



Daily Newswatch

Market Review

The FBM KLCI closed lower at 1,555.66, a decline of 1.0% on Tuesday. The market was largely negative, with over a thousand counters in the red due to investor concerns regarding the U.S. tariff measures: 25% on Canada and Mexico, and 20% on China. Among index constituents, key laggards were SIME (-6.0%), YTL (-5.9%), and YTLPOWR (-4.8%). Sector-wise, Technology (-4.4%) led the decline with significant selling pressure seen in the semiconductor counters such as UWC (-10.3%), MPI (-8.7%) and VITROX (-6.1%), followed by Property (-3.2%) and Construction (-3.1%). Overall, market breadth was negative, with 1,044 decliners overwhelmingly outpacing 147 gainers.

Economics

- Malaysia:** New orders boost optimism for Malaysia's manufacturing growth amid US trade restrictions concerns
- US:** Signals Ukraine minerals deal possible as Europe floats peace proposals
- US:** Trump says Japan, China cannot keep reducing value of their currencies
- China:** Hits US agriculture, says won't be bullied by fresh Trump tariffs
- Thailand:** Bank of Thailand says Trump tariffs won't yet force rate cut
- Canada:** Retaliates, puts tariffs on US\$107bn of US products
- Japan:** Capital spending gains slow as tariff talk spurs caution

Companies

- Paramount:** Eyes RM400m land deals in 2025
- Paramount:** To continue monetising RM750m in non-core assets to boost returns
- EcoWorld:** To sell land for RM119m to Chinese firm setting factory in Malaysia
- S P Setia:** Partnering Penang state agency for 350-acre industrial park
- Pecca:** Exploring potential JV with China's Zhejiang Tenchen for vehicle seating solutions
- NationGate:** Denies link to alleged Nvidia chip movement
- MSC:** Proposes one-for-one bonus issue
- Flamma:** To focus on distribution of 'Vino' products under JV with China-based Samyou

<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	1,555.7	(1.0)	(5.3)
Dow Jones	42,521.0	(1.6)	(0.1)
Nasdaq CI	18,285.2	(0.4)	(5.3)
S&P 500	5,778.2	(1.2)	(1.8)
FTSE 100	8,759.0	(1.3)	7.2
Nikkei 225	37,331.2	(1.2)	(6.4)
Shanghai CI	3,324.2	0.2	(0.8)
HSI	22,941.8	(0.3)	14.4
STI	3,890.8	(0.5)	2.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,842.0	20.8
Value traded (RM m)	3,045.5	24.9
Gainers	147	
Losers	1,044	
Unchanged	331	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NATGATE	1.450	11.5	164.9
INGENIEU	0.030	(14.3)	59.2
GENM	1.810	(4.7)	58.7
SIMEPROP	1.300	(6.5)	38.5
VELESTO	0.160	(5.9)	37.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
NATGATE	1.450	11.5	248.1
CIMB	8.000	0.0	170.0
MAYBANK	10.600	(0.7)	111.8
GENM	1.810	(4.7)	107.0
GAMUDA	4.100	(2.6)	97.9

Currencies	Last Close	% Chg
USD/MYR	4.5	0.0
USD/JPY	149.7	0.0
EUR/USD	1.1	(0.0)
USD/CNY	7.3	0.3
US Dollar Index	105.7	(0.9)

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.0	(0.8)
Gold (USD/troy oz)	2,915.1	(0.1)
CPO (MYR/metric t)	4,600.0	0.0
Bitcoin (USD/BTC)	87,330.8	(0.2)

Economics

Malaysia: New orders boost optimism for Malaysia's manufacturing growth amid US trade restrictions concerns

The increase in new orders for Malaysia's manufacturing sector is boosting optimism for growth in the coming months, though analysts remain cautious about the impact of expanding US trade restrictions on Malaysia's exports. Malaysia's manufacturing purchasing managers index (PMI) compiled by S&P Global signalled a softer contraction in industrial activity in February, with the PMI edging higher to 49.7, the highest reading since August 2024. For the first time in four months, firms also recorded an increase in new orders, easing the decline in production volumes. (*The Edge*)

US: Signals Ukraine minerals deal possible as Europe floats peace proposals

President Donald Trump hinted on Monday that a deal to open up Ukraine's minerals to US investment could still be agreed despite his frustration with Kyiv, as European leaders floated proposals for a truce in Russia's war with its neighbour. The Trump administration views such a deal as America's way of earning back some of the tens of billions of dollars it has given to Ukraine in financial and military aid since Russia invaded three years ago. But an explosive clash in the Oval Office last week between Trump and Ukrainian President Volodymyr Zelenskiy put the potential pact in doubt. When asked on Monday if the deal was dead, Trump said at the White House: "No, I don't think so". (*Bloomberg*)

US: Trump says Japan, China cannot keep reducing value of their currencies

US President Donald Trump said on Monday he told leaders of Japan and China they cannot continue to reduce the value of their currencies as doing so would be unfair to the US. "I've called President Xi [Jinping], I've called the leaders of Japan to say you can't continue to reduce and break down your currency," Trump said at the White House. "You can't do it because it's unfair to us. It's very hard for us to make tractors, Caterpillar here, when Japan, China and other places are killing their currency, meaning driving it down," he said. (*Bloomberg*)

China: Hits US agriculture, says won't be bullied by fresh Trump tariffs

China on Tuesday swiftly retaliated against fresh US tariffs, announcing hikes to import levies covering US\$21bn (RM93.8bn) worth of American agricultural and food products, moving the world's top two economies a step closer towards an all-out trade war. Beijing also placed twenty-five US firms under export and investment restrictions on national security grounds, but refrained from punishing any household names, as it did when it retaliated against the Trump administration's February 4 tariffs. In a press conference, China's foreign ministry said the country has never succumbed to bullying or coercion, and that "trying to exert extreme pressure on China is a miscalculation and a mistake." (*Reuters*)

Thailand: Bank of Thailand says Trump tariffs won't yet force rate cut

Thailand's central bank defended its monetary policy stance as "robust" enough to withstand volatility from US President Donald Trump's latest tariffs on trading partners, signalling that it may refrain from further easing after last week's surprise cut. "Our latest cut is calibrated to be robust to many scenarios including the escalation of tariffs," Bank of Thailand Deputy Governor Piti Disyatat said in a Bloomberg TV interview on Tuesday in Bangkok. Piti is part of the BOT's seven-member Monetary Policy Committee. Despite Trump doubling his planned tariffs on China to 20%, the BOT's latest interest-rate cut to 2% is adequate to address any fallout on the global and domestic economy, Piti said. The bulk of the impact of US tariffs on China will come from the "first 10%" Trump initially signalled and it remains to be seen what the additional 10% may do, he added. (*Reuters*)

Canada: Retaliates, puts tariffs on US\$107bn of US products

The Canadian government announced a sweeping package of counter-tariffs against US-made products, after US President Donald Trump confirmed that his administration will go ahead with levies against Canada and Mexico on Tuesday. “Canada will not let this unjustified decision go unanswered,” Prime Minister Justin Trudeau said in a statement late on Monday. The retaliation plan is the same as the one he announced in February after Trump signed his executive order for broad tariffs. The first stage is 25% tariffs on about C\$30bn (US\$20.6bn or RM92.86bn) worth of goods from US exporters, and will go into effect at 12.01am New York time unless the US drops its tariffs, Trudeau said. A second round of tariffs at the same rate will be placed on C\$125bn of products in three weeks — a list that will include big-ticket items like cars, trucks, steel and aluminium. (*Bloomberg*)

Japan: Capital spending gains slow as tariff talk spurs caution

Japanese capital investment grew at a slower pace in Q4 2024, with capital expenditure rising just 0.5% QoQ and declining 0.2% YoY, as businesses grew cautious amid concerns over U.S. protectionist trade policies. Despite solid corporate profits (+13.5% YoY) and a tight labor market, business sentiment remains under pressure due to inflation and global trade uncertainties, with the BOJ monitoring investment trends alongside its recent rate hikes. Meanwhile, Japan braces for potential economic headwinds as U.S. tariffs on key imports, including automobiles and semiconductors, threaten to impact domestic industries, while authorities consider further monetary policy adjustments. (*Bloomberg*)

Companies

Paramount: Eyes RM400m land deals in 2025

Paramount Corp Bhd is targeting RM400m worth of land replenishment deals this year to pave the way for new launches in the next five years. Given the goal to complete property projects with a RM2bn gross development value (GDV) in the financial year ending Dec 31, 2025 (FY2025), Paramount CEO Jeffrey Chew Sun Teong said the company would need to buy RM400m worth of land to replenish the realised GDV. In comparison, the GDV for completed projects in FY2024 was at the same level of RM2.02bn. The company had a remaining GDV of RM5.5bn as at end-2024, from its 369.4-acre undeveloped land and unsold units in launched projects. *(The Edge)*

Paramount: To continue monetising RM750m in non-core assets to boost returns

Property developer Paramount Corp Bhd is pressing ahead with efforts to monetise its non-core assets, including three education campuses that have been up for sale for more than five years, in a bid to boost returns. The list of non-core assets includes the Mercure KL Glenmarie hotel and the Petaling Jaya office building Ashwood ATWATER, Paramount CEO Jeffrey Chew Sun Teong said during a briefing on Tuesday. He said the assets, valued at about RM750m, make up nearly 25% of the company's RM3.07bn in total assets. "There's a lot of effort going into monetising the three campuses, the hotel and the office," Chew added. *(The Edge)*

EcoWorld: To sell land for RM119m to Chinese firm setting factory in Malaysia

Eco World Development Group Bhd said on Tuesday that it is selling a plot of industrial land for RM119m to a Chinese firm setting up a plant in Malaysia. The planned sale of the land measuring 32.9 acres in Eco Business Park II in Senai, Johor, follows an earlier announcement by Ningbo Deye Technology Co Ltd to invest up to US\$150m (RM668m) in a new manufacturing base for solar equipment in Malaysia. "As a leading manufacturer of comprehensive solar photovoltaic systems, Deye's presence here perfectly aligns with our aims to work with companies that make a positive contribution to lowering our collective carbon footprint," said Liew Tian Xiong, the deputy CEO of EcoWorld Malaysia, in a statement on Tuesday. *(The Edge)*

S P Setia: Partnering Penang state agency for 350-acre industrial park

S P Setia Bhd is partnering Penang's state development agency to develop a mixed-use project and industrial park in Bandar Setia Fontaines, Bertam. The 350-acre development is in the process of rezoning, S P Setia said in a statement. A memorandum of collaboration has been signed with Penang Development Corporation (PDC) to explore the various potential business models, the company noted. "This partnership will accelerate the growth and boost our regional industrial land strategy," said S P Setia president and chief executive officer Datuk Choong Kai Wai. "With our focus on developing green-themed industrial parks, we are confident that this initiative will contribute significantly to our sales growth and profitability." *(The Edge)*

Pecca: Exploring potential JV with China's Zhejiang Tenchen for vehicle seating solutions

Pecca Group Bhd is exploring a potential joint venture (JV) with Zhejiang Tenchen Controls Co Ltd, a Shanghai Stock Exchange-listed seat supplier for the innovation, development, and production of seats and accessories for the automotive sector. In a statement, the group said both parties inked a memorandum of understanding outlining the intention for the JV, which will combine Pecca's and Zhejiang Tenchen's strengths to serve the local passenger vehicles market with high-quality seating solutions. "Pecca offers knowledge of the Malaysian automotive market, relationships with industry players, and expertise in navigating regulatory processes, while Zhejiang Tenchen contributes world-class expertise in design and manufacturing of advanced seating solutions." *(The Edge)*



NationGate: Denies link to alleged Nvidia chip movement

NationGate Holdings Bhd on Tuesday denied any involvement in an ongoing fraud case in Singapore related to the alleged movement of Nvidia chips. In a filing with Bursa Malaysia, the company said the matter concerned an Nvidia cloud partner that is not connected to the group. "We remain committed to transparency and compliance with all relevant regulations, and will continue to monitor the situation closely," it said. *(The Edge)*

MSC: Proposes one-for-one bonus issue

Malaysia Smelting Corp Bhd has proposed a bonus share issuance on a one-for-one basis — meaning one bonus share for every existing share held — to reward shareholders and improve the trading liquidity of its shares. This will double the tin miner and metal producer's share base to 840m shares from 420m shares, its bourse filing on Tuesday showed. The last time MSC undertook a bonus issue was in the third quarter of 2018, also on a one-for-one basis. Right before that bonus issuance, it conducted a one-to-two share split, which involved dividing every existing share into two shares. At the end of 2018, the stock was trading at 53.9 sen, as opposed to its closing price of RM2.15 on Tuesday. *(The Edge)*

Fiamma: To focus on distribution of 'Vino' products under JV with China-based Samyou

Electrical home appliance distributor Fiamma Holdings Bhd said its partnership with Zhuhai Samyou Environmental Technology Co Ltd (Samyou) announced last September will proceed with the Chinese company managing the air conditioning manufacturing operations under its own entity and resources. Fiamma, on its part, will focus on the sales and distribution of the "Vino" brand products in Malaysia through the joint-venture company, Vino Air-Conditioning (M) Sdn Bhd. "This decision allows each party to focus on its core strengths while preserving the integrity of our strategic partnership," said Fiamma in a bourse filing on Tuesday. *(The Edge)*

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.12	0.16	14.55
British American Tobacco (M)	Consumer	6.39	0.57	8.98
Hektar REITS	REIT	0.50	0.04	8.69
Sentral REIT	REIT	0.77	0.06	8.31
REXIT	Technology	0.61	0.05	8.20
KIP REIT	REIT	0.87	0.07	7.70
YTL Hospital REIT	REIT	1.08	0.08	7.69
CapitaLand Malaysia Trust	REIT	0.65	0.05	7.44
Amway (M)	Consumer	6.33	0.47	7.42
Ta Ann Holdings	Plantation	3.71	0.27	7.39
MBM Resources	Consumer	5.45	0.39	7.14
Paramount Corporation	Property	1.06	0.08	7.08
Taliworks Corporation	Utilities	0.72	0.05	6.94
MAG Holdings	Consumer	1.25	0.08	6.56
Magnum	Consumer	1.25	0.08	6.56

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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