



Daily Newswatch

Market Review

The FBM KLCI closed higher at 1,513.6 (+0.7%) on Tuesday as easing concerns over U.S. tariffs boosted investor interest, renewing optimism with the prospect of milder-than-expected measures. Among index constituents, gains were led by MRDIY (+4.3%), followed by AXIATA (+4.1%) and MAXIS (+2.8%). Sector-wise, Technology posted healthy gains (+2.3%), with Construction (+1.6%) and Consumer Products & Services (+1.3%) also advancing. Overall, market breadth was positive with 531 advancers versus 395 decliners.

In contrast, Asian markets were mixed: HSI fell to 23,344.3, down 2.3%, as profit-taking set in amid ongoing geopolitical uncertainty, while SHANGHAI CI remained virtually unchanged at 3,370.0. Investors continue to monitor U.S. tariff developments and global economic data as key catalysts influencing market trends.

The S&P 500 rose 0.2% on Tuesday, and the Nasdaq gained 0.5%, marking their third consecutive session of gains. The Dow Jones remained flat as investors weighed the impact of looming tariffs and economic uncertainty. Monday's rally, sparked by optimism over more targeted tariff measures, lost steam after President Trump suggested certain countries could be exempt from reciprocal duties set to take effect on April 2.

Macro News

- Malaysia:** RM1.5bn to accelerate MSME digitalisation nationwide
- Malaysia:** Deputy minister urges greater horizontal linkages among Malaysian semicon firms amid rising trade tensions
- EU:** Car sales drop as economic uncertainty weighs on buyers
- Japan:** To put 95.2% duty on China graphite electrodes from Saturday
- Japan:** BOJ discussed chance of more rate hikes at January meeting, minutes show
- China:** PBOC's new loan pricing may lead to stealth rate cut for banks

Corporate News

- Velesto Energy:** Proposes RM1.2bn capital reduction
- Malton:** Inks MOU with Shenzhen Apexis to incorporate advanced LED tech into Malaysia property projects
- AirAsia:** Targets full pre-pandemic capacity by end-2025, to launch over 30 new routes
- Cape EMS:** Teams up with Taiwanese aerospace firm to enter into aerospace parts, expand renewable energy
- E&O:** Aberdeen emerges as substantial shareholder in Eastern & Oriental
- Cahaya Mata Sarawak:** Abu Bekir Taib-Karl Vink connection back in the spotlight

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,513.6	0.7	(7.8)
Dow Jones	42,587.5	0.0	0.1
Nasdaq CI	18,271.9	0.5	(5.4)
S&P 500	5,776.7	0.2	(1.8)
FTSE 100	8,663.8	0.3	6.0
Nikkei 225	38,066.8	0.8	(4.6)
Shanghai CI	3,370.0	(0.0)	0.5
HSI	23,344.3	(2.3)	16.4
STI	3,954.5	0.0	4.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,132.2	4.2
Value traded (RM m)	2,507.2	30.8
Gainers	531	
Losers	395	
Unchanged	433	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
EAH	0.005	0.0	46.5
DENGKIL	0.230	(8.0)	39.0
SG	0.010	(33.3)	38.9
BORNOIL	0.010	0.0	38.8
CIMB	7.000	1.2	29.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.000	1.2	209.1
TENAGA	13.600	0.3	127.3
MAYBANK	10.220	0.6	111.4
PBBANK	4.440	(0.9)	88.6
GAMUDA	4.020	2.3	80.0

Currencies	Last Close	% Chg
USD/MYR	4.425	0.3
USD/JPY	150.130	(0.1)
EUR/USD	1.078	(0.1)
USD/CNY	7.258	0.0
US Dollar Index	104.307	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.3	0.3
Gold (USD/troy oz)	3,016.7	(0.1)
CPO (MYR/metric t)	4,584.0	0.4
Bitcoin (USD/BTC)	87,655.4	(0.3)

Upcoming key economic data releases

Date

US – Feb 2025 Durable Goods Orders	Mar 26
US – Q4 GDP Growth Rate	Mar 27

Macro News

Malaysia: RM1.5bn to accelerate MSME digitalisation nationwide

The Madani government has announced a RM1.5bn fund to accelerate the digitalisation of micro, small, and medium enterprises (MSMEs) nationwide, with the goal of boosting business competitiveness. Digital Minister Gobind Singh Deo said the fund, supported by government agencies and private-sector partners, including financial institutions, digital banks, peer-to-peer (P2P) lending platforms, and local service providers, aims to help MSMEs adopt digital solutions and access financing for their operations. "Competitiveness in today's business landscape hinges on leveraging digital technology across sectors such as retail, food service, tourism, manufacturing, services, and agriculture to drive revenue, efficiency, and productivity. "I acknowledge that some businesses face high implementation costs despite adopting digital technology, which is why this initiative was introduced to ease those barriers and extend the benefits of digitalisation to more entrepreneurs," he said at the launch of the Business Digitalisation Initiative (BDI) programme here on Tuesday. (*The Edge*)

Malaysia: Deputy minister urges greater horizontal linkages among Malaysian semicon firms amid rising trade tensions

Malaysia must strengthen horizontal linkages among its semiconductor firms and related industries to bolster the country's position in the global supply chain amid growing geopolitical uncertainties and trade tensions, said Deputy Investment, Trade and Industry Minister Liew Chin Tong. While Malaysia's semiconductor industry — particularly in Penang — is well-integrated into global supply chains, these connections are predominantly vertical in nature, Liew said in his speech at the launch of the United Local Synergy programme in Penang on Tuesday. "We have a very strong semiconductor sector, but the semiconductor sector is not horizontally linked to the automotive, defense industry, medical devices, or agricultural sectors locally," he said. (*The Edge*)

EU: Car sales drop as economic uncertainty weighs on buyers

European car sales declined the most in five months in February as uncertainty about the economy prompted consumers to hold back on bigger purchases. New-car registrations fell 3.1% from a year earlier to 963,540 units, the European Automobile Manufacturers' Association said Tuesday. Spain was the only major market in the region to see a rise in sales, which included a 61% jump in electric vehicle registrations. The overall drop was driven by a 24% decline in purchases of gasoline-powered vehicles and a 28% decrease in those with diesel engines. Battery-powered and hybrid-electric cars gained. (*Bloomberg*)

Japan: To put 95.2% duty on China graphite electrodes from Saturday

Japan's cabinet has decided to impose a 95.2% anti-dumping duty on China's graphite electrode exports for four months as a provisional measure effective on March 29, the government announced on Tuesday. The measure comes after a government probe concluded in its interim report last month that China was exporting graphite electrodes, an industrial material used in electric arc furnace steelmaking, at unfairly low prices and causing damage to Japanese companies. The government launched the investigation in April 2024 after receiving an application from Japanese graphite makers SEC Carbon, Tokai Carbon and Nippon Carbon. (*Reuters*)

Japan: BOJ discussed chance of more rate hikes at January meeting, minutes show

Bank of Japan (BOJ) policymakers discussed the pace of raising interest rates further after deciding to hike short-term interest rates to the highest in 17 years, minutes of their January meeting showed on Tuesday. "Some members shared the recognition that real interest rates were expected to remain significantly negative, even if the BOJ decided to raise the policy interest rate at this meeting, and that accommodative financial conditions would be maintained," the minutes said. One of those members pointed out that the rate hike at the meeting would rather be an adjustment in the degree of monetary accommodation under accommodative financial conditions. Members agreed that as real interest rates were at significantly low levels, it would be appropriate that the BOJ continue to tighten policy if the outlook for economic activity and prices was realised, the minutes showed. (*Reuters*)

China: PBOC's new loan pricing may lead to stealth rate cut for banks

The Chinese central bank's new way to price its one-year policy loans may lead to a stealth reduction in funding costs for lenders, easing their pressure from elevated market borrowing rates in recent months as liquidity tightened. The People's Bank of China will allow qualified banks to pay different interest rates for the loans, known as the medium-term lending facility (MLF), starting Tuesday, it said in a statement Monday. Lenders previously paid the same rate for the tool. The change will allow banks to borrow from the PBOC at rates closer to those prevailing in the market, which have largely been lower than the MLF rate in recent years, according to PBOC. (*Reuters*)

Corporate News

Velesto Energy: Proposes RM1.2bn capital reduction

Velesto Energy Bhd has announced a RM1.2bn share capital reduction aimed at enhancing its capital structure and preparing for potential future distributions to shareholders. This marks the oil and gas drilling rig operator's second such exercise in five years, after the RM2.2bn capital reduction in February 2020. In a bourse filing announcing the new capital reduction, Velesto said that as at the end of February, the group had an issued share capital of RM1.8bn, consisting of 8.2bn shares and 101.8m units of options that are eligible for its employees' share option scheme. *(The Edge)*

Malton: Inks MOU with Shenzhen Apexls to incorporate advanced LED tech into Malaysia property projects

Property developer Malton Bhd entered into a memorandum of understanding (MOU) with Shenzhen Apexls Optoelectronic Co Ltd, a China-based manufacturer of LED displays, to incorporate advanced LED technology into its Malaysian property developments. In a bourse filing on Tuesday, the company said the MOU would remain valid for a period of 12 months. The collaboration aims to evaluate the potential demand for advanced LED display technologies in Malaysia, focusing on the feasibility and market research necessary to incorporate interactive LED displays, dynamic digital billboards, and immersive LED experiences into Malton's upcoming projects. *(The Edge)*

AirAsia: Targets full pre-pandemic capacity by end-2025, to launch over 30 new routes

AirAsia Aviation Group Ltd, the short-haul aviation business of Capital A Bhd, is set to introduce more than 30 new routes in 2025 as it seeks to achieve full network capacity and frequency recovery to pre-pandemic levels by the end of the year. AirAsia chief commercial officer Amanda Woo said one of the focus areas will be the expansion of its routes to Central Asia following the success of its Kazakhstan route. "Within less than six months of our rollout of Kazakhstan, we are already profitable for this route in Central Asia," she said at a press conference on Tuesday. *(The Edge)*

Cape EMS: Teams up with Taiwanese aerospace firm to enter into aerospace parts, expand renewable energy

Cape EMS Bhd, which reported its first annual loss in the financial year 2024, has partnered with Taiwan's Aerospace Industrial Development Corporation (AIDC) to enter the aerospace parts manufacturing industry and expand its renewable energy business. The group has thus far been focused on power electronics-related segments like battery energy storage and power conversion systems. "We are pleased to be expanding into new areas like aerospace, an industry that is experiencing strong demand and evolving supply chain dynamics. By combining AIDC's established global network with our integrated manufacturing capabilities, we are confident that this collaboration will accelerate our growth trajectory and deliver innovative solutions that meet rising industry demands," CEB managing director and group CEO Christina Tee said in a statement today. *(The Edge)*

E&O: Aberdeen emerges as substantial shareholder in Eastern & Oriental

UK-based investment company Aberdeen Group plc, formerly known as Abrdn plc, has become a substantial shareholder in Eastern & Oriental Bhd after increasing its stake to 5.0%, representing 125.7m shares. This development follows Aberdeen's acquisition of 124.3m shares in the Penang-based property developer through three separate transactions last week. Aberdeen acquired 123.3m shares on March 19, which would be worth about RM96.5m, based on E&O's volume weighted average price of 78.2 sen that day. *(The Edge)*

Cahaya Mata Sarawak: Abu Bekir Taib-Karl Vink connection back in the spotlight

Nearly four years after Cahya Mata Sarawak Bhd conducted an independent review of certain projects and investments that cleared current deputy chairman Datuk Seri Mahmud Abu Bekir Taib and former chief information officer Karl Vink @ Khalid Abdullah of any conflict of interest, the two are once again in the spotlight. This time, they are named in a lawsuit filed by the company. CMSB and its subsidiary Cahya Mata Intelligent Technologies Sdn Bhd (CMIT) have initiated legal action against Abu Bekir, Vink and others for breach of trust and fiduciary duties related to a failed Enterprise Resource Planning (ERP) system, part of the company's digital transformation project. Notably, Abu Bekir and Vink were subjects of an independent review conducted by KPMG in 2021 that examined the financial management of certain investments and contracts amid allegations of conflicts of interest in contract awards and potential financial mismanagement at the executive level. The review ultimately led to the suspension and subsequent departure of the group's chief financial officer Syed Hizam Alsagof after the company chose not to renew his contract. Syed Hizam later sued CMSB for wrongful dismissal and won. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.14	0.15	13.42
Amway (M)	Consumer	5.26	0.47	8.94
British American Tobacco (M)	Consumer	6.16	0.54	8.77
Sentral REIT	REIT	0.77	0.06	8.31
REXIT	Technology	0.62	0.05	8.06
YTL Hospital REIT	REIT	1.03	0.08	8.06
KIP REIT	REIT	0.87	0.07	7.75
Hektar REITS	REIT	0.48	0.04	7.71
CapitaLand Malaysia Trust	REIT	0.65	0.05	7.44
Paramount Corporation	Property	1.03	0.07	7.28
MBM Resources	Consumer	5.48	0.40	7.28
Taliworks Corporation	Utilities	0.70	0.05	7.14
Ta Ann Holdings	Plantation	3.85	0.27	7.12
MAG Holdings	Consumer	1.23	0.08	6.67
Magnum	Consumer	1.23	0.08	6.67

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		
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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