

# Daily Newswatch

## Market Review

On Tuesday, the FBMKLCI saw a slight uptick of 0.2%, driven by increased activity in utility stocks, particularly YTL Power (+2.4%) and YTL (+3.8%). The utilities sector led the gains with a 1.3% increase, followed by the energy sector at 0.8%, and construction at 0.6%. Overall market sentiment was positive, with 600 stocks advancing compared to 516 declining.

## Economics

- **US** producer prices increased more than expected in April
- **US** Biden imposes tariffs on Chinese chips, critical minerals, EVs
- **UK** unemployment rises to 4.3%, signalling potential BOE rate cuts

## Companies

- **Uzma (7250)** bags non-rig assisted services contract from ExxonMobil
- **BCB (6602)** buys land in Batu Pahat, Johor for RM84m
- **Tuju Setia (5297)** receives new substantial shareholder
- **Fibromat (03026)** proposes listing transfer to ACE market

### Upcoming key economic data releases

	<u>Date</u>
US - CPI	15 May
Malaysia - CPI	16 May
EU - CPI	17 May
Malaysia – External Trade	20 May
US – Initial Jobless Claims	23 May
Malaysia – PPI	28 May
US - GDP	30 May
Malaysia - IPI	10 June
US - FOMC	12 June

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,605.9	0.2	10.5
Dow Jones	39,558.1	0.3	4.9
Nasdaq CI	16,511.2	0.8	11.8
S&P 500	5,246.7	0.5	10.6
FTSE 100	8,428.1	0.2	9.2
Nikkei 225	38,356.1	0.5	15.2
Shanghai CI	3,145.8	(0.1)	6.2
HSI	19,073.7	(0.2)	13.6
STI	3,313.4	0.3	2.6

Market Activity	Last Close	Daily chg %
Vol traded (m shares)	4,697.3	3.7
Value traded (RM m)	3,206.1	6.6
Gainers	600	
Losers	516	
Unchanged	529	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
FPHB	0.410	70.8	147.6
PMHLDG	0.325	14.0	111.6
MMAG	0.370	(1.3)	84.1
SAPNRG	0.045	0.0	82.4
RENEUCO	0.125	8.7	55.3

Top 5 Turnover	Last Close	Daily chg %	Value (RM m)
YTLPOWR	5.040	2.4	165.5
YTL	3.520	3.8	101.1
CIMB	6.790	(0.1)	86.5
MAYBANK	9.880	0.1	84.5
FPHB	0.410	70.8	60.5

Currencies	Last Close	% Chg
USD/MYR	4.7175	(0.3)
USD/JPY	156.51	0.1
EUR/USD	1.0814	0.3
USD/CNY	7.2337	0.0
US Dollar Index	105.01	(0.2)

Commodities	Last Close	% Chg
Brent (USD/barrel)	82.38	(1.2)
Gold (USD/troy oz)	2,356.48	0.9
CPO (USD/metric t)	3,920.00	1.7
Bitcoin (USD/BTC)	61,543.8	(2.4)

## Economics

### **US: Producer prices increase more than expected in April**

In April, U.S. producer prices increased by 0.5%, exceeding expectations, indicating persistent inflation due to rising service and goods costs. The producer price index (PPI) for final demand rose 2.2% year-over-year, up from 1.8% in March. Despite strong domestic demand driving inflation in the first quarter, economists are hopeful for a price decline as the labour market cools. Financial markets anticipate the Federal Reserve may start easing rates by September, with some expecting a potential rate cut in July, following the Fed's decision to keep rates steady at 5.25%-5.50% earlier this month. *(Reuters)*

### **US: Biden imposes tariffs on Chinese chips, critical minerals, EVs**

President Biden is increasing tariffs on various Chinese imports, including semiconductors, batteries, and solar cells, aiming to boost domestic manufacturing and address unfair trade practices. The changes, projected to impact around US\$18bn in imports annually, represent a comprehensive update to tariffs imposed by the previous administration. Biden's approach seeks to strike a balance between protecting domestic industries and avoiding significant consumer price increases or provoking retaliatory actions from China. *(Bloomberg)*

### **UK: Unemployment rises to 4.3%, signalling potential BOE rate cuts**

UK unemployment rose to 4.3% in the three months to March, the highest since last summer, while private-sector wage growth eased to 5.9%, slightly below the Bank of England's (BOE) forecast. These indicators suggest a cooling labour market, potentially supporting the BOE's consideration of interest rate cuts from a 16-year high as early as June, contingent on inflationary pressures continuing to subside. *(Bloomberg)*

## Companies

### **Uzma (7250): Bags non-rig assisted services contract from ExxonMobil**

Uzma Bhd has secured a contract from ExxonMobil Exploration and Production Malaysia Inc (EMEPMI) for providing non-rig assisted, electric wireline logging equipment and services in West Malaysian waters. The contract, which spans three years from May 3, 2024, to May 2, 2027, includes technical consultancy, electric-line unit provision, logging services, tractoring, and perforation. Although there are no guaranteed call-offs, the contract is based on agreed rates and work orders issued by EMEPMI during the contract period. *(The Star)*

### **BCB (6602): Buys land in Batu Pahat, Johor for RM84m**

BCB Bhd is purchasing 59 parcels of freehold land in Batu Pahat, Johor from Lian Hup Seng Sdn Bhd for RM83.7m. The acquisition, which includes several buildings, will add about 286 acres to BCB's land bank. This strategic expansion is expected to enhance BCB's sustainable earnings and support a mixed-use development project with an estimated gross development value (GDV) of RM1.1bn. The development will feature both residential units and retail shops, benefiting from the favourable property market outlook in Johor. *(The Star)*

### **Tuju Setia (5297): Receives new substantial shareholder**

Yeong Sin Khong has become a substantial shareholder in Tuju Setia Bhd by acquiring 18.2m shares, representing a 5.74% stake, for approximately RM4.9m. This acquisition, made in the open market, includes a direct stake of 4.576% and an indirect stake of 1.168%. With this purchase, Yeong becomes the third-largest shareholder, following co-founder and managing director Wee Eng Kong and non-independent non-executive director Datuk Wee Beng Aun. *(The Edge)*

### **Fibromat (03026): Proposes listing transfer to ACE market**

Fibromat (M) Bhd plans to transfer its listing from the LEAP Market to the ACE Market of Bursa Malaysia to facilitate larger fundraising exercises and comply with public shareholding requirements by issuing new shares to the public and selected investors. The proposed transfer, aimed at increasing share liquidity and marketability, will support Fibromat's expansion plans and long-term growth. Subject to necessary approvals, the transfer is expected to be completed by Q2 2025. *(The Edge)*

## Stock Selection Based on Dividend Yield

Company	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	2.38	0.21	8.82
Sentral REIT	REIT	0.81	0.07	8.40
British American Tobacco (M)	Consumer	8.70	0.70	8.02
YTL Hospital REIT	REIT	1.19	0.09	7.90
KIP REIT	REIT	0.90	0.07	7.82
RHB Bank	Finance	5.50	0.40	7.33
Taliworks Corporation	Utilities	0.81	0.06	7.16
Amway (M)	Consumer	7.30	0.51	6.95
Pavilion REIT	REIT	1.33	0.09	6.84
Sports Toto	Consumer	1.42	0.10	6.83
MBM Resources	Consumer	5.01	0.34	6.83
CapitaLand Malaysia Trust	REIT	0.65	0.04	6.82
UOA REITS	REIT	1.11	0.07	6.49
MAG Holdings	Consumer	1.16	0.07	6.47
Magnum	Consumer	1.16	0.07	6.47

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="#">Sin-Kung Logistics</a>	ACE Market	0.13	200.0	103.5	2 May	15 May
<a href="#">Feytech Holdings</a>	Main Market	0.80	143.3	109.6	8 May	21 May
Smart Asia Chemical	ACE Market	0.40	93.5	-	13 May	28 May
<a href="#">Kawan Renergy</a>	ACE Market	0.30	110.0	34.5	14 May	29 May

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