



Daily Newswatch

Market Review

The FBM KLCI closed marginally higher at 1,505.5 (+0.1%) last Friday, demonstrating domestic resilience despite ongoing foreign selling pressure over the past two weeks. The benchmark index outperformed regional peers, supported by improving macro fundamentals, including an uptick in the Manufacturing PMI from 48.9 to 49.7 and a sharp 244.8% YoY surge in February's trade balance. PETDAG (+10.0%) led gains among key constituents, followed by NESTLE (+2.8%) and IHH (+1.9%). Sector-wise, Consumer Products & Services (+0.9%), Energy (+0.2%) and Construction (+0.2%) are top 3 gainers. Nonetheless, the overall market breadth remained subdued with 371 advancers versus 513 decliners.

U.S. equities posted modest gains over the week despite volatility from the "quadruple witching" event and trade concerns ahead of Trump's tariff plan set for April 2. The S&P 500 rose 0.5%, DJIA 1.2%, and NASDAQ 0.3%. In contrast, Hong Kong's HSI fell 1.1% as tech stocks saw profit-taking after a strong rally. A sharp 7.1% drop in semiconductor stocks further dampened sentiment. Meanwhile, China's markets remained weak amid limited policy clarity and persistent geopolitical and trade tensions.

Macro Bits

- US:** Pro-Trump senator meets China's economy tsar amid trade tensions
- US:** US Fed's Goolsbee sees transitory inflation from one-time tariffs
- EU:** EU eyes sharp cut to Ukrainian sugar imports after price slump
- China:** Central bank says it will boost forex market resilience
- UK:** Borrowing overshoot hits £20b in blow for Reeves
- Canada:** Canada aims for free internal trade that can offset any US tariffs, PM Carney says

Corporate News

- Alliance Bank:** Proposes renounceable rights issue of shares to raise RM600m
- Crest Builder:** Plans private placement to raise RM24.3m for debt repayment, working capital
- Capital A:** To proceed with distribution plans after court confirms share capital reduction
- Nestlé Malaysia:** Breaks ground for RM250m regional logistics hub in Port Klang
- Genting:** Agrees to 46m fine as part of settlement for complaint against Las Vegas resort

<u>Upcoming key economic data releases</u>	<u>Date</u>
Malaysia – Financial Stability Review 2H2024	Mar 24
US – Mar 2025 Manufacturing PMI	Apr 01
US – Mar 2025 NFP, Unemployment Rate	Apr 04
US – Mar 2025 CPI	Apr 10
Malaysia – Feb 2025 Unemployment Rate	Apr 10
US – Mar 2025 PPI	Apr 11
US – Mar 2025 Retail Sales	Apr 16
Malaysia – Mar 2025 Inflation Rate	Apr 23

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,505.5	0.1	(8.3)
Dow Jones	41,985.4	0.1	(1.3)
Nasdaq CI	17,784.1	0.5	(7.9)
S&P 500	5,667.6	0.1	(3.6)
FTSE 100	8,646.8	(0.6)	5.8
Nikkei 225	37,677.1	(0.2)	(5.6)
Shanghai CI	3,364.8	(1.3)	0.4
HSI	23,689.7	(2.2)	18.1
STI	3,926.5	(0.1)	3.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,437.4	5.1
Value traded (RM m)	4,282.2	62.0
Gainers	371	
Losers	513	
Unchanged	428	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
LSH	0.830	0.0	74.3
99SMART	1.960	(0.5)	65.0
TANCO	1.860	(1.1)	51.9
NATGATE	1.380	(2.8)	49.6
PAVREIT	1.440	(0.0)	47.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	6.850	0.7	231.2
MAYBANK	10.180	0.0	207.3
SUNWAY	4.500	(0.2)	170.2
PETGAS	17.240	1.8	159.7
GAMUDA	3.970	0.5	155.4

Currencies	Last Close	% Chg
USD/MYR	4.420	0.1
USD/JPY	149.320	(0.4)
EUR/USD	1.082	(0.3)
USD/CNY	7.252	(0.0)
US Dollar Index	104.088	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.2	0.2
Gold (USD/troy oz)	3,022.2	(0.7)
CPO (MYR/metric t)	4,651.0	(0.4)
Bitcoin (USD/BTC)	84,047.0	(0.2)

Macro News

US: Pro-Trump senator meets China's economy tsar amid trade tensions

US Senator Steve Daines, a strong supporter of President Donald Trump, met with China's economy tsar, Vice Premier He Lifeng, on Saturday, marking the first visit by a US politician to Beijing since Trump returned to the White House. Striking a cordial tone at the start of their meeting at the Great Hall of the People, the Chinese vice premier joked that the Montana Republican looked younger and more handsome than on television, according to a pool report. Relations between China and the US have come under new strain after Trump slapped additional tariffs on Chinese goods, accusing Beijing of not doing enough to stem the flow of fentanyl into the US. *(Reuters)*

US: Fed's Goolsbee sees transitory inflation from one-time tariffs

Federal Reserve Bank of Chicago president Austan Goolsbee said the inflationary impact from tariffs could be transitory if they were limited in scope. "Imports are only 11% of GDP so one-time tariffs that are not followed by retaliation and that do not spread out of what they're initially applied to, they're more likely to be transitory on inflation and monetary policy would look through," Goolsbee said Friday on CNBC. So far, that's now how the situation is playing out in President Donald Trump's second term. Already he has imposed 20% tariffs on China between two separate actions, along with levies on steel and aluminum imports. There's more to come on April 2, when the administration says it will announce so-called reciprocal tariffs. Canada, the European Union and China have already retaliated with tariffs of their own or are planning to do so. *(Bloomberg)*

EU: Eyes sharp cut to Ukrainian sugar imports after price slump

The European Commission is looking to cut Ukrainian sugar imports sharply after EU producers complained that large shipments have fuelled a collapse in sugar prices, three sources told Reuters. Sugar imports from Ukraine are part of a larger dilemma the EU has faced in the last three years. Brussels initially provided free access to its agricultural markets as part of its support following Russia's invasion but protests from EU farmers have led it to scale back support. *(Bloomberg)*

China: Central bank says it will boost forex market resilience

China's central bank will cut banks' reserve requirement ratio and interest rates at the "appropriate time" and strengthen the resilience of its forex market, it said on Friday during a quarterly meeting of its monetary policy committee. The committee of the People's Bank of China (PBOC) suggested stepping up monetary policy adjustment and control, and improving monetary policy to be more forward-looking, targeted and effective, according to a statement of the bank's quarterly meeting of its monetary policy committee, which was held on Tuesday. The remarks, similar to PBOC governor Pan Gongsheng's comments earlier this month, came after modest economic growth in the first two months of the year, thanks to government policy support. But US President Donald Trump's tariff hikes may bring more headaches to policymakers in coming months. *(Reuters)*

UK: Borrowing overshoot hits £20b in blow for Reeves

UK Chancellor of the Exchequer Rachel Reeves is set to significantly overshoot her borrowing forecasts for the current fiscal year, highlighting the fragile state of the public finances ahead of a key economic statement next week. The budget deficit in the first 11 months climbed to £132.2bn (US\$171bn or RM755.8bn) — £20.4bn more than the Office for Budget Responsibility predicted in October. Borrowing in February alone was £10.7bn, above the expectation of the OBR and economists. The figures are the final snapshot of the Treasury finances before Reeves delivers her Spring Statement on March 26. Having lost the slender £9.9bn margin she had in October against her main fiscal rule, the chancellor is expected to announce billions of pounds of cuts to public spending and welfare. *(Reuters)*

Canada: Aims for free internal trade that can offset any US tariffs, PM Carney says

Prime Minister Mark Carney on Friday said Canada could offset the effects of any US tariffs by removing internal trade barriers and that he aimed for free trade within the country by July 1, after meeting provincial and territorial leaders. "We are committing to table legislation by the 1st of July for goods to travel across the country... free of federal barriers," Carney told reporters. "We can more than offset the effects of any US tariffs by eliminating internal trade barriers alone." Carney on his website cites research that found removing internal barriers would reduce trade costs by up to 15% and expand the economy by 4% to 8%. *(Reuters)*

Corporate News

Alliance Bank: Proposes renounceable rights issue of shares to raise RM600m

Alliance Bank Malaysia Bhd is making a cash call to its shareholders. The banking group, whose share price has climbed roughly 49% over the past 12 months, wants to raise as much as RM600m in fresh capital via a rights issue of new shares primarily to fund its general banking, financing and investing activities. In a bourse filing on Friday, the lender said the entitlement basis and issue price of the new ordinary shares will be determined and announced at a later date. Under the exercise, shareholders will have the option to either fully or partially subscribe to their entitlements or renounce them. *(The Edge)*

Crest Builder: Plans private placement to raise RM24.3m for debt repayment, working capital

Crest Builder Holdings Bhd has proposed a private placement of up to 30% of its share base to raise RM24.3m to pay for borrowings and purchase building materials. Of the proceeds, RM19.4m is earmarked for partial repayment of a revolving credit facility, followed by RM3.9m to purchase building materials for the construction of the Kiaramas project and Desa ParkCity project. At the end of December 2024, Crest Builder's total borrowings amounted to RM573.3m against cash balances of RM81.0m. *(The Edge)*

Capital A: To proceed with distribution plans after court confirms share capital reduction

Capital A Bhd said the High Court has confirmed its issued share capital reduction and repayment, paving the way for the low-cost airline's proposed distribution. "The confirmation from the High Court provides us with the clarity we need to move ahead with the proposed distribution and other key initiatives," Capital A chief executive officer Tan Sri Tony Fernandes said in a statement on Friday. "We are fully committed to ensuring a seamless transition for all stakeholders as we continue to reshape Capital A into a leaner, more focused travel and digital business," he said. *(The Edge)*

Nestlé Malaysia: Breaks ground for RM250m regional logistics hub in Port Klang

Nestlé (Malaysia) Bhd on Friday broke ground for a RM250m integrated logistics hub in Port Klang. The facility is designed to function as a regional hub, facilitating product exports to over 60 countries and sourcing imported raw materials, Nestle Malaysia said in a statement. The hub is expected to be fully operational by the first quarter of 2026 and create over 200 new jobs, it said. "This milestone project is part of Nestlé's broader strategy to enhance supply chain efficiency and sustainability while supporting the local economy through job creation and infrastructure development," the company noted. *(The Edge)*

Genting: Agrees to 46m fine as part of settlement for complaint against Las Vegas resort

Genting Bhd has agreed to pay a fine of US\$10.5m (RM46.4m) to the Nevada Gaming Commission as part of a settlement for a complaint against its Las Vegas resort. The settlement agreement signed between Resorts World Las Vegas LLC (RWLV LLC) and the Nevada Gaming Control Board (NGCB) is subject to the acceptance of the Nevada Gaming Commission, at a hearing scheduled next week on March 27, 2025. Should the settlement agreement be accepted by the commission, reports out of the US put it as the second largest fine imposed in Nevada's gaming history. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.13	0.15	13.54
Hektar REITS	REIT	0.48	0.04	9.05
British American Tobacco (M)	Consumer	6.09	0.54	8.87
Amway (M)	Consumer	5.42	0.47	8.67
Sentral REIT	REIT	0.77	0.06	8.31
YTL Hospital REIT	REIT	1.02	0.08	8.14
REXIT	Technology	0.63	0.05	7.94
KIP REIT	REIT	0.87	0.07	7.70
CapitaLand Malaysia Trust	REIT	0.64	0.05	7.50
MBM Resources	Consumer	5.38	0.39	7.23
Paramount Corporation	Property	1.04	0.07	7.21
Ta Ann Holdings	Plantation	3.86	0.27	7.10
Taliworks Corporation	Utilities	0.71	0.05	7.09
MAG Holdings	Consumer	1.22	0.08	6.72
Magnum	Consumer	1.22	0.08	6.72

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		
Wawasan Dengkil Holdings Bhd	ACE Market	0.25	108.0	54.0	11 Mar	25 Mar
Chemlite Innovation Bhd	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 Bhd	ACE Market	0.24	310.0	90.0	25 Mar	09 Apr
MSB Global Group Bhd	ACE Market	0.20	133.0	74.0	04 Apr	15 Apr

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