



# Daily Newswatch

## Market Review

The FBM KLCI rebounded to close at 1,510 (+1.7%) today as investors snapped up bargains following a softer-than-expected US inflation print. The recovery marked a turnaround from a significant five-day sell-off, with market participants seeking stocks with solid fundamentals. Not all regional indices shared the recovery, however, many continued to slide reinforcing the FBM KLCI's status as the top-performing index in the region. Among index constituents, rebound strength was evident in stocks like SUNWAY (+5.8%), AXIATA (+4.5%), and PETDAG (+3.8%). Sector-wise, Technology led the gains (+3.7%), while Energy (+3.1%) and Construction (+3.1%) also posted healthy advances. Overall, market breadth turned positive, with 728 advancers versus 268 decliners.

## Economics

- **Malaysia:** Madani economy indicators record positive achievements thus far — Dr Zaliha
- **US:** October-February budget deficit hits record US\$1.147tn
- **Japan:** BOJ's Ueda upbeat on consumption, warns of 'too big' balance sheet
- **Japan:** Major union group says agreements struck for average 5.37% pay hike
- **Indonesia:** Keeps 2025 budget deficit forecast unchanged despite tax revenues slump
- **Thailand:** Approves US\$1bn investment from China's Sunwoda for EV battery plant
- **Vietnam:** Singapore agree to boost ties, cooperation on subsea cables

## Companies

- **Avangaad:** Signs RM49m deal to acquire marine consultancy and tugboats after PN17 exit
- **S P Setia:** Emporia handed over ahead of schedule with 90% pre-leased; soft launch of bungalows and semidees in May
- **Kerjaya Prospek:** Bags RM11.6m Penang construction job in related-party deal
- **Sapura Energy:** To undergo additional due diligence as precondition for RM1.1bn capital injection — PM
- **Capital A:** Revisits US listing plans for brand management arm

### Upcoming key economic data releases

### Date

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	1,510.0	1.7	(8.1)
Dow Jones	41,350.9	(0.2)	(2.8)
Nasdaq CI	17,648.5	1.2	(8.6)
S&P 500	5,599.3	0.5	(4.8)
FTSE 100	8,577.2	0.4	4.9
Nikkei 225	36,790.0	(0.1)	(7.8)
Shanghai CI	3,358.7	(0.4)	0.2
HSI	23,462.7	(0.6)	17.0
STI	3,837.5	0.1	1.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,251.8	5.0
Value traded (RM m)	2,906.6	(13.7)
Gainers	728	
Losers	268	
Unchanged	421	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
SAPNRG	0.045	12.5	174.0
BORNOIL	0.010	0.0	160.8
SALIRAN	0.210	(22.2)	134.4
NATGATE	1.310	12.0	80.3
TAWIN	0.035	16.7	80.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.250	3.6	313.9
GAMUDA	3.900	3.4	154.4
PBBANK	4.480	3.5	130.3
MAYBANK	10.300	1.2	121.5
NATGATE	1.310	12.0	105.0

Currencies	Last Close	% Chg
USD/MYR	4.434	(0.1)
USD/JPY	148.150	0.1
EUR/USD	1.088	(0.1)
USD/CNY	7.244	(0.1)
US Dollar Index	103.711	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	70.7	(0.4)
Gold (USD/troy oz)	2,947.5	0.4
CPO (MYR/metric t)	4,800.0	0.9
Bitcoin (USD/BTC)	83,354.9	0.3

## Economics

### **Malaysia: Madani economy indicators record positive achievements thus far — Dr Zaliha**

Indicators that determine the success of the Madani Economy framework have shown positive achievements thus far, said Minister in the Prime Minister's Department Datuk Seri Dr Zaliha Mustafa. She said the performance of the Madani Economy framework could be assessed via several important indicators including economic growth, unemployment rate, poverty level, inflation, trade and investment and the country's fiscal position. "Hence, these indicators register positive achievements to date. The unemployment rate is stable at 3.2% and the poverty rate has already decreased by 8%. (*The Edge*)

### **US: October-February budget deficit hits record US\$1.147tn**

The US budget deficit for the first five months of fiscal 2025 hit a record US\$1.1tn, the Treasury Department said on Wednesday, including a US\$307bn February deficit for President Trump's first full month in office that was up 4% from a year earlier. The October-February deficit, which included nearly four months until January 20 under former president Joe Biden, topped the previous record US\$1tn from October 2020 to February 2021, a period marked by high Covid-19 relief spending and pandemic-constrained revenues. The Treasury said February's deficit rose US\$11bn from the same month in 2024, as outlays for debt interest, Social Security and health care benefits swamped growth in revenues. (*The Edge*)

### **Japan: BOJ's Ueda upbeat on consumption, warns of 'too big' balance sheet**

Bank of Japan governor Kazuo Ueda on Thursday painted an optimistic view on consumption and reaffirmed the bank's resolve to shrink its "too big" balance sheet, a sign it remains on course to wean the economy off monetary stimulus. The remarks suggest the BOJ is sticking to its projection of a moderate economic recovery, even as US President Donald Trump's tariff policy jolts financial markets and fuels a trade war that could hurt Japan's exports. Real wages and consumption have struggled since inflation accelerated in 2022, as the pace of wage gains failed to catch up with the steady rise in import-driven living costs, Ueda told parliament. (*The Edge*)

### **Japan: Major union group says agreements struck for average 5.37% pay hike**

A major Japanese labour union group said on Thursday its member unions had struck agreements for hefty wage hikes with employers for a third consecutive year. UA Zensen, an umbrella group representing retail, restaurant and other industry unions, said its members had received an average 5.4% increase in monthly wages for full-time workers. Part-timers gained a 6.5% hike. The results compared with last year's average 5.9% increase for full-time workers and 6.5% for part-timers. (*Bloomberg*)

### **Indonesia: Keeps 2025 budget deficit forecast unchanged despite tax revenues slump**

Indonesia's government is maintaining its forecast that the budget deficit will be 2.5% of gross domestic product (GDP) this year despite a 30% plunge in tax revenues in the first two months of 2025, the finance minister said on Thursday. Southeast Asia's largest economy ran a budget deficit of 31.2tn rupiah (US\$1.9bn or RM8.4bn) in January to February, equal to 0.13% of GDP, compared with a surplus of 26tn rupiah, or 0.11% of GDP, a year earlier. "The budget posture does not change," Finance Minister Sri Mulyani Indrawati said. "We will maintain the deficit at 2.5% of GDP, including by considering any correction in revenues." (*Reuters*)

### **Vietnam: Singapore agree to boost ties, cooperation on subsea cables**

Singapore and Vietnam have agreed on Wednesday to enhance cooperation in subsea cables, finance, and energy, marking an upgrade in their relations to Vietnam's highest level, during a visit by its Communist Party chief To Lam to the city-state. Singapore is the third Southeast Asian nation, after Malaysia and Indonesia, with which Vietnam has established a "comprehensive strategic relationship". (*Reuters*)



**Thailand: Approves US\$1bn investment from China's Sunwoda for EV battery plant**

Thailand's Investment Board said on Thursday it had approved a US\$1bn (RM4.4bn) investment from China's Sunwoda Electronic to build an electric vehicle battery plant, the latest in a series of new EV-related projects in the regional automaking hub. The Shenzhen-based firm will create 1,000 jobs in Thailand for production of lithium-ion battery cells for EV manufacturers at a facility that would include manufacturing, research and product development. Thailand is Southeast Asia's largest auto production and export centre, home to major carmakers like Toyota and Honda, but the sector is in the midst of a major slump, with Thai autos output down by 10% last year to a four-year low and domestic sales and exports slumping 26% and 8.8% respectively. (*Reuters*)

## Companies

### **Avangaad: Signs RM49m deal to acquire marine consultancy and tugboats after PN17 exit**

Avangaad Bhd, fresh from having its cash-strapped status lifted, plans to buy marine consultancy company Bumi Jaya Shipcare Sdn Bhd and two tugboats for RM49m. The company, formerly known as EA Technique (M) Bhd, saw its Practice Note 17 status lifted on Feb 20, 2025. According to its bourse filing, the company has signed a preliminary agreement with four parties, which still needs final terms, due diligence checks, and an independent valuation before the proposed acquisitions can proceed. *(The Edge)*

### **S P Setia: Emporia handed over ahead of schedule with 90% pre-leased; soft launch of bungalows and semidees in May**

S P Setia Bhd has completed Emporia, which was handed over on Feb 22, its first shop office development in Setia Alamsari, ahead of schedule, with 90% of units pre-leased before vacant possession. S P Setia officially handed over the project six months earlier than the targeted date of Aug 20, 2025. Launched in Aug 2022, Emporia comprises 30 double-storey shop offices that have been fully taken up; the development, featuring tenants such as Q Bistro, RBS Bistro, Mixue, Ecoshop, and Restaurant Syed Maju Nasi Kandar Signature, has a gross development value of RM60.2m. *(The Edge)*

### **Kerjaya Prospek: Bags RM11.6m Penang construction job in related-party deal**

Construction firm Kerjaya Prospek Group Bhd said on Thursday that it has secured an RM11.6m contract for construction works from Tanjung Pinang Development Sdn Bhd. In a filing with the exchange, Kerjaya Prospek said its wholly-owned subsidiary, Kerjaya Prospek (M) Sdn Bhd, had accepted a letter of award from Tanjung Pinang Development Sdn Bhd for the execution and completion of a Gurney pedestrian ramp, access to Gurney and all associated works at Bandar Tanjung Pinang, Pulau Andaman. Tanjung Pinang Development Sdn Bhd, an indirect subsidiary of Eastern & Oriental Bhd, makes this contract a recurrent related-party transaction as Datuk Seri Tee Eng Ho, the non-independent non-executive chairman and major shareholder of Kerjaya Prospek, also serves as executive chairman and major shareholder of Eastern & Oriental. *(The Edge)*

### **Sapura Energy: To undergo additional due diligence as precondition for RM1.1bn capital injection**

Cash-strapped Sapura Energy Bhd will go through an additional due diligence process as a prerequisite to the government's capital injection of RM1.1bn and its restructuring exercise, according to Prime Minister Datuk Seri Anwar Ibrahim. He said findings of the due diligence will be shared with relevant enforcement agencies, such as the Securities Commission, to determine if any action needs to be taken against any party. Anwar, who is also finance minister, stated that this initiative is in addition to an audit process completed as part of the Practice Note 17 company's restructuring exercise, which looks to address RM10.8bn in debt and RM1.5bn in unpaid trade bills. *(The Edge)*

### **Capital A: Revisits US listing plans for brand management arm**

Capital A Bhd is reigniting its plans to list its brand management arm, Abc International, in the US, with its valuation reportedly doubling from the initial US\$1.2bn (RM5.1bn), according to chief executive officer Tan Sri Tony Fernandes. Fernandes confirmed that the listing, previously shelved to prioritise Capital A's efforts to exit the Practice Note 17 status and airline business recovery, is now back on track, with a target timeline of 2025. "We are back on track. We definitely need to list Abc in America, because that's the only market that will understand us," he said during an exclusive webinar on Wednesday hosted by Rakuten Trade. *(The Edge)*



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.01	0.15	15.15
Hektar REITS	REIT	0.48	0.04	8.96
British American Tobacco (M)	Consumer	6.18	0.54	8.74
Sentral REIT	REIT	0.77	0.06	8.37
REXIT	Technology	0.60	0.05	8.33
YTL Hospital REIT	REIT	1.01	0.08	8.22
Amway (M)	Consumer	5.82	0.47	8.08
KIP REIT	REIT	0.87	0.07	7.75
CapitaLand Malaysia Trust	REIT	0.64	0.05	7.56
Paramount Corporation	Property	1.02	0.07	7.35
Taliworks Corporation	Utilities	0.69	0.05	7.25
MBM Resources	Consumer	5.38	0.39	7.23
Ta Ann Holdings	Plantation	3.80	0.27	7.21
MAG Holdings	Consumer	1.20	0.08	6.83
Magnum	Consumer	1.20	0.08	6.83

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="#">Lim Seong Hai Capital Bhd</a>	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
<a href="#">Chemlite Innovation Bhd</a>	ACE Market	0.25	120.0	60.0	12 Mar	26 Mar
Hi Mobility Bhd	Main Market	1.22	95.0	35.0	19 Mar	28 Mar
SumiSaujana Group Berhad	ACE Market	0.24	310.0	90.0	25 Mar	09 Apr

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