



# Daily Newswatch

## Market Review

The FBM KLCI rebounded to 1,564.6 (+0.7%) on Tuesday, as investors shrugged off tariff concerns and turned to bargain-hunting in selective blue-chip counters. Gains in CIMB (+2.4%), SUNWAY (+2.3%), and PBBANK (+1.9%) lifted the index. Sector-wise, Telecommunications (+1.1%) led the gains driven by strong positive gain in index-heavyweighted counters such as MAXIS (+1.7%), TIMECOM (+1.5%) and TM (+1.2%). In overall, the broader market sentiment turned more bullish, with 544 gainers outpacing 415 decliners.

## Economics

- Malaysia:** To ensure plantations have enough workers for consistent production
- Japan:** Ishiba keeps deflation logic to retain ability to spend
- US:** Trump wants Ukraine to guarantee access to rare earths for war aid
- China:** Makes most of tungsten clout in opening trade war salvo
- China:** Hits back at Trump tariffs with Google probe
- Thailand:** Sees tourist arrivals jump 21% as Chinese top list
- Thailand:** Weighs imports of more US goods to cut trade surplus

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- KNM Group:** Meridian say still working on regulation plans to exit PN17 status
- Senheng:** Sells vacant land in Johor
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- SMI:** Unitholders approve RM98m industrial properties buy from Eddie Ong
- Fajarbaru:** Secures RM131.6m job expansion for redevelopment of military facilities in Butterworth
- Ge-Shen:** Selling 4.61-acre land in JB for RM35m
- Ann Joo:** Acquires remaining 45% stake in industrial land firm

<u>Upcoming key economic data releases</u>	<u>Date</u>
US – Jan 2024 NFP, Unemployment Rate	Feb 07
Malaysia – Dec 2024 Unemployment Rate	Feb 10
US – Jan 2025 CPI	Feb 12
US – Jan 2025 PPI	Feb 13
Malaysia – GDP Growth Rate	Feb 14
US – Jan 2025 FOMC	Feb 20
Malaysia – Jan 2024 Inflation Rate	Feb 21

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,564.6	0.7	(4.7)
Dow Jones	44,556.0	0.3	4.7
Nasdaq CI	19,654.0	1.4	1.8
S&P 500	6,037.9	0.7	2.7
FTSE 100	8,570.8	(0.1)	4.9
Nikkei 225	38,798.4	0.7	(2.7)
Shanghai CI	3,250.6	(0.1)	(3.0)
HSI	20,790.0	2.8	3.6
STI	3,823.0	(0.1)	0.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,234.4	7.4
Value traded (RM m)	2,055.0	17.2
Gainers	544	
Losers	415	
Unchanged	456	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
HM	0.195	5.4	63.5
KOPI	0.900	5.3	57.9
VELESTO	0.180	(5.3)	41.6
MYEG	0.960	1.6	33.8
NATGATE	1.850	4.5	28.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.190	2.4	167.6
MAYBANK	10.380	0.8	112.1
TENAGA	13.540	(0.3)	90.9
GAMUDA	4.180	1.0	87.1
YTLPOWR	3.040	(0.3)	60.0

Currencies	Last Close	% Chg
USD/MYR	4.4447	0.7
USD/JPY	154.35	(0.0)
EUR/USD	1.0379	0.0
USD/CNY	7.2446	(0.0)
US Dollar Index	108.00	(0.9)

Commodities	Last Close	% Chg
Brent (USD/barrel)	76.1	0.1
Gold (USD/troy oz)	2,844	0.0
CPO (MYR/metric t)	4,609	0.4
Bitcoin (USD/BTC)	97,427	0.9



## Economics

### **Malaysia: To ensure plantations have enough workers for consistent production**

The government, through the Plantation and Commodities Ministry (KPK), is committed to ensuring oil palm plantations have sufficient workforce, so that production remains consistent and is not adversely affected. Plantation and Commodities Minister Datuk Seri Johari Abdul Ghani said a shortage of workers could lead to palm fruits not being harvested when they ripen, which in turn would affect production. "Additionally, for smallholders, the government will ensure they use good planting materials and adopt good agricultural practices in order to increase yields. This will help reduce production cost and boost global market demand," he said during a question-and-answer session in the Dewan Rakyat on Tuesday. *(The Edge)*

### **Japan: Ishiba keeps deflation logic to retain ability to spend**

Japanese Prime Minister Shigeru Ishiba maintains that Japan still faces deflationary risks, allowing his government to justify continued stimulus spending ahead of a crucial summer election, despite inflation remaining above 2% for nearly three years. Declaring a definitive end to deflation could limit fiscal support measures, especially as public discontent over rising prices grows. Meanwhile, the Bank of Japan, under Governor Kazuo Ueda, has already raised interest rates three times and is expected to continue policy normalization if economic conditions align with its forecasts. *(Bloomberg)*

### **US: Trump wants Ukraine to guarantee access to rare earths for war aid**

President Donald Trump said his administration wants an agreement with Ukraine for the war-torn country to offer access to its critical mineral resources in return for aiding its defence against Russia. "We're looking to do a deal with Ukraine where they're going to secure what we're giving them with their rare earth and other things," Trump said Monday at the White House. "We want a guarantee. We're handing them money, hand over fist." Trump has said he aims to reach a negotiated end to the nearly three-year war between Russia and Ukraine, and has often criticised former President Joe Biden's financial and military support for Kyiv. He's also called on President Vladimir Putin to reach an agreement, threatening further sanctions and saying the war has devastated Russia's economy. *(Bloomberg)*

### **China: Makes most of tungsten clout in opening trade war salvo**

China put export controls on tungsten and other niche metals used in the electronics, aviation and defence industries as it retaliated in a targeted way to US tariffs. In addition to tungsten — which is known for its remarkable density and high melting point and is most commonly used in armour-piercing missiles — Beijing imposed export curbs on molybdenum, tellurium, bismuth and indium on Tuesday. The announcement came immediately after President Trump fired the opening salvo in the trade war, hitting all US imports from China with a blanket 10% tariff. China produces around 80% of the world's tungsten and bismuth, and is also the number one supplier of the other metals. Its response suggests it will take a more calibrated approach in dealing with Washington, targeting materials with military applications and seeking to maximise its impact by focusing on commodities where it has the most leverage. *(Bloomberg)*

### **China: Hits back at Trump tariffs with Google probe**

China responded to Donald Trump's new trade tariffs with measured countermeasures, imposing moderate levies on select U.S. goods and targeting American firms like PVH Corp and Illumina Inc while avoiding broad economic disruption. The restrained retaliation, which includes export controls on critical minerals like tungsten, signals Beijing's intent to apply pressure without escalating tensions, leaving room for negotiation. Despite China's response, financial markets reacted calmly, with the Hang Seng China Enterprises Index rebounding and currency fluctuations stabilizing. Trump's tariffs appear to be a negotiation tactic rather than a structural shift in U.S.-China trade relations, as both leaders maintain communication channels. *(Reuters)*

**Thailand: Sees tourist arrivals jump 21% as Chinese top list**

Thailand saw foreign tourist arrivals jump 21% since the start of the year, as visitors largely ignored safety concerns following the high-profile trafficking of a Chinese actor to work in an illegal call centre in neighbouring Myanmar. A total of 3.97m tourists visited the Southeast Asian nation as of Feb 2, with Chinese visitors totalling 710,687, the Ministry of Tourism and Sports said on Tuesday. Arrivals in January surged 22% to 3.7m from a year earlier, it said. Tourist arrivals during the Lunar New Year holidays last week were 946,958, up 7.5% from a week earlier, the ministry said. While Chinese tourists led the tally during the week, down 0.5% from a week earlier, arrivals from Malaysia soared 80% to 170,797, the ministry said. *(Reuters)*

**Thailand: Weighs imports of more US goods to cut trade surplus**

Thailand is set to increase imports of US ethane and agricultural products, a government official said, in a bid to prevent damage to its export-driven economy as the Trump administration threatens countries with trade wars. The government has asked Thai petrochemical companies to significantly step up the purchase of US ethane by at least one million tons, Pongsarun Assawachaisophon, a deputy secretary-general to Prime Minister Paetongtarn Shinawatra, told Bloomberg News on Tuesday. The market value of one million tons is about US\$200m (RM890.05m). "We're being proactive and hope that we can leverage this in our talks with the US," he said, adding the government is considering efforts to strengthen defence and security relations. "Their great trade deficit with us will likely be negotiated, but they also still need an ally in Southeast Asia." *(Reuters)*



## Companies

### **KNM Group: Meridian say still working on regulation plans to exit PN17 status**

Practice Note 17 (PN17)-status company KNM Group Bhd is still in the midst of formulating a plan to regularise its financial condition, it announced to Bursa Malaysia on Monday. This follows KNM's announcement on Dec 17, 2024 that wholly owned subsidiaries Borsig GmbH and Deutsche KNM GmbH as well as other companies in the Borsig Group had entered into a new replacement facility agreement with Landesbank Baden-Württemberg and other participating financial institutions. This credit facility will ensure the Borsig Group is able to continue with its operations as normal. KNM also said it is in the process of identifying a replacement for its former principal adviser, M&A Securities Sdn Bhd, which resigned on Oct 22, 2024. *(The Edge)*

### **Senheng: Sells vacant land in Johor for RM11.2m cash**

Senheng New Retail Bhd is disposing of a piece of freehold industrial vacant land in Tebrau, Johor, measuring 1.041ha for RM11.21m cash. The consumer electrical and electronic products retailer said the property has increased in value since it was acquired at a cost of RM7.69m in 2018. "The proceeds arising from the proposed disposal will be allocated for general working capital purposes," Senheng added in a filing with Bursa Malaysia. The land is being sold to Mactree Sdn Bhd, a private limited company involved in real estate and building construction. *(The Edge)*

### **Sersol: Largest shareholder dumps entire stake at 93% discount after holding it for only three weeks**

Forever Famous Sdn Bhd, which emerged as the largest shareholder of Sersol Bhd just three weeks ago, has disposed of its entire 13.67% stake in the coating solutions company. According to bourse filings on Tuesday, Forever Famous sold the stake comprising 100m shares at 0.5 sen apiece in an off-market trade on Monday. Based on Sersol's closing price of seven sen on Monday, the sale was a discount of 92.9%. However, the purchaser was not disclosed. Forever Famous is a private vehicle controlled by Sersol's executive director Datuk Mohamed Suffian Awang, who was appointed to the post in August 2023. *(The Edge)*

### **SMI: Unitholders approve RM98m industrial properties buy from Eddie Ong**

Target 1 Sdn Bhd, one of the parties acting in concert to take over South Malaysia Industries Bhd, has received another seven-day extension to deliver the offer document to the latter's shareholders. In a statement on Tuesday, the new deadline for the submission has been extended to Feb 11. This is the fourth extension the Securities Commission (SC) has granted Target 1 to deliver the document. The initial deadline was on Jan 7. Target 1, together with persons acting in concert (PACs) with it, Honsin Apparel Sdn Bhd and HiQ Media (M) Sdn Bhd, collectively control 50.05% in SMI, triggering the mandatory takeover offer of the company at 45 sen per share in August last year. *(The Edge)*

### **Fajarbaru: Secures RM131.6m job expansion for redevelopment of military facilities in Butterworth**

A joint venture (JV) between Fajarbaru Builder Group Bhd and Avionics Pty Ltd has secured a RM131.6m contract from the Australian Department of Defence that expands their scope of works in the redevelopment of military facilities located at the Royal Malaysian Air Force (RMAF) base in Butterworth, Penang. The latest contract is for the delivery phase of Phase Two of the design and construction of the infrastructure project, according to the turnkey contractor's filing. Fajarbaru's portion of the additional works, under its wholly owned FBG Builder Sdn Bhd, is RM75.9m, while Avionics' portion is RM55.7m. With the latest contract, Fajarbaru has secured works worth RM115m for the project, while Avionics' portion amounted to RM70m. "The works involve facilities upgrades to the RMAF base in Butterworth, including operational and recreational upgrades to airfield pavements, ground lighting infrastructure, drainage, rugby pitch, futsal court and other associated infrastructure," said Fajarbaru in a statement. *(The Edge)*

**Ge-Shen: Selling 4.61-acre land in JB for RM35m**

Ge-Shen Corp Bhd is to sell Johor Bahru land measuring 4.61 acres in aggregate, with an office, a warehouse, and a factory built atop, for RM35m in cash. The company's wholly-owned unit Ge-Shen Plastic (M) Sdn Bhd inked a binding term sheet with Plastico Sdn Bhd for the disposal of the five parcels of land, according to the plastic component manufacturer's bourse filing on Tuesday. Ge-Shen said the RM35m disposal consideration represents an 8.57% discount to the land's RM38.28m market value, ascribed by Irhamy Valuers International Sdn Bhd in November 2023. The company expects to book a pro forma gain of RM14.26m from the land sale. On the purchaser, Ge-Shen said Plastico is a precision plastic components and parts manufacturer. Its shareholders comprise Teo Gee Lian with a 55% stake, Too Siau Chen with 30% and Teo Gee Teck with 15%. *(The Edge)*

**Ann Joo: Acquires remaining 45% stake in industrial land firm**

Steel manufacturer Ann Joo Resources Bhd said it is acquiring the remaining 45% equity interest in Konsortia Etiqa Sdn Bhd (KESB), the owner of 437 acres of industrial land in Kedah, for RM96m. It is acquiring the stake through its wholly owned subsidiary, Ann Joo Management Services Sdn Bhd (AJMS), from KESB director Datuk Ong Tee Thong, according to a Bursa Malaysia filing on Tuesday. Upon completion, AJMS will hold 96% of KESB, with the remaining 4% retained by another subsidiary, Ann Joo Steel Bhd. Ann Joo said the acquisition aligns with its broader strategy to streamline its management operations and align ownership interests within KESB and its subsidiaries. By fully controlling KESB, Ann Joo aims to enhance decision-making efficiency and drive future growth. *(The Edge)*



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.30	0.17	12.77
MBM Resources	Consumer	5.85	0.53	8.97
British American Tobacco (M)	Consumer	7.30	0.60	8.16
Amway (M)	Consumer	6.82	0.53	7.73
Sentral REIT	REIT	0.81	0.06	7.70
Datasonic Group	Technology	0.39	0.03	7.69
KIP REIT	REIT	0.89	0.07	7.57
Ta Ann Holdings	Plantation	3.99	0.30	7.54
Genting Malaysia	Consumer	2.22	0.16	7.07
CapitaLand Malaysia Trust	REIT	0.68	0.05	7.06
YTL Hospital REIT	REIT	1.20	0.08	6.92
Hektar REITS	REIT	0.54	0.03	6.54
Paramount Corporation	Property	1.08	0.07	6.48
REXIT	Technology	0.78	0.05	6.45
Sports Toto	Consumer	1.56	0.10	6.41

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		
Northern Solar Holdings Bhd	ACE Market	0.63	67.3	35.6	20 Jan	06 Feb
Colform Group Bhd	ACE Market	0.36	114.4	54.0	23 Jan	10 Feb
<a href="#">Richtech Digital Bhd</a>	ACE Market	0.25	54.7	-	31 Jan	17 Feb
Techstore Bhd	ACE Market	0.20	125.0	25.0	04 Feb	18 Feb
ES Sunlogy Bhd	ACE Market	0.30	140.0	70.0	05 Feb	20 Feb

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