



Daily Newswatch

Market Review

The FBM KLCI staged a rebound to close at 1,564.42 (+0.6%) on Wednesday, tracking gains across regional markets amid renewed optimism over a potential tariff resolution between the U.S. and its trading partners. Among index constituents, key gainers were YTL (+5.7%), GAMUDA (+3.4%), and PCHEM (+3.3%). Sector-wise, Construction led the advance (+2.6%), followed by Industrial Products & Services (+1.5%) and Health Care (+1.4%). Overall, market breadth turned positive, with 663 gainers versus 372 decliners.

Economics

- Malaysia:** Eyes strategic ties with China, India on use of thorium nuclear technology, says minister
- Malaysia:** To pay Arm Holdings \$250m for chip design blueprints
- US:** Trump calls for end to US\$52bn Chips Act subsidy programme
- US:** Trump puts spotlight on South Korea's 'higher-than-China' tariffs
- US:** Treasuries buoyed by weak data as traders' eye even bigger rally
- China:** Sets bullish growth goal of about 5%, despite US tariffs
- China:** To issue US\$69bn in special bonds for big banks
- Japan:** BOJ vows to keep raising rates despite Trump tariff risks

Companies

- PPB Group:** Expects lower grain costs amid US-China tariff war
- PPB Group:** GSC confident on growth on return of Hollywood blockbusters, moviegoers
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- KJTS:** Bags retrofit, maintenance and chilled water supply job from KIP REIT
- Kerjaya Prospek:** Plans two-for-one RCULS to raise RM325m

<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	1,564.4	0.6	(4.7)
Dow Jones	43,006.6	1.1	1.1
Nasdaq CI	18,552.7	1.5	(3.9)
S&P 500	5,842.6	1.1	(0.7)
FTSE 100	8,755.8	(0.0)	7.1
Nikkei 225	37,418.2	0.2	(6.2)
Shanghai CI	3,342.0	0.5	(0.3)
HSI	23,594.2	2.8	17.6
STI	3,898.4	0.2	2.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,153.7	(17.9)
Value traded (RM m)	2,739.5	(10.0)
Gainers	663	
Losers	372	
Unchanged	411	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NEXG	0.260	2.0	94.6
G3	0.010	(33.3)	57.2
MYEG	0.910	1.1	41.2
NATGATE	1.410	(2.8)	39.4
PBBANK	4.630	2.2	39.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.800	(2.5)	298.8
PBBANK	4.630	2.2	182.1
TENAGA	13.820	1.6	120.1
MAYBANK	10.580	(0.2)	105.6
RHBBANK	6.940	1.2	71.5

Currencies	Last Close	% Chg
USD/MYR	4.430	0.8
USD/JPY	148.84	0.0
EUR/USD	1.0791	0.0
USD/CNY	7.237	0.4
US Dollar Index	104.30	(1.4)

Commodities	Last Close	% Chg
Brent (USD/barrel)	69.5	(2.2)
Gold (USD/troy oz)	2,920.4	0.1
CPO (MYR/metric t)	4,669.0	1.5
Bitcoin (USD/BTC)	90,161.5	(0.2)

Economics

Malaysia: Eyes strategic ties with China, India on use of thorium nuclear technology, says minister

Malaysia aims to collaborate, share knowledge, and acquire technology transfer from China and India in the use of thorium as nuclear fuel, said Minister of Science, Technology and Innovation Chang Lih Kang. He said that at present, the two countries are at the forefront of utilising this technology. However, Chang noted that the use of thorium as nuclear fuel is still in its early stages, and no country has yet demonstrated the “maturity” of this technology. (*The Edge*)

Malaysia: To pay Arm Holdings \$250m for chip design blueprints

Malaysia will pay Arm Holdings \$250m over 10 years for chip design plans, aiming to produce its own AI chips within a decade and train 10,000 engineers. Arm will open its first Southeast Asian office in Kuala Lumpur, supporting Malaysia’s semiconductor industry expansion and global outreach. The government hopes to create 10 local chip companies generating \$1.5–\$2 billion annually, integrating AI, IoT, and robotics into a full supply chain. (*Reuters*)

US: Trump calls for end to US\$52bn Chips Act subsidy programme

President Donald Trump called for ending a bipartisan US\$52bn (RM230.8bn) semiconductor subsidy programme that’s spurred more than US\$400bn in investments from companies like Taiwan Semiconductor Manufacturing Co and Intel Corp. “Your Chips Act is horrible, horrible thing,” the president said in a prime-time address to Congress on Tuesday. Trump implored US House Speaker Mike Johnson to get rid of the legislation and use “whatever is left over” of funds apportioned to the programme to “reduce debt or any other reason.” His remarks were met with applause in a chamber that less than three years ago passed the Chips and Science Act. Vice-President JD Vance, whose home state of Ohio won a massive Intel project thanks to the law, stood up to show his support for its revocation. (*Bloomberg*)

US: Trump puts spotlight on South Korea's ‘higher-than-China’ tariffs

US President Donald Trump pointed to South Korea as a country with more unfair tariffs against American products than China, while slamming the handing out of subsidies for foreign chipmakers like Samsung Electronics Co. “China’s average tariff on our products is twice what we charge them, and South Korea’s average tariff is four times higher,” Trump said in a speech to a joint session of Congress. “Think of that, four times higher, and we give so much help militarily and in so many other ways to South Korea, but that’s what happens. This is happening by friend or foe.” Trump’s comments are likely to be a cause for concern for policymakers and businesses in South Korea as an indication that the president will eventually turn his attention to trade and security relations with Seoul. (*Bloomberg*)

US: Treasuries buoyed by weak data as traders’ eye even bigger rally

US Treasury yields declined, with two-year yields dropping as much as 9bps to 3.90%, after weaker-than-expected private-sector employment data reinforced bets on Fed rate cuts amid economic fallout from tariffs. Speculation over President Trump’s tariff policies and potential spending cuts further weighed on sentiment, while Commerce Secretary Howard Lutnick hinted at possible tariff relief for Mexico and Canada. Meanwhile, JPMorgan’s client survey showed the highest net bullish positions in 15 years, as investors increasingly hedge against further price increases in Treasuries. (*Bloomberg*)

China: Sets bullish growth goal of about 5%, despite US tariffs

China maintained its 5% GDP growth target for 2025, but meeting it remains challenging amid weak demand, deflationary pressures, and trade tensions with the U.S. To support growth, the government raised its fiscal deficit target to 4% of GDP, the highest in over three decades, and announced 1.3 trillion yuan in special bond sales to fund infrastructure and consumer subsidies. However, Trump's new tariffs and potential further hikes could significantly impact China's exports and economic momentum. While policymakers signaled monetary easing, including interest rate cuts, analysts remain skeptical, with a Bloomberg survey forecasting only 4.5% growth for the year. (*Bloomberg*)

China: To issue US\$69bn in special bonds for big banks

China plans to issue 500bn yuan (US\$69bn or RM306.5bn) in special sovereign bonds, as it seeks to boost capital at its biggest banks to support the economic recovery, according to the government's annual work report. The debt will be issued to replenish core Tier-1 capital at big state-owned banks, beef up their operations and their capability to service the real economy, according to the report seen by Bloomberg News. The plan to help out the banks, which are struggling with record low margins, was first flagged as far back as September. The government later said it would tap special sovereign bonds to fund the injections. (*Bloomberg*)

Japan: BOJ vows to keep raising rates despite Trump tariff risks

The Bank of Japan can raise interest rates at a pace in line with dominant views among financial markets and economists, its deputy governor Shinichi Uchida said, keeping alive expectations that there is a chance of a near-term increase in borrowing costs. While he declined to say how soon the BOJ could raise rates, Uchida essentially ruled out another hike at the bank's next meeting on March 18-19 by saying it "wasn't as if we would hike rates at every meeting." "We can look at how the economy and prices respond (to a rate hike), then decide whether to raise rates again," Uchida told a news conference on Wednesday, suggesting his preference to spend time gauging the impact of past policy steps before proceeding with further increases. (*Bloomberg*)

Companies

PPB Group: Expects lower grain costs amid US-China tariff war

PPB Group Bhd expects its grains and agribusiness division to benefit from the US-China tariff war, which is likely to lower American grain prices, particularly wheat and corn, helping to reduce costs. PPB's grains and agribusiness arm, FFM Bhd, accounts for over 70% of revenue. This segment includes flour milling, animal feed manufacturing, grains trading, and livestock farming. PPB owns an 80% interest in FFM. FFM chief executive officer Jeremy Goon said at a briefing that the US-China tariff war will prompt China to seek alternative grain sources, creating a demand gap for American grains and leading to bearish market expectations. *(The Edge)*

PPB Group: GSC confident on growth on return of Hollywood blockbusters, moviegoers

PPB Group Bhd's Golden Screen Cinemas (GSC) is seeing promising signs of recovery and growth, driven by an improved lineup of movie releases and a steady resurgence in movie-going interest. "We are very optimistic about the cinema business because Hollywood blockbusters are back," said GSC Group CEO Koh Mei Lee in a briefing on Wednesday. She noted that the Hollywood actors and writers' strike, which began in May 2023, had impacted the group in the first nine months of 2024. For 2025, Koh said there would be a significant amount of content from April to August. This includes local titles, animations, big titles that GSC co-invested in, as well as Hollywood blockbusters, contributing to an increased number of movies releases this year. *(The Edge)*

Sunway Construction: Secures RM1.5bn contract for transit-oriented project in Johor in related party transaction

Sunway Construction Group Bhd has secured a RM1.5bn contract to undertake construction works for the Rapid Transit System Transit-Oriented Development (RTS TOD) at Bukit Chagar, Johor, in a related-party transaction. The contract was awarded to its wholly owned subsidiary, Sunway Construction Sdn Bhd (SCSB), by Sunway Integrated Properties Sdn Bhd (SIPSB), an indirect wholly owned subsidiary of Sunway Bhd, according to the group's filing with Bursa Malaysia on Wednesday. The project is divided into two parts. The first phase involves the construction and completion of a multi-storey park-and-ride facility for the RTS TOD project, a drop-off and pick-up facility, a connection to the Immigration, Customs, and Quarantine Complex (ICQ), the perimeter ring road, and retaining walls. *(The Edge)*

CIMB: Aims to reduce cost of funds by 10-20bps by 2030 under new six-year roadmap

CIMB Group Holdings Bhd aims to build a leading deposit franchise to reduce the cost of funds by 10 to 20 basis points (bps) by 2030, as part of its newly unveiled six-year roadmap known as Forward30. The plan comes after the completion of the Forward23+ strategy, during which CIMB improved its return on equity from 2.1% in 2020 to 11.2% in 2024, with an annualised total shareholder return of 34.6% from 2020 to 2024. Also, by 2030, the group is looking to maintain a competitive position among regional banks, with aspirations to achieve the top quartile return on equity (ROE) among regional peers. Its ROE expanded 50 bps to 11.2% as at end-2024. *(The Edge)*

AEON: Says Aeon Mall Kinta City will be expanded, upgraded

AEON Co (M) Bhd announced on Wednesday that its Aeon Mall Kinta City in Perak will be expanded and upgraded in a bid to enhance its retail offerings. The group has inked a memorandum of understanding (MOU) with the building owner KIP Real Estate Investment Trust for the refurbishment that is expected to boost the property's value, rental income and customer experience, it said in a statement. The mall, which opened in 1997 as Aeon's first outlet in Perak, will see the introduction of new retail lots, improved common areas, and enhanced facilities. The completion of the mall expansion is targeted within three years from the signing of the agreement. *(The Edge)*

Vizione: To cut share capital by RM500m to offset accumulated losses

Construction player and property developer Vizione Holdings Bhd has proposed a share capital reduction of up to RM500m to eliminate its accumulated losses and strengthen its financial position. In a bourse filing on Wednesday, the company said the exercise will involve the cancellation of share capital that is lost or unrepresented by available assets, with the full RM500m credit arising from the reduction to be used to offset the company's accumulated losses. As of Nov 30, 2024, Vizione's accumulated losses stood at RM520.60m at the company level and RM194.1m at the group level. After the proposed capital reduction, Vizione is expected to narrow its accumulated losses to RM20.75m at the company level, while the group is projected to post retained earnings of RM305.71m. (*The Edge*)

KJTS: Bags retrofit, maintenance and chilled water supply job from KIP REIT

KJTS Group Bhd has secured a contract from KIP Real Estate Investment Trust to provide retrofit works, operations and maintenance (O&M) services as well as provide chilled water supply for seven of the retail property trust's shopping malls. The contract was awarded to KJTS' wholly-owned unit KJ Technical Services Sdn Bhd by KIP REIT's trustee, Pacific Trustees Bhd, according to the building support services provider's bourse filing on Wednesday. The filing did not disclose the value of the retrofit works. However, KJTS did note that it will finance the RM25.27m in capital expenditure required for the retrofit works. (*The Edge*)

Kerjaya Prospek: Plans two-for-one RCULS to raise RM325m

Kerjaya Prospek Property Bhd has proposed a renounceable rights issue of redeemable convertible unsecured loan stocks (RCULS) to raise up to RM325m, mainly to fund property development projects and repay bank borrowings. The proposal entails the issuance of up to 1.16bn eight-year, 4.2% RCULS at 28 sen each, on the basis of two RCULS for every one share held on an entitlement date to be announced later, said the group in a bourse filing. The conversion price also will be determined at a later date. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.09	0.16	14.95
British American Tobacco (M)	Consumer	6.31	0.57	9.10
Hektar REITS	REIT	0.51	0.04	8.43
Sentral REIT	REIT	0.77	0.06	8.31
REXIT	Technology	0.62	0.05	8.13
YTL Hospital REIT	REIT	1.05	0.08	7.90
KIP REIT	REIT	0.87	0.07	7.70
Amway (M)	Consumer	6.32	0.47	7.44
CapitaLand Malaysia Trust	REIT	0.65	0.05	7.38
Ta Ann Holdings	Plantation	3.74	0.27	7.33
Taliworks Corporation	Utilities	0.70	0.05	7.14
MBM Resources	Consumer	5.46	0.39	7.12
Paramount Corporation	Property	1.07	0.08	7.01
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
Chemlite Innovation Bhd	ACE Market	0.25	120.0	60.0	12 Mar	26 Mar

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