers, including current customers and new ones, without specifically mentioning China. Venezuelan shipments made up only 4% of China's oil imports last year but the South American nation provides a unique type of sludgy, high-sulphur crude that's used to produce bitumen, which is vital for construction and road building. The oil is also deeply discounted, making it popular with China's independent refiners, known as teapots. (*Bloomberg*)

CN: Services gauge slows again with growth at six-month low

China's services activity expanded at the weakest pace in six months, according to a private survey, as new export business returned to contraction because of fewer tourist arrivals. The RatingDog China services purchasing managers index (PMI) slipped slightly to 52 in December, slowing for a fourth straight month, according to a statement published on Monday. That matched the median forecast of economists surveyed by *Bloomberg*, with any reading above 50 indicating an expansion. A smaller number of tourists — especially from Japan — was "primarily" responsible for the renewed drop in new export business, said Yao Yu, the founder of RatingDog. Tokyo and Beijing have been at loggerheads for weeks as tensions rose after Japanese Prime Minister Sanae Takaichi's remarks on Taiwan. (*Bloomberg*)

CN: South Korean companies sign nine cooperation agreements

Chinese and South Korean companies signed nine cooperation agreements, authorities said on Monday, during a state visit by South Korean President Lee Jae Myung with Chinese President Xi Jinping in Beijing, their second meeting in just two months. Lee's visit to China's capital is the first since he took office in June and comes amid ratcheting global tensions after North Korea launched ballistic missiles and the US attack on Venezuela. The unusually short interval between Xi and Lee's meetings signals China's keen interest in boosting economic collaboration and tourism with its neighbour as its relations with Japan have sunk to the lowest point in years, analysts say. (*Reuters*)

CN: Seeks to enhance ties with Ireland to boost relations with EU

China is keen on expanding economic and trade cooperation with Ireland while aiming for mutually beneficial results, Chinese President Xi Jinping told the Irish prime minister on Monday, positioning stronger bilateral ties as a way to also boost relations with the European Union. Xi emphasised mutual respect and achieving win-win outcomes as "valuable experiences" for long-term and stable development of China-Ireland ties in his opening remarks at a meeting with Prime Minister Micheal Martin at the Great Hall of the People, a media pool report showed. China has shown growing interest in engaging with European Union countries individually as ties with Brussels remain frosty. Beijing has also treated bilateral meetings as a means for conveying its views on relations with the EU. (*Reuters*)



MY: MOF: Service tax exemption on pre-July 2025 construction contracts until June 2027

The government has extended the service tax exemption on construction contracts signed before July 1, 2025 by one year, now valid until June 30, 2027. Eligible agreements without reviewable clauses can enjoy a total of two years of exemption. The Ministry of Finance (MOF) in a statement on Monday announced the new decisions by Prime Minister Datuk Seri Anwar Ibrahim on the sales and service tax policy. It said construction of religious buildings such as suraus, mosques, temples, churches, and shrines remains exempt from service tax. It has been exempt since July 1, 2025. (*The Edge*)

MY: Service tax on rentals for Malaysian MSMEs reduced to 6%

The service tax on rentals for micro, small and medium enterprises (MSMEs) has been reduced to 6% from 8%, said Prime Minister Datuk Seri Anwar Ibrahim. The 8% tax was implemented on July 1, 2025, and applied to the rental of non-residential premises such as offices, warehouses and commercial assets. "The service tax on rentals has indeed been an issue because it rose from zero to 8%. (*Bernama*)

MY: Johor to focus on deepening ByteDance's long-term commitment, says MB

Johor continues to focus on strengthening ByteDance's long-term commitment to the state, in line with the global artificial intelligence (AI)-based technology company's large-scale data centre investment in Malaysia, which has exceeded RM29.5bn. Johor Menteri Besar Datuk Onn Hafiz Ghazi said that among the efforts undertaken was a meeting with the company known for its TikTok, Douyin and CapCut platforms in China on Dec 23. "Through this discussion, I reaffirmed our stance that Johor is not just an infrastructure destination, but rather a digital strategic partner capable of supporting large-scale operations safely, sustainably and resiliently for the long term," he said in a post on Facebook. Previously, TikTok, via ByteDance System, had established a data centre at the Sedenak Tech Park, Kulai, here. (*Bernama*)

Corporate News

MALTON: Unveils first residential project Iskandar Malaysia

Malton Bhd has opened the Mutiara Kempas sales gallery in Kempas on Monday, offering a first look at its first freehold serviced apartment development in Johor Bahru's Iskandar Malaysia region. Sitting on a 2.8-acre parcel along Jalan Kempas Baru, Mutiara Kempas comprises a 39-storey residential tower with 562 low-density units. The serviced apartments come in two- and three-bedroom units with built-ups ranging from 801 to 1,024 sq ft. Select layouts include a dual-key option to accommodate multi-generational households. "Mutiara Kempas will be benchmarked against our well-received projects in the Klang Valley and Johor. Our experience in delivering developments such as the 50-acre Bukit Jalil City township, River Park in Bangsar South, Duta Park Residences along Jalan Kuching and Mutiara Hilltop in Puchong provides the foundation for what we are introducing in Kempas," said Malton executive director Datuk Hong Lay Chuan in a press statement issued Monday. (*The Edge*)

INGENIEU: To sell vacant factory in Nilai for RM22m

Construction outfit Ingenieur Gudang Bhd said it is disposing of a 1.9-acre land with a factory and office in Nilai, Negeri Sembilan, for RM22m in cash. The buyer is Baba Products (M) Sdn Bhd, a curry powder and powdered food products manufacturer. The firm is 80%-owned by Pagalavan C Rangasami and 20% by Rajasulochana Pagalavan, according to a bourse filing on Monday. Ingenieur Gudang said the property, currently vacant and unoccupied, carried a fair value of RM16m as at end-November 2024. The group expects a net gain of RM5.8m from the disposal. (*The Edge*)

MMAG: Farhash offloads entire 19.9% stake, steps down as chairman

MMAG Holdings Bhd's largest shareholder, businessman Datuk Seri Farhash Wafa Salvador Rizal Mubarak, has disposed of his entire 19.9% stake in the company at a hefty premium, and stepped down as its chairman. Farhash, a former political secretary of Prime Minister Datuk Seri Anwar Ibrahim, sold the stake comprising 462m shares on Dec 31 at 18.9 sen apiece, or RM87.3m in total, according to a bourse filing on Monday. At 18.9 sen apiece, the block was transacted at more than double the counter's Dec 31 closing price of seven sen. (*The Edge*)

CIMB: CIMB Investment Bank, 11 others hit with RM1.38b suit from MEX II sukuk holders

CIMB Group Holdings Bhd's investment banking arm, CIMB Investment Bank Bhd (CIMB IB), and 11 others have been hit with a RM1.38 billion suit from sukuk holders of the MEX II highway. The suit was filed by 14 holders of the sukuk murabahah issued by MEX II Sdn Bhd over losses they allegedly suffered from the purchase of the notes, according to CIMB's bourse filing on Monday. Besides CIMB IB, the other defendants are MEX II; Maju Lingkaran Development Sdn Bhd; Maju Holdings Sdn Bhd; Tan Sri Abu Sahid Mohamed, his wife and son; Datuk Yap Wee Leong; TMF Trustees Malaysia Bhd; Crowe Malaysia PLT; HSS Engineers Bhd 30%-owned associate HSS Integrated Sdn Bhd; and Straits Consulting Engineers Sdn Bhd. (*The Edge*)

AHEALTH: Pharmora succeeds in takeover offer, en route to delist

Pharmora Investment Holdings Pte Ltd has succeeded in its takeover offer for Apex Healthcare Bhd and is now en route to delist and privatise the pharmaceutical group. Pharmora and persons acting in concert secured a 95.43% stake in Apex Healthcare at the voluntary takeover offer's close on Monday (Jan 5), according to a press notice issued by UOB Kay Hian (M) Sdn Bhd. The stake exceeds the requisite 90% threshold to delist the group from the bourse. According to the notice, Bursa Securities will suspend Apex Healthcare shares from trading from Jan 13 while Pharmora and its joint ultimate offerors will take the requisite steps to delist Apex Healthcare. (*The Edge*)



ZETRIX: Mosti unit endorses age-check solution for Malaysia's under-16 social media ban plan

Zetrix AI Bhd's blockchain-based age verification solution has been endorsed by Mimos Bhd's My Blockchain Infrastructure (MBI), with the company saying it enables verification without repeatedly collecting users' personal ID information. MBI, part of Mimos Bhd, runs Malaysia's Blockchain Infrastructure initiative for the Ministry of Science, Technology and Innovation (Mosti). The endorsement coincides with Malaysia's launch of a regulatory sandbox from Jan 1 to test child protection and online safety measures before full enforcement of an under-16 social media ban. The initiative, led by the Communications Ministry and MCMC with selected social media platforms, lets the government and platforms trial new rules and technologies in a controlled environment. *(The Edge)*

SUNWAY: Expands land bank with RM180m acquisition in Selangor and Penang

Sunway Bhd has acquired three land parcels in Selangor and Penang for RM179.8m, in a move to strengthen its presence in key urban growth corridors. Spanning nearly nine acres, the acquisitions involve parcels in Puchong and USJ 1, Selangor, as well as George Town, Penang. They are earmarked for mixed-use developments with a combined estimated gross development value (GDV) exceeding RM1 billion, according to a press statement issued on Monday (Jan 5). In Puchong, Sunway Kiara Sdn Bhd acquired a 6.77-acre leasehold parcel from Glomac Al-Batha Sdn Bhd for RM97.3m. The site has direct access to the Damansara-Puchong Expressway and Shah Alam Expressway. With a GDV of RM770m, the project will be developed into a mixed-use project with serviced apartments and neighbourhood retail. *(The Edge)*

GLOMAC: To sell Puchong land parcels to Sunway unit for RM97.3m

Glomac Bhd is disposing of two parcels of leasehold land in Puchong, Selangor, to Sunway Bhd's property arm for RM97.3m, with the proceeds to be used to repay borrowings. In a bourse filing on Monday (Jan 5), the property developer said its subsidiary Glomac Al Batha Sdn Bhd had entered into two separate sale and purchase agreements with Sunway Kiara Sdn Bhd for the proposed disposal. Sunway Kiara is wholly owned by Sunway City Sdn Bhd, the property arm of Sunway. The two vacant industrial plots, with a combined land area of 27,397 sq m, are located in Pekan Desa Puchong. *(The Edge)*

Upcoming key economic data releases	Date
US S&P Global Services PMI (Dec)	Jan 06
US ADP Nonfarm Employment Change (Dec)	Jan 07
US ISM Non-manufacturing PMI (Dec)	Jan 07
US ISM Non-manufacturing Prices (Dec)	Jan 07
US JOLTS Job Opening (Nov)	Jan 07
US Initial Jobless Claims	Jan 08
US Average Hourly Earnings (MoM) (Dec)	Jan 09
US Nonfarm Payrolls (Dec)	Jan 09
US Unemployment Rate (Dec)	Jan 09
<i>Source: Bloomberg</i>	



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	4.42	0.58	13.19
Taliworks Corporation	Utilities	0.51	0.05	9.90
REXIT	Technology	0.57	0.05	8.85
MBM Resources	Consumer	5.14	0.42	8.19
Ta Ann Holdings	Plantation	4.17	0.33	7.89
Sentral REIT	REIT	0.79	0.06	7.85
Paramount Corporation	Property	1.02	0.08	7.84
KIP REIT	REIT	0.90	0.07	7.71
MAG Holdings	Consumer	1.32	0.10	7.20
Magnum	Consumer	1.32	0.10	7.20
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.87
Bermaz Auto	Consumer	0.71	0.05	6.67
Kim Loong Resources	Plantation	2.38	0.15	6.43
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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