MERCURY SECURITIES SDN BHD
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Daily Newswatch

Market Review

The FBM KLCI extended its decline to 1,568.0 (-1.0%) today, joining a regional selloff as concerns over chip restrictions on China as announced by US President Trump weighed on sentiment. Losses in key constituents—SDG (-3.4%), TM (-2.9%), and AXIATA (-2.8%)—dragged the benchmark down. Sector-wise, Technology (-3.1%) led the decline, followed by Health Care (-2.6%) and Energy (-1.9%). The broader market saw widespread losses, with 905 decliners overwhelmingly outpacing 217 gainers.

Economics

- **Malaysia:** Malaysia secures record high RM378.5bn approved investments in 2024
- **US:** Ending muni tax break 'would be a killer', NYC's Metropolitan Transportation Authority official says
- **EU:** To write off €83bn of regional government debt
- **UK:** Energy bills jump for third quarter, weighing on economy
- **China:** Repo market hit hard as yuan defence sparks cash squeeze
- **South Korea:** Bank of Korea cuts rates to bolster growth, lowers GDP forecast
- **Indonesia:** Bond plan sparks fears over governance

Companies

- **IOI Corp:** 2Q profit down 67% on paper loss, expects palm oil prices to stay strong
- **Gamuda:** All 400 landed Park Homes of Gamuda Land's The Clove Phase 1 snapped up across three townships
- **TNB:** Plantation Ministry working with TNB, Energy Commission to boost RE grid connectivity
- **EcoWorld:** To sell RM266m land, lease data centre to Google affiliate
- **OCR Group:** Launches first phase of Kyra Collection affordable housing project in Shah Alam
- **TM:** 4Q profit up 68.5% on tax credits; declares 18.5 sen dividend
- **Nestlé Malaysia:** Reports decade-low profit in 4Q; annual dividend drops to 15-year low

Upcoming key economic data releases	Date
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	1,568.0	(1.0)	(4.5)
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	8,666.6	0.1	6.0
Nikkei 225	38,237.8	(1.4)	(4.2)
Shanghai CI	3,346.0	(0.8)	(0.2)
HSI	23,034.0	(1.3)	14.8
STI	3,918.9	(0.2)	3.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,140.3	16.4
Value traded (RM m)	2,649.1	14.2
Gainers	217	
Losers	905	
Unchanged	390	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TWL	0.025	25.0	92.0
INGENIEU	0.045	(10.0)	79.5
MYEG	0.975	(3.5)	59.0
SFPTECH	0.345	(12.7)	35.5
GAMUDA	4.460	(0.7)	28.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.230	(1.8)	194.3
TENAGA	13.400	(1.8)	143.5
GAMUDA	4.460	(0.7)	126.7
MAYBANK	10.460	(0.2)	86.7
AMBANK	5.650	(1.9)	66.5

Currencies	Last Close	% Chg
USD/MYR	4.422	(0.3)
USD/JPY	149.57	0.1
EUR/USD	1.0476	0.1
USD/CNY	7.2638	(0.2)
US Dollar Index	106.62	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.9	0.2
Gold (USD/troy oz)	2,940	(0.4)
CPO (MYR/metric t)	4,724	(0.1)
Bitcoin (USD/BTC)	89,106	(5.2)

Economics

Malaysia: MIDA secures record high RM378.5bn approved investments in 2024

Malaysia secured RM378.5bn in approved investments in 2024 — the highest in the nation's history — marking a 14.9% year-on-year increase from the previous record of RM329.5bn in 2023, according to the latest data released by the Malaysian Investment Development Authority (Mida). The services sector led the surge with RM252.7bn in approved investments (66.8% of the total), a 50.1% jump from the previous year. The manufacturing sector followed with RM120.5bn (31.8%), while the primary sector contributed RM5.3bn (1.4%). Domestic investments dominated with RM208.1bn (55%), while foreign investments made up RM170.4bn (45%). The US, Germany, China, Singapore, and Hong Kong emerged as the top five foreign investors, collectively contributing RM128.9bn. *(The Edge)*

US: Ending muni tax break 'would be a killer', NYC's Metropolitan Transportation Authority says

One of the biggest issuers in the municipal-bond market is warning it may need to scale back its borrowing plans if federal lawmakers eliminate the tax exemption on municipal debt. The Metropolitan Transportation Authority (MTA), which runs New York City's transit system, anticipates selling US$13bn (RM57.5bn) of debt to help support its 2025-2029 capital plan, but would need to lower that amount to about US$10bn if forced to sell taxable bonds rather than tax-exempt, according to Kevin Willens, the agency's chief financial officer. "There's been discussion of eliminating tax exemption for public sector infrastructure projects, which would be a killer to our ability to raise capital," Willens said Monday during the MTA's finance committee meeting. *(Bloomberg)*

EU: To write off €83bn of regional government debt

Spain will propose writing off €83bn (US$87bn or RM384.3bn) of regional governments' debt as part of broader political negotiations to bolster Prime Minister Pedro Sanchez. The measure, which applies to loans owed to the central government, "will benefit all regions" and will make "their access to markets" easier, Budget Minister Maria Jesus Montero said at a press conference on Monday. "This measure has its origin in the investiture agreement" signed with Catalan separatist party ERC to elect Sanchez as premier in 2023, Montero added. The announcement comes a day before lawmakers were due to debate whether Sanchez should face a confidence vote. Junts, another Catalan separatist group that's both an occasional ally and a critic of the premier, had requested the debate and withdrew that proposal after the budget minister's announcement. *(Bloomberg)*

UK: Energy bills jump for third quarter, weighing on economy

The UK energy price cap will rise 6.4% in April, a third consecutive hike that will make it more difficult to achieve the government's goal of lowering bills for households and businesses. The cap, set every three months by the regulator Ofgem, will increase to £1,849 (US$2,335 or RM10,324) from April 1, according to figures published on Tuesday. The regulator Ofgem said volatile wholesale markets for both natural gas and electricity are to blame for the rise, with prices increasing amid worries about gas storage levels in Europe and global dynamics linked to the war in Ukraine. Consumer campaigners are warning that about half of adults expect to ration energy use in the coming months, while average UK water bills are also set to jump 26% from April, the biggest ever increase. *(Bloomberg)*

China: Repo market hit hard as yuan defence sparks cash squeeze

China's strategy of defending its currency by choking local liquidity is sending ripples throughout the financial system, squeezing banks and fueling losses at bond funds. The People's Bank of China (PBOC) has drained cash through open market operations most days this month, supporting the yuan by making it more scarce. But that has had unintended consequences: banks have hoarded cash rather than lend it to rivals, while debt funds have suffered losses as investors sell bonds to raise money; China's 10-year bond yield hit its highest level since December on Monday. The latest sign of a cash crunch at Chinese banks is a sharp drop in their lending through repurchase contracts (repo), with the country's biggest banks cutting repo market lending by around two-thirds in mid-February compared with the daily average last year, according to people familiar with the matter. *(Reuters)*

South Korea: Bank of Korea cuts rates to bolster growth, lowers GDP forecast

The Bank of Korea cut interest rates by 25 basis points and significantly lowered its GDP forecasts on Tuesday, steering Asia's fourth-largest economy from a restrictive monetary policy stance towards a neutral one to support growth. The BOK's seven-member board unanimously voted to reduce its benchmark interest rate to 2.8% at its monetary policy review, an outcome expected by 35 out of 36 economists polled by Reuters. The reduction is the third since the BOK began cutting borrowing costs from a 15-year high in October, positioning Korean rates around 150 basis points below the US Federal Reserve's target range of 4.3%-4.5%. (*Reuters)*

Indonesia: Bond plan sparks fears over governance

Bank Indonesia's plan to buy bonds that will be issued by the government to fund its ambitious housing program is raising more concerns over the nation's debt governance. The plan to help fund the home-ownership scheme of President Prabowo Subianto is stoking worries over so-called debt monetisation and macroeconomic governance, with Bank Indonesia already planning to purchase more than US$9bn of government bonds this year and announcing it would buy the newly issued property-linked debt in the secondary market. While such bond buying is allowed under Indonesian law and has long been part of the central bank's monetary policy, linking purchases to government spending "ventures into a new realm," according to Helmi Arman, an economist at Citigroup Inc. in Jakarta. (*Reuters)*

Companies

IOI Corp: 2Q profit down 67% on paper loss, expects palm oil prices to stay strong

IOI Corp Bhd on Tuesday posted a 67% year-on-year drop in its net profit for the second quarter as a surge in palm oil prices was overshadowed by paper losses. The average price of crude palm oil (CPO) sold in the three months ended Dec 31, 2024 (2QFY2025) was 21% higher at RM4,470 per tonne. IOI Corp, one of the world's largest producers by acreage, said it expects CPO price to remain supported. Industry stockpile remains low as adverse weather conditions and low production season drag on output, the company noted. Rising demand ahead of Ramadan and Indonesia's B40 biodiesel mandate will provide further price support, it said. *(The Edge)*

Gamuda: All 400 landed Park Homes of Gamuda Land's The Clove Phase 1 snapped up across three townships

Gamuda Land, the property arm of Gamuda Bhd, announced in a Feb 24 statement that all 400 landed Park Home units of The Clove Phase 1 were taken up across its three township developments in Selangor, namely Gamuda Cove in Sepang, Gamuda Gardens in Kundang, and twentyfive7 in Telok Panglima Garang. The Clove, which is introduced under Gamuda Land's new Park Homes housing typology that was unveiled last year, features cluster-of-eight homes arranged around a private gated garden. The house typology, which aims to blend terraced and semidee living, offers more space for greenery and outdoor areas. With a combined gross development value of RM418m, Phase 1 of The Clove offers homes with built-ups ranging from 1,971 to 2,284 sq ft at an average selling price of RM900,000. *(The Edge)*

TNB: Plantation Ministry working with TNB, Energy Commission to boost RE grid connectivity

The Plantation and Commodities Ministry is working with utility giant Tenaga Nasional Bhd and the Energy Commission to expand grid connectivity, aimed at seamless integration of renewable energy (RE) supply from the palm oil industry. While participation is not mandatory, the government strongly encourages industry players to adopt sustainable practices by selling excess biomass energy to the grid, its minister said on the sidelines of the Palm and Lauric Oils Price Outlook Conference and Exhibition on Tuesday. He said if all 450 palm oil mills nationwide transitioned to produce RE, they could contribute over 2,000 megawatts (MW) of power to the national grid without requiring substantial government funding. *(The Edge)*

EcoWorld: To sell RM266m land, lease data centre to Google affiliate

Eco World Development Group Bhd said on Tuesday it has signed agreements to sell a land for RM266.1m and build a data centre on another land to be leased to Pearl Computing Malaysia Sdn Bhd, an affiliate of Google. In a Bursa Malaysia filing on Tuesday, Paragon Pinnacle Sdn Bhd, a subsidiary of EcoWorld, agreed to sell 58.187 acres of industrial land in Eco Business Park V to Pearl Computing. Meanwhile, in a separate filing, EcoWorld said its other subsidiary, Quantum Alpha Sdn Bhd (QASB), signed an agreement with Pearl Computing to develop and lease data centres on 92.44 acres within the same park. The project is scheduled to be completed in 2027, EcoWorld said. *(The Edge)*

OCR Group: Launches first phase of Kyra Collection affordable housing project in Shah Alam

Kyra Collection, as a whole, will be spread across 20.46 acres and will be developed in four phases with 2,892 apartment units in total and a retail component. OCR Group Bhd has launched the first phase of its latest high-rise residential development named Kyra Collection in U9 Shah Alam, Selangor, according to a press statement on Tuesday. The first phase of the development called Residensi Akasia is part of the Rumah Selangoku affordable housing scheme and offers a total of 963 units spread across two towers. All units will have three bedrooms and three bathrooms with a built-up area of 1,023 sq ft. The unit selling price is RM288,000. Residensi Akasia has a gross development value of RM287m. Kyra Collection, as a whole, will be spread across 20.46 acres and will be developed in four phases with 2,892 apartment units in total and a retail component. *(The Edges)*

TM: 4Q profit up 68.5% on tax credits; declares 18.5 sen dividend

Telekom Malaysia Bhd reported its highest ever quarterly net profit for the fourth quarter ended Dec 31, 2024 (4QFY2024), helped by tax credits amounting to RM377.5m. Net profit for 4QFY2024 came in at RM730.6m, up 68.5% year-on-year (y-o-y) from RM433.5m a year ago. Excluding the one-off tax credit, TM's profit before tax would have fallen 5.7% to RM371.4m from RM393.7m. Revenue for the quarter rose 2% to RM3.1bn from RM3.0bn. TM declared a second interim dividend of 12.5 sen per share and a special dividend of six sen per share. This brought the total dividend payout for FY2024 to 31 sen per share — the highest in the last ten years. *(The Edge)*

Nestlé Malaysia: Reports decade-low profit in 4Q; annual dividend drops to 15-year low

Nestlé (Malaysia) Bhd reported a significant 72.2% year-on-year (y-o-y) drop in its fourth-quarter net profit, primarily due to increased input costs and lower sales. The company's net profit for the three months ended Dec 31, 2024 (4QFY2024) fell to RM41.1m — lowest in 11 years since 4QFY2013 — from RM148.1m in 4QFY2023. Earnings per share declined to 17.53 sen from 63.16 sen, a bourse filing on Tuesday showed. The group declared an interim dividend of 74 sen per share, payable on May 15. This brings its year-to-date dividend payout to RM1.79, the lowest annual dividend paid in 15 years since FY2009, when it distributed RM1.50. The company paid dividends per share totalling RM2.68 for FY2023. *(The Edge)*

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Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.12	0.16	14.55
MBM Resources	Consumer	5.35	0.52	9.81
Datasonic Group	Technology	0.30	0.02	8.47
British American Tobacco (M)	Consumer	6.80	0.57	8.44
Sentral REIT	REIT	0.78	0.06	8.21
Ta Ann Holdings	Plantation	3.89	0.30	7.74
Amway (M)	Consumer	6.85	0.53	7.69
KIP REIT	REIT	0.88	0.07	7.61
YTL Hospital REIT	REIT	1.10	0.08	7.55
CapitaLand Malaysia Trust	REIT	0.65	0.05	7.44
Hektar REITS	REIT	0.53	0.04	7.05
Paramount Corporation	Property	1.07	0.08	7.01
Genting Malaysia	Consumer	2.28	0.16	6.89
REXIT	Technology	0.74	0.05	6.76
Pavilion REIT	REIT	1.49	0.09	6.31

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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