



# Daily Newswatch

## Market Review

The FBM KLCI ended lower at 1,571.39 (-0.2%) on Monday, marking its third consecutive session of declines amid cautious investor sentiment and profit-taking. Market participants remained on the sidelines ahead of key trade policy announcements from U.S. President Donald Trump, contributing to the risk-off tone. Among the index constituents, key laggards were NESTLE (-5.1%), AXIATA (-4.3%), and GAMUDA (-3.4%). Sector-wise, Construction (-2.1%) led the decline, followed by Transportation & Logistics (-2.0%) and Plantation (-1.2%). Overall, market breadth remained weak, with 707 decliners significantly outpacing 354 gainers.

## Economics

- EU:** Inflation cools as ECB enters final phase of cuts
- China:** Xi prepares to unveil China stimulus plan as trade war heats up
- US:** Trump heads towards tariff barrage on Canada, Mexico, China
- China:** May target US crops in tariff response — Global Times
- China:** Could restart import controls on coal as oversupply mounts
- Japan:** Factory activity shrinks, US policies weigh on outlook, PMI shows
- Indonesia:** Posts first annual deflation in more than two decades

## Companies

- UEM Edgenta:** Secures RM40.4m traffic management contract from chairman-linked company
- Revenue Group:** Named official acquirer for Weixin Pay in Malaysia
- Asian Pac:** To buy Jaya Shopping Centre in Petaling Jaya for RM100m
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- Eden:** Power plant to supply Sabah's east coast for two more years with 50% more capacity
- WCT:** Gets nod from SC for Paradigm REIT listing
- Sime Darby Property:** Eyes more data centres to boost recurring income, says CEO
- Handal Energy:** Diversifies into healthcare to secure recurring income

<u>Upcoming key economic data releases</u>	<u>Date</u>
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	1,571.4	(0.2)	(4.3)
Dow Jones	43,191.2	(1.5)	1.5
Nasdaq CI	18,350.2	(2.6)	(5.0)
S&P 500	5,849.7	(1.8)	(0.5)
FTSE 100	8,871.3	0.7	8.5
Nikkei 225	37,785.5	1.7	(5.3)
Shanghai CI	3,316.9	(0.1)	(1.0)
HSI	23,006.3	0.3	14.7
STI	3,908.9	0.3	3.2

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,180.2	(27.7)
Value traded (RM m)	2,438.6	(62.2)
Gainers	354	
Losers	707	
Unchanged	425	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PGLOBAL	0.575	(15.4)	86.1
MYEG	0.935	6.9	63.1
CEB	0.245	(9.3)	58.0
GENM	1.900	0.0	53.6
NATGATE	1.300	(29.7)	48.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	8.000	2.4	304.7
GENM	1.900	0.0	103.2
MAYBANK	10.680	(0.4)	78.4
NATGATE	1.300	(29.7)	78.3
PBBANK	4.560	0.7	75.1

Currencies	Last Close	% Chg
USD/MYR	4.5	(0.1)
USD/JPY	149.4	0.1
EUR/USD	1.0	0.0
USD/CNY	7.3	(0.1)
US Dollar Index	106.7	(0.8)

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.6	(1.6)
Gold (USD/troy oz)	2,892.5	(0.0)
CPO (MYR/metric t)	4,675.0	(0.1)
Bitcoin (USD/BTC)	86,303.6	1.2

## Economics

### **EU: Inflation cools as ECB enters final phase of cuts**

Euro-area inflation eased to 2.4% in February from 2.5% in January, reinforcing expectations that the European Central Bank (ECB) is on track to achieve its 2% target and may continue cutting interest rates. The decline in services inflation to 3.7%, its first drop below 4% since April 2024, provides further confidence for policymakers, though economic uncertainty persists due to weak growth, potential U.S. trade tariffs, and geopolitical tensions. While another rate cut is widely anticipated at the ECB's next meeting, divergence within the Governing Council suggests some members favor a cautious approach as borrowing costs approach neutral levels. *(Bloomberg)*

### **China: Xi prepares to unveil China stimulus plan as trade war heats up**

China's economy is regaining momentum with a focus on domestic demand, AI-driven growth, and private sector support, but faces challenges from U.S. tariffs under Trump's presidency, deflation, and a struggling property sector. The government is expected to set an ambitious 5% growth target at the National People's Congress, supported by increased fiscal stimulus, including a record-high budget deficit and infrastructure spending, while maintaining currency stability. However, weak household consumption and export pressures require strategic policy adjustments, with Beijing balancing stimulus measures to avoid excessive debt and inefficient investments in emerging industries. *(Bloomberg)*

### **US: Trump heads towards tariff barrage on Canada, Mexico, China**

US President Donald Trump is on the verge of slapping new tariffs on Canada and Mexico while doubling a levy on China, moves that would dramatically expand his push to revive domestic manufacturing, tap new revenues and rebalance ties with the biggest US trading partners. The long-promised tariffs scheduled to take effect on Tuesday would easily be among the most sweeping of the Trump era, applying to roughly US\$1.5tn in annual imports. They would put a 25% tariff on all imports from Canada and Mexico, except Canadian energy, which would face a 10% rate. He has also said he'll double a tariff on China to 20%. The tariffs may yet be delayed — the Canada and Mexico measures were already stalled once — but any reprieve could prove temporary, with a host of other Trump levies due in April. Trump says the tariffs are a tool to bring the neighbouring nations to heel on securing the borders from migrants and drugs, particularly fentanyl. *(Bloomberg)*

### **China: May target US crops in tariff response — Global Times**

China is considering retaliatory measures on US agriculture and food products in response to tariffs from the Trump administration that are scheduled to take effect on Tuesday, according to the Global Times. Beijing's response will likely include tariffs and non-tariff measures, Global Times reported, citing a person they didn't identify. China's soymeal prices surged 1.5% on concerns that escalating trade tensions could disrupt US shipments of soybeans and tighten the market further. President Donald Trump has pledged to double the levy on China to 20%, while also hitting Canada and Mexico with tariffs on March 4. The Asian nation is the world's biggest importer of soybeans, which is typically crushed into cooking oil and animal feed, particularly for the country's large pig herd. *(Global Times)*

### **China: Could restart import controls on coal as oversupply mounts**

China could re-establish import controls on coal after leading industry groups warned of mounting oversupply in the world's biggest market for the fuel, according to Morgan Stanley. The bank said a complete ban is unlikely given China's obligations to the World Trade Organization but purchases could be discouraged if the authorities impose delays or inspections on imports, analysts including Sara Chan said in a note. Similar controls were imposed in 2014, 2017 and 2018. China maintained a cap on coal imports of about 300m tonnes until 2022 but has blown past that level in the last couple of years due to energy security concerns. The country bought a record 543m tonnes last year. *(Reuters)*

**Japan: Factory activity shrinks, US policies weigh on outlook, PMI shows**

Japan's factory activity shrank for an eighth consecutive month in February, while worries about US protectionist trade policies weighed on firms' outlook, a private-sector survey showed on Monday. The final Jibun Bank Japan manufacturing purchasing managers' index (PMI) rose slightly to 49.0 from 48.7 in January, indicating the softest contraction in three months. The index was slightly higher than 48.9 in the flash reading but stayed below the 50.0 threshold that separates growth from contraction for the eighth straight month. (*Reuters*)

**Indonesia: Posts first annual deflation in more than two decades**

Indonesia recorded its first annual deflation in more than two decades as electricity tariffs and prices of some staple foods fell, potentially giving room for the central bank to weigh a rate cut if the rupiah stabilises. Consumer prices fell 0.09% year-on-year in February for the first time since March 2000, according to statistics agency data released Monday. The annual figure also missed economists' lowest estimate of 0.04% inflation in a Bloomberg News survey. The deflation came as prices in housing, water, electricity and household fuel fell further to 12% year-on-year as the government discounts on electricity tariffs for certain customers lasted until the end of last month. Prices of staple foods such as rice, tomato and red chilli also fell. Prices also fell on a monthly basis, extending a deflation in January. (*Reuters*)

## Companies

### **UEM Edgenta: Secures RM40.4m traffic management contract from chairman-linked company**

UEM Edgenta Bhd has secured a RM40.4m recurrent, related-party contract to provide traffic management plan and control services for two sections of the Kuala Lumpur-Karak Highway. The contract, awarded by AFA Construction and Engineering Sdn Bhd (AFACE) to UEM Edgenta's wholly-owned Edgenta Propel Bhd (EPB), is considered a related-party transaction because UEM Edgenta's independent, non-executive chairman Tan Sri Dr Azmil Khalili Khalid is the sole owner and director of AFACE's parent company, AFA Infrastructure and Development Sdn Bhd. Azmil is also the sole shareholder of AFA Prime Bhd (formerly Anih Bhd), the concessionaire of the Kuala Lumpur-Karak Highway. *(The Edge)*

### **Revenue Group: Named official acquirer for Weixin Pay in Malaysia**

Cashless payment solutions company Revenue Group Bhd said its wholly-owned unit Revenue Solution Sdn Bhd has been appointed as an acquirer for Weixin Pay in Malaysia. Weixin Pay, operated by Tencent, is a widely used payment method, especially among Chinese tourists and businesses, noted Revenue, adding that merchants across Malaysia can now expand their payment acceptance. "Becoming an official acquirer for Weixin Pay marks a significant milestone in Revenue's mission to continuously develop and evolve the cashless payments capabilities for our partners and merchants," said Revenue executive director Teh Chee Hoe in a statement on Monday. *(The Edge)*

### **Asian Pac: To buy Jaya Shopping Centre in Petaling Jaya for RM100m**

Property developer Asian Pac Holdings Bhd's wholly owned subsidiary Primadana Utama Sdn Bhd is buying Jaya Shopping Centre in Petaling Jaya, Selangor, for RM100m cash. According to the bourse filing, the seven-storey shopping mall covers an approximate area of 92,712 sq ft, including a lower ground floor and four levels of basement car park with 786 car park bays. It has an occupancy rate of 78%. The vendor is Jaya Section Fourteen Sdn Bhd, whose directors are Hooi Pik Ling, Amy Ng Lee Hoon, Sim Sin Ying, Wan Kwong Weng and Wong Su Cheng. *(The Edge)*

### **Barakah Offshore Petroleum: Back on the hunt for barge buyer**

Barakah Offshore Petroleum Bhd has canceled its agreement to sell the idle KL101 barge to PT Wintermar Rajawali Asia after the deal lapsed and is now in talks with other potential buyers while negotiating revised payment terms with Exim Bank for its outstanding US\$11.1m debt. The company has been under PN17 status since 2019 due to loan defaults and aims to sell the barge to reduce financial strain, as maintaining it costs RM5.6m annually. Despite financial challenges, including RM133.8m in accumulated losses, Barakah is focused on exiting PN17 status and has until May 14, 2025, to submit a regularisation plan to Bursa Malaysia. *(The Edge)*

### **Eden: Power plant to supply Sabah's east coast for two more years with 50% more capacity**

Eden Inc Bhd announced on Monday that its Libaran power plant in Sandakan will continue supplying power to Sabah's east coast for another two years with a 50% increase in capacity. Stratavest Sdn Bhd, which runs the plant, has signed a power purchase agreement (PPA) with Sabah Electricity Sdn Bhd for the extension that comes with 15MW more capacity, bringing capacity up to 45MW. The new PPA will remain in effect until Feb 27, 2027. No contract value was disclosed. *(The Edge)*

### **WCT: Gets nod from SC for Paradigm REIT listing**

WCT Holdings Bhd said it has received regulatory approval from the Securities Commission Malaysia to establish and list Paradigm Real Estate Investment Trust (Paradigm REIT) on the Main Market of Bursa Malaysia. Paradigm REIT will debut with an initial fund size of 1.6bn units and a portfolio of three properties valued at RM2.44bn, said WCT in a bourse filing on Monday. The acquisition of the properties, it said, will be settled through the issuance of 1.6bn units at RM1 per unit and RM837m in cash, funded via commercial real estate-backed medium-term notes. *(The Edge)*

**Sime Darby Property: Eyes more data centres to boost recurring income, says CEO**

Sime Darby Property Bhd will look to take on more data centre projects as a means of growing its recurring income, said group managing director and chief executive officer Datuk Seri Azmir Merican. "We are active in this market. If the economics are right and it makes financial sense, we are open to looking at more projects as we aim to build a solid recurring income base," Azmir said at a virtual media briefing on Monday following the group's fourth-quarter results announcement. He added that the group's two existing data centre projects will contribute to earnings over the next 20 years without providing specific financial guidance. (*The Edge*)

**Handal Energy: Diversifies into healthcare to secure recurring income**

Offshore crane services provider Handal Energy Bhd has proposed to venture into the healthcare services through the subleasing of two hospitals in Selangor. The company has signed a memorandum of agreement (MOA) with Hartanah Azzahrah Sdn Bhd (HASB) which requires Handal to source a buyer for Hospital Islam Az-Zahrah Bangi and Hospital Az-Zahrah Bandar Tun Hussein Onn, for a total indicative consideration of not less than RM69m. The two hospital properties comprise a combined 69 hospital beds. The purchase price is set at a minimum of RM1m per bed, said Handal in a filing with Bursa Malaysia on Monday. (*The Edge*)

## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.10	0.16	14.82
British American Tobacco (M)	Consumer	6.57	0.57	8.74
Hektar REITS	REIT	0.52	0.04	8.35
Sentral REIT	REIT	0.77	0.06	8.31
REXIT	Technology	0.62	0.05	8.06
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
Ta Ann Holdings	Plantation	3.72	0.27	7.37
Amway (M)	Consumer	6.40	0.47	7.34
MBM Resources	Consumer	5.52	0.39	7.08
Paramount Corporation	Property	1.07	0.08	7.01
Taliworks Corporation	Utilities	0.74	0.05	6.80
MAG Holdings	Consumer	1.27	0.08	6.46
Magnum	Consumer	1.27	0.08	6.46

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		
Saliran Group Bhd	Main Market	0.27	80.4	38.3	28 Feb	13 Mar
Lim Seong Hai Capital Bhd	ACE Market	0.88	132.0	59.0	06 Mar	21 Mar
Wawasan Dengkil Holdings Bhd	ACE Market	0.25	108.0	54.0	11 Mar	25 Mar

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MERCURY SECURITIES SDN BHD  
Registration No. 198401000672 (113193-W)  
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,  
50480 Kuala Lumpur  
Telephone: (603) - 6203 7227  
Website: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my)  
Email: mercurykl@mersec.com.my