



Daily Newswatch

Market Review

The FBM KLCI closed at 1,547.3 (-0.8%) as selling pressure persisted amid mounting fears that an escalating trade war could derail global economic recovery. This supported the continual risk-off sentiment among the investors, prompting further sell-off across the market. Among index constituents, the negative performance was led by MISC (-4.0%), YTL (-3.7%), and MAXIS (-3.7%). Sector-wise, Technology led the decline (-2.0%) despite news of Malaysia's RM1.1bn deal with UK-based Arm, while Transportation & Logistics (-1.3%) and Energy (-1.2%) also retreated. Overall, market breadth remained in hawkish tone with 565 decliners outpacing the 565 advancers.

Economics

- Malaysia:** FMM: Delay proposed 30% port tariff hikes
- US:** Powell says tariffs could feed inflation, Fed must wait to determine the impact
- US:** Inflation set to stay sticky as tariff risk looms
- US:** Job growth picks up in February; unemployment rate rises to 4.1%
- EU:** ECB's Schnabel signals inflation concern in rate debate salvo
- China:** Had record US\$540bn of exports in two months in rush to beat tariffs
- Canada:** Deflationary pressures deepen in February
- US:** Trump says Canada may soon get reciprocal US tariffs on dairy, lumber

Companies

- Capital A:** Gets Bursa nod for regularisation plan to uplift PN17 status
- Bumi Armada:** Secures RM581.1m contracts from India's state-owned O&G firm
- SNS Network:** Secures RM269.3m server system contract
- MN Holdings:** Bags RM58.2m substation contract from TNB
- Econpile:** Secures RM27m contract for Setia Federal Hill project
- Swift Energy:** Secures two purchase orders worth RM24.4m for energy infrastructure projects
- UEM Edgenta:** Bags three-year extension to provide support services to govt hospitals in four states
- Northeast:** To acquire two land parcels in Penang for RM16.35m to expand capacity
- WTK:** Disposes of two loss-making firms for RM40m

<u>Upcoming key economic data releases</u>	<u>Date</u>
Malaysia – Jan 2025 Unemployment Rate	Mar 11
US – Feb 2025 CPI	Mar 12
US – Feb 2025 PPI	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	1,547.3	(0.7)	(5.8)
Dow Jones	42,801.7	0.5	0.6
Nasdaq CI	18,196.2	0.7	(5.8)
S&P 500	5,770.2	0.6	(1.9)
FTSE 100	8,679.9	(0.0)	6.2
Nikkei 225	36,887.2	(2.2)	(7.5)
Shanghai CI	3,372.5	(0.3)	0.6
HSI	24,231.3	(0.6)	20.8
STI	3,914.5	(0.1)	3.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,446.7	(17.9)
Value traded (RM m)	2,434.4	(8.9)
Gainers	332	
Losers	565	
Unchanged	488	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MYEG	0.900	(7.2)	81.8
NEXG	0.270	1.9	65.1
OPPSTAR	0.535	12.6	40.4
NATGATE	1.330	(6.3)	39.8
CIMB	7.520	0.3	33.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.520	0.3	249.1
MAYBANK	10.640	0.8	144.0
TENAGA	13.740	(0.9)	122.0
MYEG	0.900	(7.2)	75.9
IHH	7.260	(1.4)	72.5

Currencies	Last Close	% Chg
USD/MYR	4.413	0.3
USD/JPY	148.040	(0.0)
EUR/USD	1.083	0.4
USD/CNY	7.244	(0.0)
US Dollar Index	103.838	(0.2)

Commodities	Last Close	% Chg
Brent (USD/barrel)	70.4	1.3
Gold (USD/troy oz)	2,909.1	(0.1)
CPO (MYR/metric t)	4,870.0	2.7
Bitcoin (USD/BTC)	84,977.1	(1.4)

Economics

Malaysia: FMM: Delay proposed 30% port tariff hikes

The Federation of Malaysian Manufacturers (FMM) has called on the government to postpone the implementation of the proposed 30% rise in port tariffs, particularly for container handling and storage, as it will have major implications on cost of doing business for manufacturers and shippers. FMM president Tan Sri Soh Thian Lai disclosed that the Port Klang Authority and Johor Port Authority are in the process of finalising the tariffs increase for Westports, Northport and Port of Tanjung Pelepas for submission to the Transport Ministry (MOT) for gazettment. With Port Klang handling 14m 20-foot equivalent units (TEUs) annually, at a current container handling tariff of RM300 per 20-foot container, the proposed 30% increase would add RM90 per container. (*The Edge*)

US: Powell says tariffs could feed inflation, Fed must wait to determine the impact

Federal Reserve (Fed) Chair Jerome Powell said it remains to be seen if the Trump administration's tariff plans will prove to be inflationary, mapping out a checklist of things that could cause new import taxes to lead to more persistent price pressures. In a simple case where we know it's a one-time thing, the textbook would say look through it, with no need for the Fed to respond with tighter monetary policy, Powell said at a question-and-answer session during an economic forum in New York City. But you also want to be sure of a couple things, he continued. If it turns into a series of things ... If the increases are larger, that would matter, and what really does matter is what is happening with longer-term inflation expectations. How persistent are the inflationary effects? (*Bloomberg*)

US: Inflation set to stay sticky as tariff risk looms

US consumer prices probably rose in February at a pace that illustrates plodding progress on inflation for Federal Reserve officials' content to remain on the sidelines as they assess a policy whirlwind from the Trump administration. Bureau of Labor Statistics figures on Wednesday are projected to show that the consumer price index minus food and energy climbed 0.3%, based on the median estimate of economists surveyed by Bloomberg. While less than January's 0.4% gain in January, the magnitude of the increase leaves annual price growth elevated. The so-called core CPI probably rose 3.2% from February last year. The data will inform the Fed's preferred price gauge, which isn't due until after the March 18-19 policy meeting. Interest-rate setters — now in a blackout period ahead of that gathering — have an inflation goal of 2%. (*The Edge*)

US: Job growth picks up in February; unemployment rate rises to 4.1%

US job growth picked up in February and the unemployment rate edged up to 4.1%, but growing uncertainty over trade policy and deep federal government spending cuts could erode the labour market's resilience in the months ahead. Non-farm payrolls increased by 151,000 jobs last month after rising by a downwardly revised 125,000 in January, the Labor Department's Bureau of Labor Statistics said in its closely watched employment report on Friday. Economists polled by Reuters had forecast payrolls advancing by 160,000 jobs after a previously reported 143,000 gains in January. Estimates ranged from 30,000 to 300,000 positions. (*Bloomberg*)

EU: ECB's Schnabel signals inflation concern in rate debate salvo

Eurozone inflation is more likely to get stuck above the European Central Bank's target than to durably slow, said Executive Board member Isabel Schnabel. In her opening salvo before a pivotal decision in April on whether to pause interest-rate cuts, the institution's official in charge of markets shares concerns on prospects for consumer prices in a Handelsblatt article published on Saturday. "The risk that inflation will remain above 2% longer than expected is higher than the risk that it falls sustainably below 2%," Schnabel said, according to the German newspaper. (*Reuters*)

China: Had record US\$540bn of exports in two months in rush to beat tariffs

China's exports reached a record so far this year as higher US tariffs, and the threat of more to come, drove frontloading of shipments. The value of sales abroad rose 2.3% in the first two months of the year to US\$540bn (RM2.4tn), according to a statement from the General Administration of Customs. Imports unexpectedly fell 8.4%, leaving a record trade surplus of nearly US\$171bn. The median forecasts of economists surveyed by Bloomberg were for exports to rise 5.9% and imports to gain 1%. (*Reuters*)

Canada: Deflationary pressures deepen in February

China's consumer price index in February fell at the sharpest pace in 13 months, while producer price deflation persisted, as seasonal demand faded and households remained cautious about spending amid job and income woes. Beijing last week vowed greater efforts to boost consumption in the face of an escalating trade war with the US, but analysts expect deflationary pressures in the world's second-largest economy to persist. The government set the 2025 economic growth target at around 5%, unchanged from last year, while lowering the annual inflation target to around 2% from around 3% last year. (*Reuters*)

US: Trump says Canada may soon get reciprocal US tariffs on dairy, lumber

US President Donald Trump on Friday railed against what he called tremendously high Canadian tariffs on dairy and lumber, and said his administration could soon impose reciprocal tariffs on Canadian products. "Canada has been ripping us off for years on tariffs for lumber and for dairy products," Trump told reporters in the Oval Office. "They'll be met with the exact same tariffs, unless they drop it, and ... we may do it as early as today or we'll wait 'til Monday or Tuesday." Trump also mentioned India's high tariff rates, but said India had agreed to lower its import duties. (*Reuters*)

Companies

Capital A: Gets Bursa nod for regularisation plan to uplift PN17 status

Capital A Bhd has received approval from Bursa Malaysia for its proposed regularisation plan, a crucial step towards lifting its Practice Note 17 (PN17) status. In a bourse filing on Friday, the low-cost carrier's adviser RHB Investment Bank Bhd announced that Bursa Securities had, via a letter dated March 7, 2025, given the green light to the proposed plan, which includes a capital reduction exercise. The approval is subject to several conditions, including full compliance with the listing requirements during implementation, securing all necessary approvals from relevant authorities, and obtaining shareholder approval at a general meeting. *(The Edge)*

Bumi Armada: Secures RM581.1m contracts from India's state-owned O&G firm

Bumi Armada Bhd said its joint-venture companies have secured two contracts worth a total of RM581.1m from India's state-owned Oil and Natural Gas Corporation Ltd (ONGC). The group said Shapoorji Pallonji Armada Oil & Gas Services Pte Ltd (SPAOGSPL) won the contract for the operation and maintenance of the Armada Sterling II floating production, storage and offloading (FPSO) vessel at ONGC's oilfield located off the west coast of Mumbai. The contract is valued at 2.5bn rupees (RM127m). SPAOGSPL is a 60:40 joint venture between Shapoorji Pallonji Energy Pvt Ltd and Bumi Armada (Singapore) Pte Ltd, a wholly-owned subsidiary of Bumi Armada, the group said in a filing with Bursa Malaysia. *(The Edge)*

SNS Network: Secures RM269.3m server system contract

ICT solutions provider SNS Network Technology Bhd said the group has secured a RM269.3m contract from an undisclosed local customer to supply a server system. The customer, a Malaysian firm engaged in the sale of computer hardware and software, server systems and IT services, has requested confidentiality, SNS Network said in a filing with Bursa Malaysia on Friday. The group said work on the server system, undertaken by its wholly owned unit SNS Network (M) Sdn Bhd, is targeted for completion by April 18. *(The Edge)*

MN Holdings: Bags RM58.2m substation contract from TNB

MN Holdings Bhd has secured a RM58.2m contract from Tenaga Nasional Bhd for the construction of a new transmission main intake gas-insulated substation (GIS) in Chuping Valley Industrial Area, Perlis. MN Holdings' contract covers the supply, erection, testing, commissioning and associated civil works, along with underground utilities of the 132/33 kV GIS. The contract awarded to its wholly owned subsidiary MN Power Transmission Sdn Bhd (MNPTSB) is effective from March 6, 2025 and will run for 840 days, said MN Holdings. *(The Edge)*

Econpile: Secures RM27m contract for Setia Federal Hill project

Econpile Holdings Bhd has clinched a RM27.23m contract for substructure works for the Setia Federal Hill project (Residential Tower 1) in Kuala Lumpur. In a bourse filing on Friday, Econpile said its wholly owned subsidiary Econpile (M) Sdn Bhd had on March 6 received the letter of award from Archimatrix Sdn Bhd, acting on behalf of Setia MF SFH Development Sdn Bhd. The contract, which spans 13 months starting from March 20, 2025, is expected to contribute positively to the company's revenue and earnings for the financial year ending June 30, 2025. *(The Edge)*

Swift Energy: Secures two purchase orders worth RM24.4m for energy infrastructure projects

Swift Energy Technology Bhd has secured two purchase orders worth a combined RM24.37m. In a filing with Bursa Malaysia on Friday, the company said the contracts were awarded by Offshore Oil Engineering Co Ltd and Siemens Energy Sdn Bhd for energy infrastructure projects in Nigeria and Malaysia respectively. Swift Energy supplies automation and power systems to the renewable energy and oil and gas industries. *(The Edge)*

UEM Edgenta: Bags three-year extension to provide support services to govt hospitals in four states

UEM Edgenta Bhd has secured a three-year extension to its concession agreement with the government to provide hospital support services at contract hospitals in Perak, Penang, Kedah and Perlis. The current agreement, which began on April 1, 2015, is set to expire on March 31, 2025. The company did not disclose the value of the contract extension in its filing with Bursa Malaysia earlier. *(The Edge)*

Northeast: To acquire two land parcels in Penang for RM16.35m to expand capacity

Precision component manufacturer Northeast Group Bhd is acquiring two leasehold properties in Seberang Perai Tengah, Penang for RM16.35m, as part of its plan to accelerate production capacity expansion amid construction delays for its new factory. For the first property — a 0.607-hectare plot of vacant leasehold land, its wholly-owned subsidiary NE Technologies Sdn Bhd will pay RM5.55m and plans to build a two-storey warehouse on the site, with construction costs estimated at RM8.1m. The second property — a piece of leasehold land spanning 0.538 hectares and featuring an existing 27,155-sq ft warehouse, will be acquired for RM10.8m, with the warehouse currently leased for RM20,000 per month providing immediate rental income while supporting its storage needs. *(The Edge)*

WTK: Disposes of two loss-making firms for RM40m

WTK Holdings Bhd has proposed for the sale of its entire equity interest in two loss-making units for a combined RM40.4m in cash, as part of the company's strategy to focus on more commercially sustainable and profitable business segments. The disposals are expected to generate a gain of RM27m for WTK, with the proceeds allocated for working capital, including payments to suppliers and creditors as well as operational and administrative expenses, said the timber harvester and product maker in a bourse filing. WTK has entered into sale and purchase agreements with Huang Qian Wen for the disposals of Pyramid Intan Sdn Bhd and Immense Fleet Sdn Bhd for RM16m and RM24.4m respectively. *(The Edge)*

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.06	0.16	14.91
British American Tobacco (M)	Consumer	6.16	0.54	8.77
Hektar REITS	REIT	0.50	0.04	8.60
Sentral REIT	REIT	0.77	0.06	8.31
REXIT	Technology	0.61	0.05	8.20
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	3.81	0.27	7.19
MBM Resources	Consumer	5.51	0.39	7.06
Paramount Corporation	Property	1.07	0.08	7.01
Taliworks Corporation	Utilities	0.73	0.05	6.90
MAG Holdings	Consumer	1.24	0.08	6.61
Magnum	Consumer	1.24	0.08	6.61

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
Hi Mobility Bhd	Main Market	1.22	95.0	35.0	19 Mar	28 Mar

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Published & Printed By:

MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my