



Daily Newswatch

Market Review

The FBM KLCI closed lower at 1,584.3 (-0.4%) today as strong selling pressure prevailed amid cautious sentiment in the final week of corporate earnings season. Losses in key index constituents, PCHEM (-9.7%), GAMUDA (-5.7%), and TENAGA (-2.4%) dragged the benchmark lower. Sector-wise, Construction (-3.7%) led the declines, followed by Technology (-2.7%) and Industrial Products & Services (-2.2%). The broader market breadth turned negative, with 719 decliners outpacing 304 gainers.

Economics

- Malaysia:** Tengku Zafrul to head to US to defend trade relationship with Malaysia
- US:** Trump targets China with biggest salvo so far in second term
- US:** Trump envoy says US firms may do business in Russia in case of peace deal
- EU:** Germany crunch election grips market wanting more spending
- UK:** Britain and India to restart trade talks in New Delhi on Monday
- China:** Developers buy land at 20% premium in bet on market bottom
- Vietnam:** Hits China with steel tariffs to fight surging exports

Companies

- Chin Hin:** Unveils RM1bn waterfront residential project in Melaka
- Steel Hawk:** Sees new CEO, other leadership changes amid group's internal reorganisation
- Capital A:** All approvals for AirAsia X's takeover of Capital A's aviation business to be received by end-February, says budget carrier
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- YTL Power:** YTL Communications forms joint venture with Bullish Aim Group to develop fibre infrastructure in Johor
- Nestcon:** Bags RM58m infrastructure job in Johor
- 99 Speed Mart:** 4Q profit up 17% on higher fees income

<u>Upcoming key economic data releases</u>	<u>Date</u>
US – Feb 2025 Manufacturing PMI	Mar 03
Malaysia – Interest Rate Decision	Mar 06
US – Feb 2025 NFP, Unemployment Rate	Mar 07
Malaysia – Jan 2025 Unemployment Rate	Mar 11
US – Feb 2025 CPI	Mar 12
US – Feb 2025 CPI	Mar 13
US – Fed Interest Rate Decision & FOMC	Mar 20
Malaysia – Jan 2025 Inflation Rate	Mar 21

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,584.3	(0.4)	(3.5)
Dow Jones	43,461.2	0.1	2.2
Nasdaq CI	19,286.9	(1.2)	(0.1)
S&P 500	5,983.3	(0.5)	1.7
FTSE 100	8,659.0	(0.0)	5.9
Nikkei 225	38,776.9	0.3	(2.8)
Shanghai CI	3,373.0	(0.2)	0.6
HSI	23,341.6	(0.6)	16.4
STI	3,927.8	(0.1)	3.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,698.5	(9.9)
Value traded (RM m)	2,319.9	(11.9)
Gainers	304	
Losers	719	
Unchanged	459	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
INGENIEU	0.050	0.0	64.0
MYEG	1.010	(2.9)	41.1
GAMUDA	4.490	(5.7)	38.9
INARI	2.240	(4.7)	38.9
HM	0.140	7.7	36.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.490	(5.7)	176.2
CIMB	8.380	0.2	128.5
TENAGA	13.640	(2.4)	100.7
INARI	2.240	(4.7)	86.4
MAYBANK	10.480	(0.2)	82.6

Currencies	Last Close	% Chg
USD/MYR	4.4095	0.2
USD/JPY	149.88	(0.1)
EUR/USD	1.0462	(0.1)
USD/CNY	7.2463	0.1
US Dollar Index	106.60	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.8	0.5
Gold (USD/troy oz)	2,951	(0.0)
CPO (MYR/metric t)	4,726	(0.1)
Bitcoin (USD/BTC)	92,134	(1.9)

Economics

Malaysia: Tengku Zafrul to head to US to defend trade relationship with Malaysia

Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz is set to lead a trade and investment mission to the US, with the aim of reassuring policymakers there that the US is not losing out in its trade relationship with Malaysia and the broader Asean region. Zafrul stressed the importance of engagement, especially given the deep integration of Malaysian exports — particularly semiconductors — into the US supply chain. “The US is Malaysia’s largest export destination, and 60% of those exports are electrical and electronics (E&E) products. Of that, over 20% are semiconductors. So naturally, we will be concerned if there are any tariffs or even export restrictions on semiconductors,” he told a press conference to reveal the Investment, Trade and Industry Ministry’s 2024 performance report card and strategic plan for 2025 on Monday. (*The Edge*)

US: Trump targets China with biggest salvo so far in second term

The Trump administration took aim at China with a series of moves involving investment, trade and other issues that raises the risk ties may soon worsen between the US and its top economic rival. In recent days, President Donald Trump has rolled out a memorandum telling a key government committee to curb Chinese spending on tech, energy and other strategic American sectors. The administration also called on Mexican officials to place their own levies on Chinese imports — a move that comes after some firms from the Asian nation shifted production to the US neighbor to avoid duties the Republican enacted in his first term. The US also proposed fees on the use of commercial ships made in China to counter the nation’s dominance in the production of the vessels. (*Bloomberg*)

US: Trump envoy says US firms may do business in Russia in case of peace deal

President Donald Trump’s special envoy Steve Witkoff said on Sunday that there would be an expectation that US firms may do business in Russia in the event of a peace deal in the Russia-Ukraine war. Trump has been pushing for a deal to end the war in Ukraine and held separate calls with Russian President Vladimir Putin and Ukrainian President Volodymyr Zelenskyy this month. “Obviously there would be an expectation that if we get to a peace deal, that you would be able to have American companies come back and do business there. And I think that everybody would believe that that would be a positive, good thing to happen,” Witkoff told the CBS News programme “Face The Nation”. (*Bloomberg*)

EU: Germany crunch election grips market wanting more spending

Germany’s highest-stakes election in years is paving the way for a pivot to increased spending, with markets predicting the end of an era for constrained fiscal policy. The euro rose 0.4% to nearly US\$1.1 in Asia after exit polls and early vote projections showed the conservative bloc led by Friedrich Merz winning Sunday’s vote, in line with expectations; bond futures were steady while contracts on Germany’s benchmark DAX stock index climbed as much as 0.4% in thin trading. “For the markets, the outcome is favourable because Germany will still have a centrist government but it will pivot to a more pro-business, pro-investment orientation,” said Matt Gertken, chief geopolitical strategist at BCA Research. The nation will also “have somewhat better odds of avoiding a massive split with the Trump administration over trade, Russia, or China.” (*Bloomberg*)

UK: Britain and India to restart trade talks in New Delhi on Monday

Britain’s Business and Trade Secretary Jonathan Reynolds and India’s Commerce Minister Piyush Goyal will meet in New Delhi on Monday to restart talks on a UK-India trade deal, the British government said on Sunday. “Securing a trade deal with what is soon-to-be the third biggest economy worldwide is a no-brainer, and a top priority for me and this government,” Reynolds said in a statement. “That is why I’m flying to New Delhi with our top negotiating team to show our commitment to getting these talks back on track.” (*Reuters*)

China: Developers buy land at 20% premium in bet on market bottom

Chinese state-backed developers are starting to buy land at a premium again, after the government eased limits on home prices to revive a slumping market that's been a drag on the economy for more than 4 years. The number of land parcels that sold for at least 20% above the asking price accounted for 37% of deals this year, according to a Bloomberg analysis of transactions worth at least 1bn yuan (US\$138m or RM607.9m) tracked by China Index Academy; that compares with just 14% for all of last year and 4.6% in 2023. Seven out of the 10 transactions this year involved state buyers, including China Resources Land Ltd, China Overseas Land & Investment Ltd, Poly Developments and Holdings Group Co, and mixed-ownership firm Greentown China Holdings Ltd. (*Reuters*)

Vietnam: Hits China with steel tariffs to fight surging exports

Vietnam will impose anti-dumping tariffs on steel from China, following South Korea and other nations in fighting back against surging supplies from the world's biggest producer. The Southeast Asian nation will impose temporary tariffs on some hot-rolled coil starting from early March, according to a statement from the Ministry of Industry and Trade on Friday; outside China itself, Vietnam is the biggest single buyer of Chinese steel, and hot-rolled coil is a major export product. China's sent the most steel overseas in 2024, as its producers turned to global markets to offset a deep construction slowdown at home, which set the stage for President Donald Trump to propose a blanket 25% tariff on all US imports and has prompted nations from South Korea to Brazil and India to consider levies. (*Reuters*)

Companies

Chin Hin: Unveils RM1bn waterfront residential project in Melaka

Chin Hin Group Property Bhd unveiled its latest apartment development named Avalton By The Water located at Jalan Melaka Raya 35, Melaka, on Sunday. The project has a gross development value of RM1bn and will be spread across a 6.619-acre leasehold tract, offering 539 units across seven residential blocks—six have seven storeys and one with 15 storeys. The units will come with two layout options of three bedrooms and built-ups ranging from 760 to 850 sq ft. Selling prices start from RM508,000. The development has a resort theme and all units will be equipped with Signature kitchen fixtures. *(The Edge)*

Steel Hawk: Sees new CEO, other leadership changes amid group's internal reorganisation

Steel Hawk Bhd has announced the appointment of Afizul Md Yusoff as its group chief executive officer effective immediately. The newly appointed CEO reportedly brings over 20 years of experience in the financial industry across Malaysia and international markets, according to the company's filing with Bursa Malaysia on Monday. Afizul, 47, is a member of Malaysian Institute of Accountants (MIA), having graduated from Liverpool John Moores University with a bachelor in Accounting and Finance (Hons). *(The Edge)*

Capital A: All approvals for AirAsia X's takeover of Capital A's aviation business to be received by end-February, says budget carrier

Budget carrier Capital A Bhd said it is making significant progress on the proposed RM6.8bn disposal of its short-haul aviation business to medium-haul affiliate AirAsia X Bhd, with all necessary consents expected to be received by the end of February. The group, which has been addressing queries from Bursa Malaysia regarding its Practice Note 17 status, is now awaiting a court date for confirmation on the proposed capital reduction pursuant to the disposal, it added. In a filing with Bursa on Monday, Capital A said it will be issuing internal targets moving forward, as part of its commitment to ensure transparency, accountability, and investor confidence. The first internal targets will be issued, alongside its financial results for the fourth quarter ended Dec 31, 2024 (4QFY2024), on Wednesday (Feb 26). *(The Edge)*

Sime Darby: 2Q net profit drops on absence of one-off gains, declares four sen dividends

Sime Darby Bhd's net profit for the second quarter ended Dec 31, 2024 (2QFY2025) fell 86.7% year-on-year (y-o-y) to RM305m from RM2.3bn a year ago, as last year's results were boosted by a one-off gain from the disposal of Ramsay Sime Darby Health Care. Excluding the discontinued operations, profit from continuing operations grew 16.1% y-o-y to RM303m, mainly due to the full-quarter contribution from newly acquired UMW Holdings Bhd, according to the group in a filing with Bursa Malaysia on Monday. Revenue for the quarter rose 14.2% y-o-y to RM17.7bn from RM15.5bn, supported by higher contributions from the industrial and automotive businesses. *(The Edge)*

YTL Power: YTL Communications forms joint venture with Bullish Aim Group to develop fibre infrastructure in Johor

YTL Communications Sdn Bhd, a subsidiary of YTL Power International Bhd, entered into a joint venture with Bullish Aim Group to develop next-generation fibre infrastructure in Johor. The development of the fibre network is scheduled to begin in the first quarter of 2025 and will provide coverage across major townships in Johor, including areas that are currently underserved by advanced telecommunications infrastructure. In a statement on Monday, the companies indicated that the new fibre optic network would improve data transmission capabilities and enhance operational efficiency for telecom providers and businesses. *(The Edge)*

Nestcon: Bags RM58m infrastructure job in Johor

Construction outfit Nestcon Bhd has bagged a RM58m contract from ST Dynamo DC Sdn Bhd (STDC) to undertake infrastructure works in Pulai, Johor Bahru. In a filing with Bursa Malaysia on Monday, Nestcon said its wholly-owned subsidiary Nestcon Infra Sdn Bhd (NISB) has accepted a letter of award (LOA) from STDC for the proposed project. The project is expected to commence on February 24, with completion on September 25. *(The Edge)*

99 Speed Mart: 4Q profit up 17% on higher fees income

99 Speed Mart Retail Holdings Bhd's net profit increased 16.8% to RM124.4m for the fourth quarter ended Dec 31, 2024 (4QFY2024) from RM106.5m a year ago, boosted by higher fees income. The fees income, mainly comprising product display fees, distribution centre fees, and advertising and promotional fees, rose 25.1% year-on-year to RM235.7m from RM188.4m, according to the group's bourse filing on Monday. Revenue increased 7.3% to RM2.6bn from RM2.4bn in 4QFY2023, primarily driven by positive sales contributions from the net expansion of 81 outlets during the quarter. Its total outlet count stood at 2,778 as of Dec 31, 2024. No dividend was declared for the quarter. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.16	0.16	14.05
MBM Resources	Consumer	5.38	0.52	9.76
British American Tobacco (M)	Consumer	6.83	0.57	8.40
Sentral REIT	REIT	0.78	0.06	8.26
Datasonic Group	Technology	0.31	0.02	8.20
Ta Ann Holdings	Plantation	3.91	0.30	7.70
Amway (M)	Consumer	6.85	0.53	7.69
KIP REIT	REIT	0.88	0.07	7.66
YTL Hospital REIT	REIT	1.09	0.08	7.61
CapitaLand Malaysia Trust	REIT	0.65	0.05	7.38
Hektar REITS	REIT	0.53	0.04	6.98
Paramount Corporation	Property	1.10	0.08	6.82
REXIT	Technology	0.74	0.05	6.76
Genting Malaysia	Consumer	2.40	0.16	6.54
Sports Toto	Consumer	1.56	0.10	6.28

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		
Pantech Global Bhd	Main Market	0.68	262.2	-	19 Feb	03 Mar
Saliran Group Bhd	Main Market	0.27	80.4	38.3	28 Feb	13 Mar

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