



Daily Newswatch

Market Review

The FBM KLCI dipped to 1,589.9 (-0.1%) as profit-taking in technology stocks and renewed US inflation concerns pressured the market. Investors rotated into more defensive sectors, particularly in healthcare and telecommunications. Losses in SDG (-2.2%), MISC (-2.0%), and GAMUDA (-1.8%) dragged the index lower, though gains in AXIATA (+3.2%) and SIME (+1.8%) provided some support. Sector-wise, Technology (-1.9%) led the declines, followed by Construction (-1.0%) and Plantation (-0.7%), reflecting broad-based weakness in cyclical counters. The broader market remained cautious, with 590 decliners outpacing 367 gainers.

Economics

- Malaysia:** Türkiye aims to double the trade to US\$10bn
- US:** Trump raises tariffs on aluminium, steel imports in latest trade war salvo
- Japan:** Current account surplus hits record amid Trump uncertainty
- Australia:** Trump considers exemption for steel, aluminium tariffs
- Indonesia:** Prabowo slams 'little kings' as budget pushback grows
- Thailand:** Finance minister says supports more US imports to reduce trade surplus

Companies

- SCIB:** Files writs of summons against developer Awana JV Suria Saga after project in Perak falls
- MGB:** Bags related-party apartment construction job in Cameron Highlands
- Divfex:** 51%-unit clinches new contract to supply data centre equipment
- TMC Life Sciences:** Names Adzuan Abdul Rahman as new CEO
- Kumpulan Kitacon:** Gets construction contracts worth RM104m

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,590.0	(0.1)	(3.2)
Dow Jones	44,593.7	0.3	4.8
Nasdaq CI	19,643.9	(0.4)	1.7
S&P 500	6,068.5	0.0	3.2
FTSE 100	8,777.4	0.1	7.4
Nikkei 225	38,801.2	0.0	(2.7)
Shanghai CI	3,318.1	(0.1)	(1.0)
HSI	21,294.9	(1.1)	6.2
STI	3,860.8	(0.4)	1.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,003.7	1.6
Value traded (RM m)	1,850.1	(16.8)
Gainers	367	
Losers	590	
Unchanged	502	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
BORNOIL	0.010	0.0	255.6
COLFORM	0.390	8.3	146.1
HM	0.160	(5.9)	108.6
TWL	0.025	0.0	81.3
ASIAPLY	0.145	16.0	58.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.400	0.1	93.9
PBBANK	4.450	0.0	89.9
GAMUDA	4.480	(1.8)	77.9
MAYBANK	10.460	0.4	67.1
TENAGA	13.840	0.7	62.1

Currencies	Last Close	% Chg
USD/MYR	4.4695	0.0
USD/JPY	152.7	(0.1)
EUR/USD	1.0363	0.0
USD/CNY	7.3069	(0.0)
US Dollar Index	107.96	(0.3)

Commodities	Last Close	% Chg
Brent (USD/barrel)	77.0	1.5
Gold (USD/troy oz)	2,900	0.1
CPO (MYR/metric t)	4,828	1.0
Bitcoin (USD/BTC)	95,920	(0.5)

Economics

Malaysia: Türkiye aims to double the trade to US\$10bn

Türkiye aims to double its trade with Malaysia to US\$10bn (RM44.4bn) after surpassing the US\$5bn mark in 2024, President Recep Tayyip Erdogan announced on Monday. "From semiconductor technologies to automotive, from aircraft technologies to civil [aviation] simulators, we wish to enhance our joint efforts in every sector and move forward together in various fields with Malaysia," he said after delivering a public lecture here. Earlier, the Turkish president was awarded an honorary doctorate in international relations by Universiti Malaya (UM) in recognition of his significant contributions to global diplomacy and international relations. (*The Edge*)

US: Trump raises tariffs on aluminium, steel imports in latest trade war salvo

US President Donald Trump substantially raised tariffs on steel and aluminium imports on Monday to a flat 25% "without exceptions or exemptions" in a move he hopes will aid the struggling industries in the US but which also risks sparking a multi-front trade war. Trump signed proclamations raising the US tariff rate on aluminium to 25% from his previous 10% rate and eliminating country exceptions and quota deals as well as hundreds of thousands of product-specific tariff exclusions for both metals. A White House official confirmed the measures would take effect on March 4. The tariffs will apply to millions of tons of steel and aluminium imports from Canada, Brazil, Mexico, South Korea and other countries that had been entering the US duty free under the carve-outs. (*Bloomberg*)

Japan: Current account surplus hits record amid Trump uncertainty

Japan's current-account surplus hit a record high in 2024 with the yen's weakness inflating the value of overseas investment returns, in a bullish development that comes just as US President Donald Trump's economic policies cloud the outlook. The surplus reached ¥29.3tn (US\$193bn or RM862.3bn), the most recorded in comparable data going back to 1985, the Finance Ministry reported Monday. A record-high primary income surplus of ¥40.2tn, which includes interest and dividends earned from overseas investments, offset deficits in the trade and services balances. (*Bloomberg*)

Australia: Trump to consider exemption for steel, aluminium tariffs

US President Donald Trump agreed to consider exempting Australia from his steel and aluminium tariffs in view of the country's trade surplus with the US, following a phone call with Prime Minister Anthony Albanese. Trump substantially raised tariffs on steel and aluminium imports on Monday, cancelling exemptions and duty-free quotas for major suppliers in a move that could boost the risk of a multi-front trade war. His action reinstated a 25% tariff on millions of tons of steel and aluminium imports that had been entering the US duty-free under quota deals, exemptions, and thousands of product exclusions. (*Reuters*)

Indonesia: Prabowo slams 'little kings' as budget pushback grows

Indonesian President Prabowo Subianto doubled down on a push to slash spending and reallocate funds to his signature social programs, criticising opposition from "little kings" even as concerns rise that the cuts could prove a drag on Southeast Asia's largest economy. The former general on Monday said he would make good on campaign pledges to fund social welfare programs despite "those who are against me." "In the bureaucracy, there are those who already feel immune to the law, who feel like they have become little kings," he said in an address to the Islamic organisation Nahdlatul Ulama, without elaborating on the source of opposition to his plans. "I want to save money, and that money is for the people." (*Reuters*)



Thailand: Finance minister says supports more US imports to reduce trade surplus

Thailand's government supports increased US imports of necessary goods as a way to reduce the country's trade surplus with the United States, the finance minister said on Monday. Authorities will also talk with US business people in Thailand to find ways to ease any impacts of US President Donald Trump's trade policies, Pichai Chunhavajira told reporters. "This will help create understanding with the United States that most Thai exports to the country are investments by US companies based in Thailand," he said. Thailand had a trade surplus last year of US\$35.4bn (RM158.4bn) with the United States, according to the Thai commerce ministry. The United States was Thailand's largest export market last year, accounting for 18.3% of total shipments, or US\$55bn. (*Reuters*)



Companies

SCIB: Files writs of summons against developer Awana JV Suria Saga after project in Perak falls

Sarawak Consolidated Industries Berhad (SCIB) said its wholly-owned subsidiary, SCIB Properties Sdn Bhd (SCIBP), has filed a writ of summons against housing developer Awana JV Suria Saga Sdn Bhd, seeking legal redress over what it claims as unauthorised loan drawdowns by the latter. As part of the lawsuit, SCIB is seeking several court declarations to safeguard its financial interests and legal standing. Firstly, the company is requesting a confirmation that the settlement cum appointment of contractor agreement signed by SCIBP and Awana in August 2024 (SA 2024) and the related contract have lapsed and are no longer enforceable. *(The Edge)*

MGB: Bags related-party apartment construction job in Cameron Highlands

MGB Bhd has secured a contract worth RM194.7m to undertake the construction of a 22-storey serviced apartment in Cameron Highlands. This raises the construction and property developer's outstanding order book to RM1.3bn, according to its bourse filing on Monday. MGB — in which LBS Bina Group Bhd owns a 57.7% stake — said the contract was awarded to MGB's wholly-owned unit MGB Construction & Engineering Sdn Bhd by LYK Architect Sdn Bhd, on behalf of Casa Inspirasi Sdn Bhd. *(The Edge)*

Divfex: 51%-unit subsidiary clinches new contract to supply data centre equipment

Divfex Bhd's 51%-owned subsidiary Excel Commerce Solutions Sdn Bhd has clinched a new letter of award valued at RM18.5m to supply and install data centre equipment systems. The project, which was awarded by Extreme Broadband Sdn Bhd, is set to commence this month and expected to be completed by August, said Divfex in a filing with Bursa Malaysia on Monday. Excel Commerce Solutions had previously secured a similar contract from Extreme Broadband in August 2024 for the supply and installation of data centre equipment systems worth RM46.6m at the time. *(The Edge)*

TMC Life Sciences: Names Adzuan Abdul Rahman as new CEO

TMC Life Sciences Bhd has named Datuk Adzuan Abdul Rahman as the hospital operator's new chief executive officer (CEO) effective immediately. Melvin Heng Jun Li, who has been acting as the CEO, is redesignated as non-independent non-executive director, according to a bourse filing on Monday. Adzuan, trained as a doctor, will also assume the role of regional senior director at Singapore-listed parent Thomson Medical Group Ltd. Adzuan brings along expertise in hospital operations, corporate strategy and organisational growth, TMC Life said, citing his various leadership tenures at private hospitals. *(The Edge)*

Kumpulan Kitacon: Gets construction contracts worth RM104m

Kumpulan Kitacon Bhd announced on Monday that it has secured a RM104.3m building works contract. The contract covers the construction and completion of 16 semi-detached factories with offices, four additional factory units, and three substations with related infrastructure in Bandar Bukit Raja III, Klang, Selangor, the company said in an exchange filing. Work is set to start on Feb 24, 2025, to be completed within 18 months, Kitacon said. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.31	0.17	12.60
MBM Resources	Consumer	5.87	0.53	8.94
Sentral REIT	REIT	0.79	0.06	7.90
British American Tobacco (M)	Consumer	7.30	0.58	7.92
Amway (M)	Consumer	6.82	0.53	7.73
KIP REIT	REIT	0.89	0.07	7.57
Datasonic Group	Technology	0.41	0.03	7.41
Ta Ann Holdings	Plantation	4.08	0.30	7.38
Genting Malaysia	Consumer	2.22	0.16	7.07
CapitaLand Malaysia Trust	REIT	0.68	0.05	7.06
YTL Hospital REIT	REIT	1.19	0.08	6.97
Hektar REITS	REIT	0.53	0.04	6.60
REXIT	Technology	0.76	0.05	6.58
Paramount Corporation	Property	1.09	0.07	6.42
Sports Toto	Consumer	1.59	0.10	6.29

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		
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
Pantech Global Bhd	ACE Market	0.68	262.2	-	19 Feb	05 Mar

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