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Daily Newswatch

Market Review

The FBM KLCI was flat, closing at 1,712 points on Monday as positive regional markets performance and escalating geopolitical tensions between the US and EU continue to keep investors mixed and cautious. Over the broader market, Financial Services (+0.4%) and Consumer Products (+0.2%) lifted the index as Construction and Technology weighed the local bourse down, declining 1.6%, and 1.3% respectively. Among index constituents, Petronas Chemicals (+3.0%) and Sime Darby (+2.4%) were the top gainers while Axiata Group (-2.4%) and YTL Power (-2.0%) led the laggards. Overall market breadth remained bearish as losers outpaced gainers 777 to 359, with 518 counters left unchanged.

Most major Asian markets rebounded to close higher on Monday, as the Shanghai Composite added 0.3% to 4,114 points, the KOSPI jumped 1.3% higher to 4,905 points and the TAIEX was up 0.7% to 31,639 points. Meanwhile, the Hang Seng retreated 1.1% to 26,564 points. China's GDP growth met Beijing's target for its full-year forecast at 5% as December industrial output exceeded expectations. The mainland markets was lifted by Industrials (+1.8%), Consumer Discretionary (+1.6) and Materials (+1.3%) with OKE Precision Cutting Tools (+20.0%), Hefei I-TEK OptoElectronics (+18.5%) and Wuxi Hyatech (+15.0%) emerging as top gainers. Meanwhile, the South Korean markets were driven by gains in Consumer Durables (+11.2%), Producer Manufacturing (+3.0%) and Communications (+2.7%). Additionally, automotive stocks showcased strength as Hyundai Motor (+16.2%) and Kia (+12.2%) rose on the back of growing local production capacity, dynamic manufacturing strategy and exponential increase in its hybrid vehicle sales. On the contrary, Hong Kong's stock market saw broad declines due to sentiment following tariff threats to Europe by President Trump. Tech stocks led the decline, with SMIC down 2.7%, Kuaishou down 2.2%, and Xiaomi down 1.6%. Pharma stocks also fell, including Sino Biopharma (-6.0%), Hansoh (-4.1%), and Akeso (-3.3%). Investors are now awaiting the PBoC's loan prime rate announcement on Tuesday, after key lending rates remained at record lows for the seventh consecutive month in December.

European stocks closed substantially lower on Monday, retreating from record highs set last week as US President Donald Trump threatened to impose tariffs on Europe's strongest economies. The Eurozone's STOXX 50 fell 1.7% to 5,926, while the STOXX 600 dropped 1.2% to 607.

Wall Street was closed on Monday for Martin Luther King Jr. Day and will reopen on Tuesday.

Macro Snapshots

- **US:** Dollar faces pressure from Trump's fresh tariff threat to Europe
- **US:** Trump links Greenland threats to Nobel Peace Prize snub
- **CN:** Economic momentum weakens despite meeting 5% growth goal
- **EU:** Eyes tariffs on €93bn of US goods over new Trump threat
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Corporate Snapshots

- **OPENSYS:** Clinches RM22m order for cash recycling machines
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Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,712.3	(0.0)	1.9
Dow Jones	49,359.3	(0.2)	2.7
Nasdaq CI	23,515.4	(0.1)	1.2
S&P 500	6,940.0	(0.1)	1.4
SX5E	5,925.8	(1.7)	2.3
FTSE 100	10,195.4	(0.4)	2.7
Nikkei 225	53,583.6	(0.7)	6.4
Shanghai CI	4,114.0	0.3	3.7
HSI	26,563.9	(1.0)	3.6
STI	4,834.9	(0.3)	4.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,085.5	(0.1)
Value traded (RM m)	2,746.2	(11.1)
Gainers	359	
Losers	777	
Unchanged	518	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
SMRT	0.185	(58.4)	239.9
CAPITALA	0.505	(7.3)	109.9
IJM	2.650	(5.4)	108.6
ZETRIX	0.805	(1.2)	90.0
AAX	1.650	(1.2)	60.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
IJM	2.650	(5.4)	282.8
MAY	11.160	0.0	191.3
PBK	4.800	1.5	138.9
CIMB	8.370	(0.5)	107.5
GAM	4.590	(1.3)	102.8

Currencies	Last Close	% Chg
USD/MYR	4.055	0.1
USD/JPY	158.110	0.0
EUR/USD	1.165	0.0
USD/CNY	6.964	0.1
US Dollar Index	99.042	(0.4)

Commodities	Last Close	% Chg
Brent (USD/barrel)	64.2	0.1
Gold (USD/troy oz)	4,670.9	1.6
CPO (MYR/metric t)	4,068.0	0.9
Bitcoin (USD/BTC)	92,922.1	(0.0)

Source: Bloomberg

Macro News

US: Dollar faces pressure from Trump's fresh tariff threat to Europe

The dollar faces fresh headwinds as President Donald Trump weighs tariffs on European nations tied to his plan to acquire Greenland, raising uncertainties over US policies, according to analysts. The Bloomberg Dollar Spot Index fell 0.1% in Asia after Trump threatened a 10% tariff on European allies supporting Denmark's hold on Greenland. Treasury futures traded mixed with cash markets closed for a US holiday. European currencies found support, with the Swiss franc outperforming its Group-of-10 peers on increased demand for haven assets. The euro rose from the lowest level in almost two months. Trump's tariff threats have reignited the "sell America" trade. The market will also be looking for the 'TACO trade' as Trump could be using the threat of tariffs as a negotiating ploy. This will give the USD some support. (*Bloomberg*)

US: Trump links Greenland threats to Nobel Peace Prize snub

Donald Trump linked his claims on Greenland to not being awarded the Nobel Peace Prize in a letter the US president sent to Norwegian Prime Minister Jonas Gahr Store. "Considering your Country decided not to give me the Nobel Peace Prize for having stopped 8 Wars PLUS, I no longer feel an obligation to think purely of Peace," Trump says in the letter obtained by Bloomberg. "Although it will always be predominant but can now think about what is good and proper for the United States of America." "The World is not secure unless we have Complete and Total Control of Greenland," the US president added. (*Bloomberg*)

US: To meet global CEOs in Davos, with US policy in focus

Donald Trump is expected to meet global business leaders in Davos on Wednesday, sources familiar with the matter said, as the US president's presence looms large over the annual gathering of the global elite in Switzerland. Business leaders, including CEOs in financial services, crypto and consulting, were invited to a reception after Trump's address to the World Economic Forum's annual meeting, the sources told *Reuters* on Monday. The agenda was unclear. One CEO simply had "a reception in honour of President Donald J Trump" scheduled in their diary, while another said their understanding was that global CEOs had been invited, not just those from the United States. One of the sources said the invitations had come from the White House. (*Reuters*)

CN: USD7tn cash pile is shifting into stocks, gold

Chinese households are scouring for higher-yielding investments as roughly USD7tn (RM28.4tn) in time deposits come due this year, a shift that could provide additional fuel for the nation's financial markets. The mountain of savings is a legacy of a prolonged real estate crisis and years of lackluster stock returns, which prompted millions to seek the safety of bank deposits. With rates now sliding toward 1%, that capital is increasingly looking for a new home. Investors are weighing a move into stocks, wealth management products or insurance, which would align with Beijing's efforts to cultivate sustainable market gains to support the broader economy. (*Bloomberg*)

CN: 2025 coal output hits record high as cheap supply drives stockpiling, lower imports

China's coal output rose to a record in 2025, statistics bureau data showed on Monday, as lower domestic prices prompted buyers to cut imports and rebuild stockpiles with cheaper local supply, although the rise was limited by regulator efforts to curb production growth. Production in 2025 reached 4.8bn metric tonnes, up 1.2% from 2024, according to the National Bureau of Statistics. More ample domestic supply — a reversal from the coal and power shortages China experienced a few years ago — also encouraged power plants to source better quality coal, said Peng Chengyao, head of Apac power and renewables research at S&P Global Energy. (*Reuters*)

CN: Economic momentum weakens despite meeting 5% growth goal

China's economy lost more momentum last quarter even as it met the government's target in 2025, in another year of lopsided growth that will be hard to sustain in an era of protectionism around the world. While industrial production held up well in December, retail sales and investment worsened more than forecast. The world's second-largest economy expanded 4.5% last quarter from a year earlier, the slowest pace since the reopening from Covid lockdowns in late 2022. For the full year, gross domestic product rose 5%, according to data released by the National Bureau of Statistics (NBS) on Monday, confirming an estimate given by President Xi Jinping in a speech on New Year's Eve and matching the expansion in 2024. Chinese onshore stocks edged up slightly following the data release, while government bonds and the yuan were little changed. (*Bloomberg*)

EU: Eyes tariffs on €93bn of US goods over new Trump threat

The European Union is in talks to potentially impose tariffs on €93bn (USD108bn or RM438bn) of US goods if President Donald Trump follows through on his threat to hit European countries with a 10% levy on Feb 1. The EU is also weighing additional countermeasures beyond the tariffs but will first try to find a diplomatic solution, according to people familiar with the discussions. Representatives from the EU's 27 countries met Sunday to begin preparing options. EU leaders will hold an emergency meeting in Brussels later this week to explore possible retaliatory measures. European Council President Antonio Costa said in a social media post Sunday that the bloc's nations were united in support of Denmark and Greenland and were ready "to defend ourselves against any form of coercion." (*Bloomberg*)

MY: Plans dollar bond sale this year, first since 2021

Malaysia has sounded out debt arrangers about a dollar bond offering, putting the Asian government on track to join a record global fundraising binge so far in 2026. The government sent a request for proposals to banks for a potential offering, according to a spokesperson for the nation's Finance Ministry, in response to emailed questions from *Bloomberg News*. "This is to, among others, refinance the dollar bonds maturing this year," the spokesperson said. The government is considering a dollar fundraising after spreads on Asian debt in the US currency tightened more broadly to a record low last week, mirroring a bullish run that generated the hottest global credit markets since 2007. Malaysia's economy expanded by 5.7% in the fourth quarter, faster than expected, which helped full-year growth beat official estimates. (*Bloomberg*)

MY: SST on raw materials like steel scrap weakens industry competitiveness, Misif says as grace period ends

The Malaysian Iron and Steel Industry Federation (Misif) reiterated that sales and services tax (SST) on primary steelmaking raw materials, including steel scrap, weakens the industry's competitiveness. A number of steel-related products were subjected to SST ranging from 5% to 10% from July 1, 2025. A compliance grace period ended last year and a January SST update offered no relief for steel products. Taxing the inputs directly increases steelmakers' costs and weakens the competitiveness of local steel, placing further burden amid its ongoing struggle against its imported counterpart, the federation said in a statement on Monday. "This is particularly concerning as many finished products continue to enter Malaysia duty-free under free trade agreements, while locally produced steel faces higher costs due to SST on raw materials. (*The Edge*)

Corporate News

IJM: Says MACC, IRB officials visited its office to gather info; Azam Baki confirms probe

IJM Corp Bhd said officers from the Malaysian Anti-Corruption Commission (MACC) and the Inland Revenue Board (LHDN) were present at the company's office on Monday (Jan 19) to "obtain information as part of their process". In a bourse statement, IJM said it is cooperating fully with the authorities and assured that its business operations "are continuing as usual". "The company is committed to upholding strong standards of corporate governance, transparency and integrity. The company will continue to monitor the development of this matter and will make timely disclosures should there be any material updates," it said. *(The Edge)*

MCEMENT: YTL Cement trims 5.95% stake

Malayan Cement Bhd said its largest shareholder, YTL Cement Bhd, has disposed of 82.4m shares — representing a 5.95% stake — confirming an earlier report by *The Edge.* In a bourse filing, the group said the block of shares was sold via a direct business deal, though the transaction price was not disclosed. *The Edge* previously reported that a term sheet indicated YTL Cement is selling the shares at RM7.55 apiece, reflecting a 2.94% discount to the one-day volume-weighted average price (VWAP) and a 3.61% discount to the five-day VWAP. The placement of up to 100m shares — equivalent to a 7.2% stake in Malayan Cement — is expected to raise as much as RM755m. *(The Edge)*

RL: Secures technical review contract for Hibiscus Oil & Gas carbon capture and storage project

Reservoir Link Energy Bhd has secured a contract from Hibiscus Oil & Gas Malaysia Ltd to provide third-party subsurface review and technical assurance services for the PM3 CAA carbon capture and storage (CCS) project. In a statement on Monday, the energy-related services provider said the contract was awarded to its 60%-owned subsidiary, Reservoir Link Solutions Sdn Bhd, and is effective for a period of two years from the date of award. Under the contract, Reservoir Link will conduct an independent review of the CCS study, covering subsurface workflows and methodologies, data inputs and assumptions, static and dynamic modelling, as well as technical analysis and interpretation. (*The Edge*)

ABMB: Unveils new 24-floor office suite on Jalan Ampang

Alliance Bank Malaysia Bhd on Monday officially launched its new 24-floor office suite, Menara Alliance Bank, located along Jalan Ampang in Kuala Lumpur's Golden Triangle. The launch follows the bank's move into the building on Aug 1 last year, marking its first relocation to its first-owned headquarters since the bank's inception. The move represents more than a change of address, symbolising Alliance Bank's growth, sustainability ambitions and future-forward transformation under its Acceler8 2027 strategy, the bank said in a statement. The building is on track to achieve both the BCA Green Mark (Gold) certification for the base building and Leadership in Energy and Environmental Design (LEED) certification for its fit-out works this year, said Alliance Bank, one of the smallest lenders in the country. *(The Edge)*

OPENSYS: Clinches RM22m order for cash recycling machines

OpenSys (M) Bhd has secured a RM22.1m order to supply new cash recycling machines (CRMs). In a bourse filing, the group said the customer is Reachful Malaysia Sdn Bhd, a financial technology and services firm specialising in the deployment and operation of CRMs. Delivery will be carried out in tranches, with full completion targeted by Dec 31, 2026. The order is expected to contribute positively to OpenSys' consolidated earnings and net assets per share for the financial year ending Dec 31, 2026. (*The Edge*)

AAX: Names Bo Lingam group CEO, announces top management changes

AirAsia X Bhd has appointed Tharumalingam Kanagalingam, better known as Bo Lingam, as its new group chief executive officer (CEO), effective immediately. The decision comes on the heels of the completion of the group's acquisition of AirAsia Bhd (AAB) and AirAsia Aviation Group Ltd (AAAGL) from Capital A Bhd, consolidating all AirAsia-branded airline operations under a single listed entity. Bo Lingam, 60, previously served as group CEO of AAAGL, having risen through the ranks since joining AirAsia in 2001 as ground operations manager, according to the group's bourse filing on Monday. (*The Edge*)

ABMB: CEO says it can grow organically without M&A

Alliance Bank Malaysia Bhd does not see a need for any mergers and acquisitions (M&A) and intends to continue growing organically, according to its group CEO Kellee Kam. He clarified however, that he is unaware of any such talks. His comments come amid reports that Singapore's DBS Bank Ltd remains keen to buy a significant stake in one of the smallest lenders in the country. A local news report recently said that DBS' efforts to acquire about 29.06% stake in Alliance Bank from its largest shareholder, Vertical Theme Sdn Bhd, are facing challenges in securing approval from Bank Negara Malaysia. It said that DBS has so far secured approval to acquire Temasek's indirect stake in Alliance Bank, amounting to an effective ownership of about 14.24%. Vertical Theme is backed by Singapore state investor Temasek Holdings Pte Ltd, which holds a 49% stake in the company via Duxton Investment & Development Pte Ltd. Temasek is also DBS' largest shareholder, with a 28.3% stake in the Singapore lender. *(The Edge)*

FAVCO: Wins three crane deals worth RM76m

Favelle Favco Bhd has secured three new contracts to supply tower and offshore cranes worth a combined RM76.3m. In a bourse filing on Monday, the group said the orders were awarded to its wholly-owned subsidiaries, Favelle Favco Cranes Pty Ltd and Favelle Favco Cranes (M) Sdn Bhd. Delivery of the cranes is scheduled by end-2026 and the first quarter of 2027. The contracts are expected to contribute positively to Favelle Favco's earnings and net assets for the financial year ending Dec 31, 2026 and beyond. (*The Edge*)

TELADAN: Makes first foray outside Melaka with launch of Bukit Intan Commercial Centre

Teladan Group Bhd has launched the Bukit Intan Commercial Centre in Seremban, marking its first project outside its home base of Melaka. According to a press release Monday (Jan 19), the freehold commercial development signals the group's strategic expansion into higher-growth markets beyond its traditional footprint. Located within Greater Klang Valley, the development is accessible via the North-South Expressway and positioned to serve the growing commercial demand in Negeri Sembilan. *(The Edge)*

Upcoming key economic data releases	Date
US GDP (QoQ) (Q3)	Jan 22
US Initial Jobless Claims	Jan 22
US Core PCE Price Index (MoM) (Nov)	Jan 22
US Core PCE Price Index (YoY) (Nov)	Jan 22
US S&P Global Services PMI (Jan)	Jan 23
US S&P Global Manufacturing PMI (Jan)	Jan 23
Source: Bloomberg	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	4.65	0.65	13.98
Bonia Corporation	Consumer	0.82	0.11	13.90
Taliworks Corporation	Utilities	0.49	0.05	10.20
MBM Resources	Consumer	5.15	0.42	8.17
Paramount Corporation	Property	1.03	0.08	7.77
Ta Ann Holdings	Plantation	4.26	0.33	7.72
Sentral REIT	REIT	0.81	0.06	7.65
KIP REIT	REIT	0.94	0.07	7.34
MAG Holdings	Consumer	1.31	0.09	7.25
Magnum	Consumer	1.31	0.09	7.25
CapitaLand Malaysia Trust	REIT	0.67	0.05	6.72
Kim Loong Resources	Plantation	2.39	0.15	6.40
Sports Toto	Consumer	1.34	0.08	6.19
UOA Development	Property	1.90	0.11	5.79
TIME dotCom	Telco	5.55	0.32	5.68

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		
SBS Nexus Berhad	ACE Market	0.25	122.5	49.0	7 Jan	20 Jan
Guan Huat Seng Holdings Berhad	ACE Market	0.25	120.0	21.0	9 Jan	22 Jan
One Gasmaster Holdings Berhad	ACE Market	0.25	77.5	15.5	16 Jan	27 Jan
ISF Group Berhad	ACE Market	0.33	185.3	90.0	14 Jan	28 Jan

Source: Bursa Malaysia

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