



# Daily Newswatch

## Market Review

The FBM KLCI climbed to 1,603.1 (+0.8%), crossing the 1,600 psychological level as blue-chip stocks attracted steady buying interest. Gains in SDG (+3.7%), CDB (+3.4%), and PETGAS (+2.5%) supported the index, though the broader market showed a mixed tone. Sector-wise, Plantation (+1.6%) led the advances, followed by Financial Services (+0.9%) and Utilities (+0.7%), reflecting selective buying in key sectors. However, broader market sentiment remained cautious amid external uncertainties, with 534 decliners outpacing 492 gainers.

## Economics

- Malaysia:** Bank Negara says ready to curb ringgit volatility
- Malaysia:** Services sector revenue up 6.3% to a record high of RM2.4tn in 2024
- US:** Inflation tops forecasts, dimming chances for Fed rate cuts
- US:** Powell tells Congress Fed still in no rush to lower rates
- China:** Record mergers in US\$8.0tn small banking sector raise future risks
- China:** Tightens rules on new copper smelters to curb overcapacity
- India:** Central bank punishes rupee speculators in surprise move

## Companies

- Binastra Corp:** Bags RM250.4m job to build data centre in Cyberjaya
- IJM:** To invest RM460m in new logistics hub in City of Elmina, eyes boost in recurring income
- MPI:** To see net gain of RM99.2m from Penang land sale
- Matrix Concepts:** Sells Seremban land for RM90.9m in related-party deal
- Revenue Group:** Plans rights issue to finance diversification into money lending
- MAHB:** Khazanah-EPF led consortium GDA closes MAHB takeover offer with 98.7% stake

### Upcoming key economic data releases

	Date
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	1,603.1	0.8	(2.4)
Dow Jones	44,368.6	(0.5)	4.3
Nasdaq CI	19,650.0	0.0	1.8
S&P 500	6,052.0	(0.3)	2.9
FTSE 100	8,807.4	0.3	7.8
Nikkei 225	38,963.7	0.4	(2.3)
Shanghai CI	3,346.4	0.9	(0.2)
HSI	21,857.9	2.6	9.0
STI	3,874.6	0.4	2.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,150.7	4.9
Value traded (RM m)	2,662.9	43.9
Gainers	492	
Losers	534	
Unchanged	480	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TWL	0.020	(20.0)	430.4
MYEG	1.040	3.0	78.3
HM	0.160	0.0	54.0
INGENIEU	0.055	0.0	38.1
RGB	0.435	8.8	33.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.400	0.0	275.5
PBBANK	4.500	1.1	132.5
MAYBANK	10.600	1.3	126.2
GAMUDA	4.490	0.2	103.5
TENAGA	13.940	0.7	88.7

Currencies	Last Close	% Chg
USD/MYR	4.468	0.1
USD/JPY	154.22	0.1
EUR/USD	1.0393	0.1
USD/CNY	7.3069	0.0
US Dollar Index	107.94	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	75.2	(2.4)
Gold (USD/troy oz)	2,907	0.1
CPO (MYR/metric t)	4,875	1.0
Bitcoin (USD/BTC)	97,654	(0.0)

## Economics

### Malaysia: Bank Negara says ready to curb ringgit volatility

Malaysia's central bank said it's ready to manage excessive moves in the ringgit and expects inflows by state-linked firms and the country's economic prospects to buoy the currency in the longer term. The ringgit has relinquished almost all of its gains from January after President Donald Trump rattled global markets with a series of trade levies, and Bank Negara Malaysia said its presence in the foreign exchange market is to manage excessive volatility and ensure orderly market conditions. "BNM remains vigilant and stands ready to provide liquidity as needed," it said in an emailed response on Wednesday to questions from Bloomberg News, adding that beyond short-term currency dynamics, Malaysia's strong fundamentals, positive economic prospects, and domestic structural reforms will continue to provide enduring support to the ringgit. (*The Edge*)

### Malaysia: Services sector revenue up 6.3% to a record high of RM2.4tn in 2024

Malaysia's services sector revenue surged 6.3% to a new high of RM2.4tn in 2024, compared with RM2.3tn in the previous year, said the Department of Statistics Malaysia on Wednesday. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the steady performance was largely underpinned by the continued recovery of tourism-related industries, driven by 25.0m international tourist arrivals and rising domestic travel activity. The wholesale and retail trade, food and beverages (F&B), and accommodation segments remained key contributors, supported by sustained consumer demand and increased travel activity. (*The Edge*)

### US: Inflation tops forecasts, dimming chances for Fed rate cuts

Underlying US inflation last month rose by the most since March, supporting the Federal Reserve's cautious approach to lowering interest rates. The so-called core consumer price index—which excludes food and energy costs—increased 0.4% in January after a 0.2% advance in December, according to Bureau of Labor Statistics figures shown on Wednesday, and from a year ago it rose 3.3%. Economists see the core gauge as a better indicator of the underlying inflation trend than the overall CPI that includes often-volatile food and energy costs. (*Bloomberg*)

### US: Powell tells Congress Fed still in no rush to lower rates

Federal Reserve Chair Jerome Powell said the central bank doesn't need to rush to adjust interest rates, again signalling that officials will be patient before lowering borrowing costs further. "With our policy stance now significantly less restrictive than it had been and the economy remaining strong, we do not need to be in a hurry to adjust our policy stance," Powell told the Senate Banking committee Tuesday, adding, "We know that reducing policy restraint too fast or too much could hinder progress on inflation, and at the same time reducing policy restraint too slowly or too little could unduly weaken economic activity and employment." (*Bloomberg*)

### China: Record mergers in US\$8.0tn small banking sector raise future risks

China oversaw its largest-ever wave of rural bank mergers last year, a Reuters review of official data showed, but analysts say Beijing's efforts to tackle risks in the small banking sector could end up creating more problems down the road. Many of the roughly 4,000 small Chinese banks are backed by indebted provincial governments and largely funded via short-term money market and interbank borrowings, potentially jeopardising financial stability in the event a few of them fail. The move comes at a time when many of these smaller banks have been hit hard by slowing loan growth and a spike in bad loans amid a property sector crisis and a prolonged downturn in the world's number two economy. (*Reuters*)



**China: Tightens rules on new copper smelters to curb overcapacity**

China has tightened requirements for building new copper smelters in its latest attempt to curb relentless capacity expansion in the world's top producer of the refined metal. Companies building new copper smelters should control enough mine supply—via outright ownership or equity stakes—to feed the plants, according to a 2025–2027 development plan for the country's copper industry jointly issued by 11 ministries; this condition would likely be met by only a small number of major Chinese companies. The sector has seen cut-throat competition for raw material, as mines across the world faced production disruptions, falling grades, and higher exploration costs, with spot processing fees plunging below zero, causing industry-wide losses and threatening output cuts at Chinese plants. (*Reuters*)

**India: Central bank punishes rupee speculators in surprise move**

The Reserve Bank of India (RBI) intervened in the foreign exchange market this week to curb speculation in the rupee, according to a person familiar with the central bank's thinking, surprising traders who expected a more hands-off approach on the currency from the new bank governor. After hitting a series of record lows in recent weeks, the rupee gained nearly 1.0% against the dollar on Tuesday—its biggest rally in more than two years and the most among Asian peers—as the currency rose as much as 0.5% to 86.4 in early Wednesday trading. The rupee's rally comes just ahead of Prime Minister Narendra Modi's meeting with US President Donald Trump this week, with India being among the countries most exposed to risks from Trump's vow to impose reciprocal tariffs on trading partners, a move that, according to DBS Bank, will help defuse currency-related tensions between India and the US. (*Reuters*)



## Companies

### **Binastra Corp: Bags RM250.4m job to build data centre in Cyberjaya**

Construction outfit Binastra Corp has bagged a RM250.4m contract to build a six-storey data centre in Cyberjaya, Selangor for AIMS Group, which is owned by New York-listed DigitalBridge Group Inc. In a filing with Bursa Malaysia on Wednesday, its wholly owned subsidiary Binastra Builders Sdn Bhd has accepted a letter of award from MYT DC3 Sdn Bhd for the proposed project. Construction is set to commence on Feb 26, with a phased completion timeline ranging from June 15 to Dec 15. *(The Edge)*

### **IJM: To invest RM460m in new logistics hub in City of Elmina, eyes boost in recurring income**

IJM Corp Bhd, through its joint venture company Exio Logistics Sdn Bhd, will invest RM460m in a new logistics hub in Sungai Buloh to support Malaysia's supply chain and e-commerce, according to its disclosure on Feb 12. The business is expected to generate recurring income once operations commence in Q1 2027, which will help IJM balance the cyclical nature of its core construction and property development businesses. During the groundbreaking ceremony in the City of Elmina, CEO Datuk Lee Chun Fai emphasised that the facility's advanced design will enhance trade flows and bolster the company's diversification strategy. *(The Edge)*

### **MPI: To see net gain of RM99.2m from Penang land sale**

Malaysian Pacific Industries Bhd is disposing of two parcels of land in Bayan Lepas, Penang for a total cash consideration of RM140m. Upon completion of the proposed disposal, it expects to realise an estimated net gain of approximately RM99.2m, according to its bourse filing. "The estimated net gain attributable to owners represents an increase in consolidated EPS and net assets per share of approximately 49.8 sen," the filing added. *(The Edge)*

### **Matrix Concepts: Sells Seremban land for RM90.9m in related-party deal**

Seremban-based property developer Matrix Concepts Holdings Bhd is divesting 38.7 acres of land in the town for RM90.9m in a related-party transaction. The vacant agricultural land is part of the upcoming industrial development, MVV Techvalley, in the Mukim of Labu, according to its filing with Bursa Malaysia on Feb 12. The sale is conducted through its 85.0%-owned subsidiary, N9 Matrix Development Sdn Bhd, to Kuntum Kemuning Sdn Bhd—deemed a related-party deal as the managing director, Ho Kong Soon, is also the sole shareholder of Kuntum Kemuning. *(The Edge)*

### **Revenue Group: Plans rights issue to finance diversification into money lending**

Payment solutions provider Revenue Group Bhd plans to raise up to RM193.6m via a rights issue with warrants, mainly to fund its venture into the money lending business. The cash call consists of up to 2.4bn rights shares on a four-for-one basis and up to 1.2bn warrants on a one-for-two basis. With the rights issue priced at a discounted price of 0.1 sen per share, the exercise is expected to raise between RM14.7m on a minimum subscription basis and RM193.6m under a maximum scenario. *(The Edge)*

### **MAHB: Khazanah-EPF led consortium GDA closes MAHB takeover offer with 98.7% stake**

Gateway Development Alliance Sdn Bhd (GDA) on Feb 12 announced that it has secured 98.7% of Malaysia Airports Holdings Bhd's shares at the close of the consortium's takeover offer for the airport operator. AmInvestment Bank, on behalf of the joint offerors (GDA), informed Bursa Malaysia that the conditional voluntary offer closed at 5pm on Feb 12. GDA currently holds a 98.7% stake or 1.7bn shares in MAHB; the stake will later rise to 98.7%, pending the transfer of an additional 0.0% stake or 0.3m shares to the consortium, according to the statement. *(The Edge)*



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.27	0.17	12.99
MBM Resources	Consumer	5.79	0.53	9.07
Datasonic Group	Technology	0.35	0.03	8.70
British American Tobacco (M)	Consumer	7.27	0.58	7.95
Sentral REIT	REIT	0.78	0.06	7.95
Amway (M)	Consumer	6.80	0.53	7.75
KIP REIT	REIT	0.89	0.07	7.57
Ta Ann Holdings	Plantation	4.06	0.30	7.41
CapitaLand Malaysia Trust	REIT	0.68	0.05	7.11
Genting Malaysia	Consumer	2.24	0.16	7.01
YTL Hospital REIT	REIT	1.21	0.08	6.86
Hektar REITS	REIT	0.53	0.04	6.67
REXIT	Technology	0.75	0.05	6.67
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		
<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
Pantech Global Bhd	Main Market	0.68	262.2	-	19 Feb	03 Mar

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## Published & Printed By:

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