



# Daily Newswatch

## Market Review

The FBM KLCI closed slightly lower at 1,586.6 (-0.1%) as profit-taking took hold following yesterday's strong rally. Among index constituents the laggards were PETDAG (-3.5%), IOICORP (-2.6%), and PPB (-2.5%). Sector wise, Industrial Products & Services led with gains of (+1.7%), while Technology and Construction posted modest advances of (+1.4%) and (+1.0%), respectively. Overall, the broader market turned positive with 573 gainers versus 419 decliners.

## Economics

- Malaysia:** Businesses foresee encouraging environment in 1Q, says DOSM
- Malaysia:** IRB's accounts receivable dropped 14% y-o-y in 2023 amid tax write-offs, under-assessments — PAC
- Malaysia:** PPI up 0.8% in January 2025 — DOSM
- US:** Working on agreement with US before tariff deadline, says senior Mexican official
- China:** Encourages banks to extend more financial support to sectors including steel
- Japan:** Manufacturing sector union members demand record pay hike in 2025

## Companies

- IHH:** 4QFY2024 net profit up slightly amid higher costs; declares 5.5 sen final dividend
- RHB Bank:** Pays out highest annual dividend after record 4Q and FY2024 earnings
- QL Resources:** 3Q net profit up slightly; pays lower dividend of 2.5 sen
- SD Guthrie:** Seeks to grow recent acquisition amid downstream push
- UEM Edgenta:** Eyes global growth with strong push in Singapore, Taiwan, Middle East
- KNM:** To offload German unit at higher price tag of RM1.3bn
- UEM Sunrise:** Prioritises sustainable growth over quick monetisation of Johor land; rules out data centre development
- Press Metal:** Teams up with Bintulu Development Authority to set up solar frame extrusions plant

<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	1,586.6	(0.1)	(3.4)
Dow Jones	43,239.5	(0.4)	1.6
Nasdaq CI	18,544.4	(2.8)	(4.0)
S&P 500	5,861.6	(1.6)	(0.3)
FTSE 100	8,756.2	0.3	7.1
Nikkei 225	38,256.2	0.3	(4.1)
Shanghai CI	3,388.1	0.2	1.1
HSI	23,718.3	(0.3)	18.2
STI	3,921.2	0.3	3.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,893.7	2.6
Value traded (RM m)	2,453.4	(1.0)
Gainers	573	
Losers	419	
Unchanged	484	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
SAPNRG	0.035	16.7	258.5
MYEG	0.955	0.5	74.8
NEXG	0.255	(7.3)	42.2
INARI	2.190	1.4	36.6
INGENIEU	0.040	0.0	33.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.220	(0.7)	186.1
PBBANK	4.490	(1.3)	98.8
INARI	2.190	1.4	80.7
MAYBANK	10.660	(0.4)	79.0
TENAGA	13.560	(0.1)	78.5

Currencies	Last Close	% Chg
USD/MYR	4.4445	(0.4)
USD/JPY	149.85	(0.0)
EUR/USD	1.0396	(0.0)
USD/CNY	7.2865	(0.4)
US Dollar Index	107.24	0.8

Commodities	Last Close	% Chg
Brent (USD/barrel)	74.0	2.1
Gold (USD/troy oz)	2,876	(0.1)
CPO (MYR/metric t)	4,669	(0.6)
Bitcoin (USD/BTC)	84,698	0.5

## Economics

### Malaysia: Businesses foresee encouraging environment in 1Q, says DOSM

Businesses are anticipating a favourable business environment in the first quarter of 2025 (1Q2025), underpinned by a positive confidence indicator of 3.2%, compared with 4.8% in the previous quarter, according to the Department of Statistics Malaysia (DOSM). It noted that the services, construction, and industry sectors expect better business conditions in 1Q2025. "Business confidence in the services sector remains positive, with the confidence indicator increasing to 13.5% from 13.1% in the preceding quarter. (*The Edge*)

### Malaysia: IRB's accounts receivable dropped 14% y-o-y in 2023 amid tax write-offs, under-assessments

The Public Accounts Committee (PAC) found that accounts receivable under the Inland Revenue Board of Malaysia (IRB) fell more than 14% in 2023 from a year earlier, mainly due to tax write-offs and under-assessments. During the year under review, account receivables reduced to RM40.4bn from RM34.6bn in 2022, according to PAC's statement on Thursday. PAC chairperson Datuk Mas Ermieyati Samsudin said that under-assessments were primarily caused by taxpayer appeals (56.2%), court decisions (8.2%), and tax exemptions (35.6%). (*The Edge*)

### Malaysia: PPI up 0.8% in January 2025 – DOSM

Malaysia's producer price index (PPI), which measures price changes at the producer level, rose by 0.8% year-on-year in January 2025, extending the 0.5% increase recorded in December 2024, said the Department of Statistics Malaysia (DOSM). This increase was mainly driven by the agriculture, forestry and fishing sector, while mining and manufacturing sectors saw marginal declines. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin noted that the agriculture, forestry and fishing sector grew 16.5% year-on-year in January 2025, compared to a 23.8% increase in December 2024. (*The Edge*)

### US: Federal agencies directed to work with DOGE on mass layoff plans, memo shows

The Trump administration has instructed agencies to work with "Department of Government Efficiency team leads" to identify targets for mass layoffs as part of restructuring plans due on March 13, a memo showed on Wednesday. The memo, published by the federal human resources agency known as the Office of Personnel Management and the Office of Management and Budget, urges agencies to eliminate duplicative roles, unnecessary management layers, and non-critical jobs, while automating routine tasks, closing regional field offices and reducing the use of outside contractors. The move, which echoes a Feb 11 executive order, is part of a broader push by Republican President Donald Trump and billionaire adviser Elon Musk to shrink the federal workforce and slash the federal budget. (*Bloomberg*)

### Mexico: Working on agreement with US before tariff deadline, says senior Mexican official

Mexico is working with the United States to reach an agreement on tariffs before an impending deadline, a senior Mexican government official said on Wednesday, and the US recognised its work to control migration and fentanyl trafficking. Mexico's Deputy Foreign Trade Minister Luis Rosendo Gutierrez, following a meeting in Washington with the team of US Trade Representative Jamieson Greer, told Reuters that officials discussed the upcoming "review of the USMCA trade pact, concerns about steel and aluminum and China, among other issues." "We are working together to reach agreements before the fatal dates," Gutierrez said, referring to threats by President Donald Trump to impose blanket 25% tariffs on Mexican and Canadian goods if those countries do not clamp down on the flow of drugs and migrants into the US. (*Reuters*)



**China: Encourages banks to extend more financial support to sectors including steel**

China's financial regulator encouraged banks and insurers to enhance medium- to long-term lending support for technology innovation and equipment upgrades in sectors including steel, non-ferrous metals and petrochemicals. Banks and insurers should focus on the green transition in traditional industry to meet financing needs for the low-carbon transformation of high-energy-consuming and high-emission industries, it added in a statement. *(Reuters)*

**Japan: Manufacturing sector union members demand record pay hike in 2025**

A Japanese labour union group representing major manufacturers said on Thursday its members are demanding a record increase in their base pay for this year, building on last year's momentum amid rising living costs. The Japan Council of Metalworkers' Unions (JCM) is considered a pace-setter for annual wage negotiations, and represents about two million workers for blue-chip companies, including Toyota Motor, Panasonic and Nippon Steel. According to the JCM, the average increase in monthly base salary sought by its members so far stands at ¥14,149 (US\$95 or RM419.4), the highest figure since 2014, when the group started compiling comparable data. *(Reuters)*

## Companies

### **IHH: 4QFY2024 net profit up slightly amid higher costs; declares 5.5 sen final dividend**

IHH Healthcare Bhd posted a slight increase in net profit to RM732m for the fourth quarter ended Dec 31, 2024 (4QFY2024), compared with RM728m a year earlier, driven by a 26% year-on-year rise in revenue. Quarterly revenue climbed 26.5% to RM6.7bn from RM5.3bn, supported by sustained demand for quality healthcare services, higher inpatient volumes, and increased revenue intensity from handling more complex cases. The consolidation of Timberland Medical Centre and Island Hospital following their acquisition also contributed to the revenue growth. IHH declared a final dividend of 5.5 sen per share, payable on April 28, bringing the total FY2024 dividend to 10 sen per share, higher against the nine sen per share paid in FY2023. *(The Edge)*

### **RHB Bank: Pays out highest annual dividend after record 4Q and FY2024 earnings**

RHB Bank Bhd posted a 42.5% increase in net profit for the final quarter of last year, driven by higher net interest income and lower allowances for credit losses. Net profit at Malaysia's fourth-largest lender by assets for the three months ended Dec 31, 2024 (4QFY2024) was RM834.5m, versus RM585.9m in 4QFY2023, according to a bourse filing. Earnings per share rose to 19.1 sen from 13.7 sen previously. The bank declared a second interim dividend of 28 sen per share for FY2024, bringing the total dividend payout for the full year to 43 sen per share — its highest ever for a financial year. *(The Edge)*

### **QL Resources: 3Q net profit up slightly; pays lower dividend of 2.5 sen**

QL Resources Bhd's net profit increased 1.9% to RM126m for the third quarter ended Dec 31, 2024 (3QFY2025) from RM123.6m a year ago. Its earnings were boosted by the palm oil and clean energy and integrated livestock farming segments, which offset weaknesses in the marine product manufacturing and convenience store chain businesses. *(The Edge)*

### **SD Guthrie: Seeks to grow recent acquisition amid downstream push**

SD Guthrie Bhd said it is seeking to grow a recent acquisition of a Netherlands-based animal feed and biofuel supplier, as the world's largest palm oil producer pushes further downstream and taps new markets. The company intends to play an active role in Marvesa Supply Chain Services BV to drive overall growth, particularly through new product development and market expansion, SD Guthrie managing director Datuk Mohamad Helmy Othman Basha said at an earnings briefing on Thursday. "With a stronger presence in Europe, we see opportunities to actively contribute to this business for the group's benefit," he said. "We are looking at developing new products and tapping into new markets." *(The Edge)*

### **UEM Edgenta: Eyes global growth with strong push in Singapore, Taiwan, Middle East**

UEM Edgenta Bhd is setting its sights on strengthening its international footprint, following the new contract wins led by those in Singapore and Taiwan. It is seeing promising long-term growth in the United Arab Emirates (UAE) and Saudi Arabia, according to managing director and chief executive officer Syahrudin Samsudin. Almost 80% of the company's new order book wins in 2024 — or RM2.2bn of total RM2.8bn total contract wins — came from international markets, with Singapore and Taiwan at the forefront, Syahrudin revealed during a financial results briefing on Thursday. *(The Edge)*

**KNM: To offload German unit at higher price tag of RM1.3bn**

KNM Group Bhd plans to sell its entire stake in its German unit Deutsche KNM GmbH to Japanese-based ceramic company NGK Insulators Ltd for €270m (RM1.3bn). The deal, part of a regularisation plan to address its financial troubles and Practice Note 17 (PN17) status, represents a 22.3% increase from previous valuation of €220.8m in 2022, the oil and services firm said in a filing on Thursday. The proceeds will be used to deleverage KNM, which will significantly reduce its total borrowings to RM15.1m from RM1.3bn and improve its gearing ratio from 3.9 times to 0.0 times. *(The Edge)*

**UEM Sunrise: Prioritises sustainable growth over quick monetisation of Johor land; rules out data centre development**

Property developer UEM Sunrise Bhd said on Thursday that it is taking a measured approach in utilising its land bank in the Johor region, prioritising sustainable development and product delivery over rapid monetisation. Speaking to The Edge on the sidelines of an event, UEM Sunrise officer-in-charge and chief financial officer Hafizuddin Sulaiman said the group is focused on properties that align with market demand rather than rushing to monetise its 4,271-acre land bank in Gerbang Nusajaya, Johor. "You have to appreciate the nature of township development. If you cash out too soon, are you truly crystallising the optimal value? Crystallising the optimal value takes time and again, we all know what happened before right, when you had a good ecosystem then suddenly it went away," Hafizuddin said. *(The Edge)*

**Press Metal: Teams up with Bintulu Development Authority to set up solar frame extrusions plant**

Press Metal Aluminium Holdings Bhd said on Thursday that it has signed a memorandum of understanding (MOU) with Bintulu Development Authority (BDA) for a proposed joint venture (JV) to set up a solar frame extrusions facility in Bintulu, Sarawak. The proposed JV will leverage Press Metal's aluminium expertise and BDA's strategic initiatives to support the fast-growing solar energy market, both locally and internationally. Under the terms of the MOU, which is valid for three years, a special purpose vehicle will be formed with BDA holding a 20% stake and Press Metal or its subsidiary holding the remaining 80% stake. *(The Edge)*

## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.19	0.16	13.70
British American Tobacco (M)	Consumer	6.90	0.57	8.32
Hektar REITS	REIT	0.52	0.04	8.27
Sentral REIT	REIT	0.78	0.06	8.26
MBM Resources	Consumer	5.47	0.43	7.77
KIP REIT	REIT	0.88	0.07	7.66
Amway (M)	Consumer	6.43	0.48	7.51
YTL Hospital REIT	REIT	1.11	0.08	7.48
CapitaLand Malaysia Trust	REIT	0.66	0.05	7.27
Ta Ann Holdings	Plantation	3.87	0.27	7.08
Paramount Corporation	Property	1.08	0.07	6.94
REXIT	Technology	0.73	0.05	6.90
Genting Malaysia	Consumer	2.36	0.16	6.69
MAG Holdings	Consumer	1.28	0.08	6.41
Magnum	Consumer	1.28	0.08	6.41

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="#">Pantech Global Bhd</a>	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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