



Daily Newswatch

Market Review

The FBM KLCI extended its gains to 1,574.5 (+0.6%) on Wednesday, sustaining its upward momentum as bargain-hunting continued to drive investor optimism. Strong advances in GAMUDA (+4.8%), YTLPOWR (+4.3%), and YTL (+3.7%) underpinned the index, signalling renewed interest in DC-related theme. Sector-wise, Construction (+2.8%) led the gains, followed by Property (+2.0%) and Technology (+1.5%). The broader market breadth remained positive, with 622 gainers outnumbering 345 decliners.

Economics

- Malaysia:** Trade war will not hinder Malaysia's GDP growth target of 4.5%-5.5% for 2025 says Rafizi
- Japan:** Wages grow most since 1997, helping BOJ rate path and yen
- China:** Chinese splurge during holidays but angst over spending persists
- EU:** Wage tracker points to steep slowdown this year
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Companies

- YTL:** SGX-listed unit NSL gets a four-month extension to address public shareholding spread
- Gamuda:** Signs exclusive agreement with Perak state agency to develop water infrastructure
- CapitaLand:** Buys three industrial properties in Senai for RM72m
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- Hextar Industries:** Chairman Chan Choun Sien resigns
- ITMAX:** Gets another parking system contract in Johor
- Keyfield:** Wins contracts worth RM60m
- Fajarbaru:** Wins Aussie defence job expansion

<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	1,574.5	0.6	(4.1)
Dow Jones	44,873.3	0.7	5.5
Nasdaq CI	19,692.3	0.2	2.0
S&P 500	6,061.5	0.4	3.1
FTSE 100	8,623.3	0.6	5.5
Nikkei 225	38,831.5	0.1	(2.7)
Shanghai CI	3,229.5	(0.6)	(3.6)
HSI	20,597.1	(0.9)	2.7
STI	3,815.4	(0.2)	0.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,864.4	28.2
Value traded (RM m)	2,328.3	13.3
Gainers	622	
Losers	345	
Unchanged	493	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TWL	0.025	0.0	92.6
HM	0.195	0.0	69.6
KOPI	0.895	(0.6)	50.5
GAMUDA	4.380	4.8	48.4
MYEG	0.970	1.0	46.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.380	4.8	212.3
YTLPOWR	3.170	4.3	94.3
NATGATE	1.960	5.9	84.6
PBBANK	4.440	0.9	83.4
YTL	1.950	3.7	80.3

Currencies	Last Close	% Chg
USD/MYR	4.426	(0.1)
USD/JPY	152.59	0.0
EUR/USD	1.0401	(0.0)
USD/CNY	7.2721	(0.4)
US Dollar Index	107.58	(0.4)

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.6	(2.1)
Gold (USD/troy oz)	2,870	0.1
CPO (MYR/metric t)	4,613	0.5
Bitcoin (USD/BTC)	96,746	(0.2)

Economics

Malaysia: Trade war will not hinder Malaysia's GDP growth target of 4.5%-5.5% for 2025 says Rafizi

Malaysia is on track to meet its 2025 gross domestic product (GDP) growth target despite the risks posed by the tariff war, said Economy Minister Datuk Seri Rafizi Ramli. Rafizi noted that at least over the past month, optimism for Malaysia's medium- and long-term growth prospects has remained unchanged. Furthermore, the ringgit has strengthened in the past week. However, he said the government is closely monitoring the risks, with the Ministry of Investment, Trade, and Industry (Miti) responsible for gathering input from all ministries. The finance ministry has projected Malaysia's GDP to grow between 4.5% and 5.5% in 2025. *(The Edge)*

Japan: Wages grow most since 1997, helping BOJ rate path and yen

Japanese nominal wages rose at the fastest pace in nearly three decades, supporting the Bank of Japan's (BOJ) latest rate hike decision and keeping it on track for further tightening steps. Nominal cash earnings for workers climbed 4.8% in December from a year earlier, up from a revised 3.9% gain in November, the labour ministry said Wednesday. The reading exceeded economists' consensus forecast and marked the largest jump since 1997. The strong gain was driven by a jump in bonuses. The yen strengthened as much as 0.8% to 153.17 versus the dollar, leading gains among Group-of-10 currencies. Yields on Japanese government debt rose. *(Bloomberg)*

China: Chinese splurge during holidays but angst over spending persists

Chinese consumers shattered records for travel and movie attendance during the Lunar New Year holiday, a splurge that has yet to translate into a turnaround for the consumer economy. Box office receipts soared to a historical high of US\$1.3bn (RM5.8bn), and the number of trips taken by passengers and air travellers reached a single-day record on Feb 3. People made about 7% more journeys by rail since holiday travel began, compared to a year ago, based on the latest official data released through Monday. Across the country, tourism revenue during the eight-day break rose 7% from a year ago to 677bn yuan (US\$93.1bn or RM411.83bn), while the number of trips made increased 6%, according to data published by the Ministry of Culture and Tourism. On average, almost 170 yuan was spent daily on each trip during the holiday, up from last year, but still below the pre-pandemic level recorded in 2019, based on Bloomberg calculations of the data. *(Bloomberg)*

EU: Wage tracker points to steep slowdown this year

The European Central Bank's wage tracker signals a sharp slowdown in euro-zone pay growth for 2025, with salaries expected to rise by 1.5% in Q4, down from a peak of 5.3% last year, supporting expectations for further interest-rate cuts. While the ECB anticipates wage moderation to help achieve its 2% inflation target, some economists worry that the slowdown may be too steep, potentially leading to inflation undershooting. Others, like Berenberg's Holger Schmieding and Commerzbank's Marco Wagner, argue that wage growth could rebound in 2026 due to structural labor shortages and the limitations of forward-looking wage indicators. *(Bloomberg)*

Thailand: Industry braces for influx of Chinese goods after US tariff

Thai companies want the government to step up efforts to shield local producers from a potential influx of cheap goods following the Trump administration's move to slap tariffs on Chinese imports. If Prime Minister Paetongtarn Shinawatra's government fails to act, the number of industries hit hard by cheap imports may swell to 30 from 23 last year, Kriengkrai Thiennukul, chairman of the Federation of Thai Industries, told a briefing in Bangkok on Wednesday. The industries already bearing the brunt of the flood of imports are steel, plastics, electrical appliances and clothing, he said. The plea for increased protection comes amid fears that Chinese exporters will flood its neighboring countries with products that it's unable to ship to the US. Thai authorities are also preparing to avert any punitive tariffs on its exports to the US with which it posted a US\$35bn (RM154.5bn) trade surplus last year. *(Reuters)*



EU: Sees path to negotiate with Trump to avoid a tariff fight

The European Union is preparing for a potential trade conflict with the U.S., but President Trump's recent delay of tariffs on Mexico and Canada has given the bloc confidence in negotiating a favorable outcome. While the EU is strategizing a proportionate response to avoid escalating tensions, it also seeks to address looming disputes over steel and aluminum exports, aiming to extend the suspension of retaliatory tariffs past March. The European Commission has prepared both conciliatory offers, such as increased LNG imports and collaboration on China-related trade issues, and a potential retaliation plan targeting politically sensitive U.S. industries if necessary. *(Bloomberg)*

Mexico: Officials confident on reaching US tariff deal before new deadline

Top Mexican officials said on Tuesday that they were confident that Mexico could reach an agreement with the US before threatened tariffs are due to take effect, with the US demanding progress on fighting the flow of drugs and migrants to the shared border. US President Donald Trump had threatened both Mexico and Canada with 25% tariffs, but pushed their roll-out back by a month on Monday, in exchange for promises from the two countries to tackle drugs and immigration. "This month is more than enough to reach an agreement on these issues," Mexican Economy Minister Marcelo Ebrard told journalists, adding that Mexico and the US were now on a more even playing field, as they come to the negotiating table. *(Reuters)*

Companies

YTL: SGX-listed unit NSL gets four-month extension to address public shareholding spread

YTL Corp Bhd said its Singapore-listed industrialised building systems (IBS) unit NSL Ltd has received a four-month extension until June 6 to adhere to the Singapore Exchange's (SGX) 10% public shareholding requirement. SGX's regulator, Singapore Exchange Securities Trading Ltd, granted the extension and allowed NSL shares to trade on the bourse in the meantime, according to the conglomerate's filing on Bursa Malaysia on Wednesday. Back in October last year, YTL Cement Bhd, a unit of YTL Corp, bought an 81.24% stake in NSL for S\$227.6m (RM792.3m), or 75 cents (RM2.61) apiece, from 98 Holdings Pte Ltd to expand its IBS business. *(The Edge)*

Gamuda: Signs exclusive agreement with Perak state agency to develop water infrastructure

Gamuda Bhd has signed an exclusive agreement with the Perak government to develop infrastructure aimed at addressing water shortages in the northern region of the state. In a statement on Wednesday, the construction company said it had signed the agreement with Perbadanan Kemajuan Negeri Perak (PKNPK) to facilitate raw water transfer from Sungai Perak to Bukit Merah and develop the requisite infrastructure for treated water distribution, ensuring long-term water. The parties will proceed with an official joint venture at a later stage, the statement read. *(The Edge)*

CapitaLand: Buys three industrial properties in Senai for RM72m

CapitaLand Malaysia Trust is buying three industrial properties located in Senai Airport City for RM72m from Gromutual Bhd's subsidiary Rainbow Entity Sdn Bhd. In a filing with Bursa Malaysia on Wednesday, CLMT said the acquisition is conditional upon the vendor, Rainbow Entity, completing the construction of the three factories at its own cost and obtaining the necessary approvals and the issuance of the Certificate of Completion and Compliance before April 30, 2025. CLMT's manager, CapitaLand Malaysia REIT Management Sdn Bhd (CMRM), said the construction of the properties is scheduled to be completed in the first quarter of 2025. *(The Edge)*

Citaglobal: No immediate plan to develop RM73m land on Jalan Tun Razak

Citaglobal Bhd said that the company has no immediate plan to develop the 1.58-acre land at Jalan Tun Razak, Kuala Lumpur that it intends to acquire from Bank Islam Malaysia Bhd for RM73m. "This strategic approach is to maximise long-term value creation (of the land)," Citaglobal said in an exchange filing on Wednesday. The energy and construction outfit was providing additional information following the acquisition announcement last Friday. The company previously said the land "presents a strategic opportunity" for long-term value growth. The land will be acquired by Citaglobal's indirect wholly-owned unit Sinergi Dayang Sdn Bhd (SDSB). The subsidiary is mainly involved in turnkey contractor, property developer and mining activities. *(The Edge)*

Hextar Industries: Chairman Chan Choun Sien resigns

Hextar Industries Bhd's independent non-executive chairman Datuk Chan Choun Sien has stepped down from his post. Chan's resignation was "due to other commitments", according to the fertiliser maker and industrial equipment and office supplies trader's bourse filing on Wednesday. The 54-year-old was redesignated to the chairman's post in October 2018, back when the group was called SCH Group Bhd. *(The Edge)*

ITMAX: Gets another parking system contract in Johor

ITMAX System Bhd said on Wednesday its subsidiary has secured another contract in Johor to operate the outdoor parking system in Pontian district. The contract value was not disclosed. The appointment of its 65%-owned Southmax Sdn Bhd took effect from Feb 1, 2025 and spans 15 years, the company said in an exchange filing. The award from the Pontian Municipal Council would be its sixth contract in Johor. "The achievement highlights our in-house expertise in delivering seamless, end-to-end parking solutions that integrate parking collection and enforcement," ITMAX managing director William Tan said in a statement. *(The Edge)*

Keyfield: Wins contracts worth RM60m

Keyfield International Bhd (KIB), through its subsidiary Keyfield Offshore Sdn Bhd, secured two charter contracts worth RM59.6m for an anchor handling tug supply vessel (AHTS) and a Dynamic Positioning 2 accommodation workboat (DP2AWB). The AHTS charter, set to start in April 2025 for 720 days with a 180-day extension option, will operate in the UAE for an offshore marine service provider. Meanwhile, the DP2AWB charter, beginning mid-February for 150 days with a 120-day extension option, will be deployed in Malaysia for a commercial diving and remote-operated vehicle service provider. *(The Star)*

Fajarbaru: Wins Aussie defence job expansion

Fajarbaru Builder Group Bhd (FBG), through its subsidiary FBG Builder Sdn Bhd and Avionics Pty Ltd, secured an RM131.6m contract to expand the redevelopment of military facilities at the Royal Malaysian Air Force (RMAF) base in Butterworth, with FBG receiving RM75.9m. The project involves upgrades to airfield pavements, lighting infrastructure, drainage, and recreational facilities, strengthening FBG's collaboration with the Australian Department of Defence. Additionally, FBG Land Sdn Bhd signed a strategic collaboration agreement with Penang Development Corp and KJTS Group Bhd for the development of a district cooling system for MediCity in Penang. *(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	5.99	0.53	8.76
British American Tobacco (M)	Consumer	7.34	0.60	8.12
Amway (M)	Consumer	6.81	0.53	7.74
Sentral REIT	REIT	0.81	0.06	7.65
Datasonic Group	Technology	0.40	0.03	7.59
KIP REIT	REIT	0.89	0.07	7.53
Ta Ann Holdings	Plantation	3.99	0.30	7.54
Genting Malaysia	Consumer	2.23	0.16	7.04
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	1.09	0.07	6.42
REXIT	Technology	0.78	0.05	6.45
Sports Toto	Consumer	1.58	0.10	6.33

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
Richtech Digital Bhd	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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