



Daily Newswatch

Market Review

The FBM KLCI retraced 0.5% to 1,672 points on Tuesday, due to profit-taking amid stronger regional performances. Over the broader sector, Industrial Products & Services declined 0.8%, Health Care dropped 0.5% and Telecommunications & Media trimmed 0.4%, dragging the local bourse. Among index constituents, CIMB Group was the worst performer as the stock declined 3.0% after its investment banking arm was slammed with a lawsuit by sukuk holders of the MEX II Highway. Subsequently, Petronas Chemicals and Sunway Bhd were down 2.6% and 1.9%, among the top losers of the day. Nevertheless, overall market breadth remained positive, with gainers outnumbering losers 624 to 506, with 531 counters unchanged.

Asian stocks soared to new highs on Tuesday, boosted by sustained optimistic sentiment in artificial intelligence and technology across the region. The Shanghai Composite gained 1.5% to 4,084 points, the KOSPI added 1.5% to 4,526 points, Taiwan's TAIEX rose 1.6% to 30,576 points and the Hang Seng jumped 1.2% to 26,670 points. In the mainland markets, sentiment was further supported by growing confidence for China's economic recovery, underpinned by governmental assistance and abundant liquidity from Beijing, particularly steps targeted at stabilizing the troubled property sector. Technology stocks led the advance, including East Money Information (+5.7%), Zhejiang Sanhua (+1%), Leo Group (+6.9%), Victory Giant (+1.5%) and Giga Device Semiconductor (+6.4%). The South Korean market went above 4,500 points for the first time, as institutional and retail investors pushed the index higher after early weakness from profit-taking by foreign investors. Tech stocks led the rally, with SK Hynix up 3.3% after the company unveiled its next-generation 16-layer HBM4 AI memory chips at CES 2026. Samsung Electronics climbed by 0.7%, alongside LG Energy Solution (+1.5%), HD Hyundai Heavy Industries (+7.0%), SK Square (+3.6%), and Doosan Enerbility (+3.0%).

European markets closed higher on Tuesday, building on their recent strong momentum from benign inflation data and encouraging corporate developments in key industries. The Eurozone STOXX 50 index increased 0.1% to 5,932, while the pan-European STOXX 600 index rose 0.6% to 605, both setting new records.

Wall Street extended its bullish run, as the Dow surged 1.0%, the S&P 500 rose 0.6% to new highs, and the Nasdaq 100 soared 1.1% on Tuesday, as anticipation for additional Federal Reserve rate cuts supported profit growth. Semiconductors led the gain after a brief halt, with Micron, Texas Instruments, Analog Devices, and NXP up 5.6% to 10% as investors returned to chip producers. Healthcare also rebounded, with Eli Lilly and UnitedHealth gaining 2.2% and 2% respectively. Markets remained mostly unconcerned about the US capture of Venezuela's leader, believing the incident was unlikely to cause a long-term regional shock, though it did continue to affect energy positions.

Macro Snapshots

- **US:** Trump tells NBC he may reimburse Venezuelan oil investments
- **CN:** Buys more US soybeans, total purchases near 10m tonnes
- **CN:** Slaps export controls on Japan military for Taiwan remarks
- **MY:** Informal sector the primary focus of Economic Census 2026

Corporate Snapshots

- **THETA:** Tabung Haji exits at premium
- **SUNLOGY:** Secures electrical works subcontract for Johor apartment project
- **ICTZONE:** Secures RM27.8m order for ICT equipment leasing
- **IGBB:** Plans one-for-two bonus issue

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,672.4	(0.5)	(0.5)
Dow Jones	49,462.1	1.0	2.9
Nasdaq CI	23,547.2	0.6	1.3
S&P 500	6,944.8	0.6	1.5
SX5E	5,931.8	0.1	2.4
FTSE 100	10,122.7	1.2	1.9
Nikkei 225	52,518.1	1.3	4.3
Shanghai CI	4,083.7	1.5	2.9
HSI	26,710.5	1.4	4.2
STI	4,740.0	1.3	2.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,662.3	5.3
Value traded (RM m)	2,757.8	14.7
Gainers	624	
Losers	506	
Unchanged	531	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MMAG	0.075	7.1	88.2
TANC	1.190	0.8	57.9
IAB	1.700	16.4	57.4
ZETRIX	0.810	0.6	56.5
VSI	0.480	1.1	50.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.990	(3.0)	214.5
MAY	10.700	1.3	156.7
TNB	13.580	(1.2)	106.2
PMAH	7.060	(1.0)	105.5
IAB	1.700	16.4	92.0

Currencies	Last Close	% Chg
USD/MYR	4.053	(0.1)
USD/JPY	156.640	0.0
EUR/USD	1.169	0.0
USD/CNY	6.984	0.1
US Dollar Index	98.580	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	60.7	(1.7)
Gold (USD/troy oz)	4,492.1	(0.1)
CPO (MYR/metric t)	3,928.0	(0.6)
Bitcoin (USD/BTC)	93,647.8	0.5

Source: Bloomberg



Macro News

US: Trump tells NBC he may reimburse Venezuelan oil investments

President Donald Trump suggested the US may subsidise efforts by energy companies to rebuild Venezuela's oil industry as his administration seeks to convince firms to invest in the country days after ousting strongman Nicolás Maduro. Trump said the project to have US oil industry companies expand their operations in the country could be "up and running" in less than 18 months, in an interview on Monday with NBC News — a time frame starkly at odds with estimates from energy industry experts, while oil companies have been largely silent about their willingness to reinvest in Venezuela. "I think we can do it in less time than that, but it will be a lot of money," Trump told NBC. "A tremendous amount of money will have to be spent and the oil companies will spend it, and then they will get reimbursed by us or through revenue." (*Bloomberg*)

US: Fed's Miran says more than full point of cuts needed in 2026

Federal Reserve governor Stephen Miran said the US central bank will need to cut interest rates by more than a percentage point in 2026, arguing monetary policy is restraining the economy. "I think it's very difficult to argue that policy is about neutral. I think policy is clearly restrictive and holding the economy back," Miran said Tuesday during an appearance on the *Fox Business Network*. "I think that well over 100 basis points of cuts are going to be justified this year." Fed officials cut interest rates last month for a third consecutive time, but signalled additional near-term reductions aren't guaranteed. Policymakers are split over the outlook for inflation and the labour market and pencilled in one cut for 2026, according to the median estimate in their latest projections. (*Bloomberg*)

CN: Buys more US soybeans, total purchases near 10m tonnes

China's state stockpiler Sinograin bought 10 US soybean cargoes this week, three traders told *Reuters* on Tuesday, as the world's top buyer continues purchasing from the United States following a late-October trade truce. The cargoes, totalling around 600,000 metric tonnes, are for shipment between March and May, with overall US soybean purchases now approaching 10m tonnes, the traders said. That represents over 80% of the 12m metric tonnes that US Treasury Secretary Scott Bessent said China pledged to buy by the end of February. (*Reuters*)

CN: Slaps export controls on Japan military for Taiwan remarks

China imposed controls on exports to Japan with any military use, intensifying a dispute between Asia's top economies over remarks Japanese Prime Minister Sanae Takaichi made last year on Taiwan. All dual-use items are banned from being exported to Japan for military use effective immediately, China's Ministry of Commerce said in a statement Tuesday. Exports "for any other end-user purposes that could enhance Japan's military capabilities" are also prohibited, it added, without elaborating. "Japan's leader recently made erroneous remarks on Taiwan, hinting at the possibility of military intervention in the Taiwan Strait," a ministry spokesperson said in a statement. Those comments violated the One-China principle and were of "malicious nature with profoundly detrimental consequences", according to the spokesperson. (*Bloomberg*)

MY: BNM adds RM2.5bn financing for SMEs, introduces RM10bn loan guarantee to boost access

Bank Negara Malaysia (BNM) will provide another RM2.5bn through banks and financial institutions to support micro, small and medium enterprise (MSME) financing, with a focus on first-time borrowers, bringing the total fund size to RM34.9bn. To date, BNM has made available RM32.4bn in concessional financing to support access to financing for SMEs through participating financial institutions, particularly viable micro and small enterprises that face financing constraints. As part of its push to benefit a wider segment of SMEs, including first-time borrowers and new entrepreneurial ventures, the central bank also plans to transition towards a guarantee-based support model, targeting up to RM10bn in guaranteed SME loans. (*The Edge*)

MY: Informal sector the primary focus of Economic Census 2026, says chief statistician

The informal sector, which includes hawkers, petty traders, food entrepreneurs and farmers' market traders, is the primary focus of the Economic Census 2026 (BE 2026), which began on Monday and will run until Oct 31, 2026. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said priority was given to the informal sector to ensure economic activities that were previously difficult to track were not left out of the country's official data. "The census is progressing smoothly, and I would like to thank everyone who has collaborated so far. We remain on track, and yesterday (Monday) alone we completed observations on data from about 5,000 respondents." (*Bernama*)

MY: FMM urges review of manufacturing SME definition to reflect modern realities

The Federation of Malaysian Manufacturing (FMM) has called on the government to review the definition of small and medium enterprises (SMEs) in the manufacturing sector to better align with current industrial demands. While the federation welcomed the government's recent targeted relief for SMEs, FMM president Jacob Lee Chor Kok noted that the existing thresholds for SMEs are increasingly restrictive and no longer reflect "today's industrial realities", particularly for mid-tier companies that sit between traditional SMEs and large corporations. "Compared with international benchmarks, Malaysia's SME definition is relatively narrow," Lee said in a statement on Tuesday. (*The Edge*)



Corporate News

THETA: Tabung Haji exits at premium

Theta Edge Bhd's largest shareholder Lembaga Tabung Haji has sold its entire 27.28% stake in the ICT solutions firm, according to bourse filings on Tuesday (Jan 6). This confirms a report in *The Edge* on Jan 2, which noted that the size of an off-market transaction in the company on that day aligned with Tabung Haji's shareholding. The transaction marks the pilgrimage fund's exit from Theta Edge. The buyer of the stake, Stealth Solutions Sdn Bhd, is now the company's new largest shareholder. (*The Edge*)

SUNLOGY: Secures electrical works subcontract for Johor apartment project

ES Sunlogy Bhd said on Tuesday that it has secured a RM15.2m subcontract for electrical works at a high-rise apartment development in Johor. The mechanical and electrical engineering services firm's subsidiary, Savelite Engineering Sdn Bhd, was awarded the job by JY Consult PLT, acting on behalf of project owner Parkland Southern Sdn Bhd, according to a bourse filing. The subcontract covers the supply, installation and maintenance of electrical services for a proposed 36-storey serviced apartment project located along the Johor Bahru-Pasir Gudang Highway in Mukim Plentong. (*The Edge*)

ICTZONE: Secures RM27.8m order for ICT equipment leasing

ICT Zone Asia Bhd has secured a RM27.8m purchase order to lease information and communication technology (ICT) hardware and software. In a bourse filing on Tuesday, the ICT solutions and technology financing provider said the contract was awarded to its wholly-owned ICT Zone Ventures Bhd by Haynik Holding Sdn Bhd. The order includes laptops, printers, projectors, charging carts and other peripheral devices, bundled with ICT services, for delivery to a government agency. The lease will span 60 months, with the start date to be determined in due course. (*The Edge*)

IGBB: Plans one-for-two bonus issue

IGB Bhd has proposed a bonus issue of one new share for every two shares held in the property group. The bonus issue will involve the issuance of up to 679.1m new shares based on the group's current share base of 1.36bn shares, according to a bourse filing on Tuesday. The entitlement date will be determined later, once all necessary approvals are obtained. Post-issuance, IGB's share price will be adjusted accordingly. For illustrative purposes, the theoretical ex-bonus share price would be RM2.0306 based on the counter's five-day volume-weighted average market price up to Jan 5 of RM3.0459, the group noted. (*The Edge*)

MEGAFB: Drops plan for Macau plant, centralises playing card production in Malaysia

Security seals specialist Mega Fortris Bhd has decided to drop its plans to set up a new playing card plant in Macau and will instead boost capacity at its existing plant in Shah Alam with a second manufacturing line to save costs. The decision means that RM45m of the RM99.1m raised from its initial public offering (IPO) meant for the Macau plant will now be used for the new manufacturing line at its Shah Alam site, a supplying and handling warehouse in Macau, as well as to fund working capital for its card printing business' operations, according to a bourse filing on Tuesday. The change in use of its IPO proceeds will require shareholders' approval. The new manufacturing line will increase its printing output to 44m decks annually from 19m decks, it noted. (*The Edge*)

SEMICO: IPO oversubscribed 28 times ahead of ACE Market debut

The initial public offering (IPO) of arcade machine supplier and toys distributor Semico Capital Bhd has attracted strong investor interest ahead of the company's ACE Market listing, with its public issue of new shares oversubscribed by 28.09 times. The toys distributor received applications for 523.7m shares worth about RM130.9m from the Malaysian public, according to a bourse filing statement on Tuesday (Jan 6). Notices of allotment will be dispatched to successful applicants on Jan 12, with the company scheduled to list on Jan 13. (*The Edge*)

MTEC: TNB exercises option to increase cable supply contract to RM142.4m

Master Tec Group Bhd announced that Tenaga Nasional Bhd has exercised an option to increase the value of its existing cable supply contract by RM32.9m. In a bourse filing Tuesday, Master Tec said Tenaga exercised its right on Jan 6 to request the optional value under the contract with the group's wholly-owned Master Tec Wire & Cable Sdn Bhd. This raised the total contract value to RM142.4m from RM109.5m. The contract value was previously adjusted following addendums entered into on April 2 and Nov 10, 2025, said Master Tec. (*The Edge*)

DESTINI: Appoints former MRT Corp chief Shahril Mokhtar as MD

Destini Bhd has redesignated Datuk Seri Dr Shahril Mokhtar as its new group managing director, just a month after the former MRT Corp CEO joined the engineering group's board as an executive director. The redesignation takes effect immediately, according to Destini's bourse filing on Tuesday. Shahril, 54, was appointed as an executive director on Dec 4, 2025. Besides his tenure with MRT Corp, Shahril was the group managing director of Prasarana Malaysia Bhd. (*The Edge*)



Upcoming key economic data releases	Date
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	0.81	0.11	14.16
British American Tobacco (M)	Consumer	4.44	0.58	13.13
Taliworks Corporation	Utilities	0.50	0.05	10.00
REXIT	Technology	0.57	0.05	8.77
MBM Resources	Consumer	5.19	0.42	8.11
Sentral REIT	REIT	0.79	0.06	7.90
Ta Ann Holdings	Plantation	4.18	0.33	7.87
Paramount Corporation	Property	1.03	0.08	7.77
KIP REIT	REIT	0.91	0.07	7.58
MAG Holdings	Consumer	1.31	0.09	7.25
Magnum	Consumer	1.31	0.09	7.25
CapitaLand Malaysia Trust	REIT	0.66	0.04	6.87
Bermaz Auto	Consumer	0.70	0.05	6.76
Kim Loong Resources	Plantation	2.38	0.15	6.43
Sports Toto	Consumer	1.35	0.08	6.15

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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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my