



Daily Newswatch

Market Review

The FBM KLCI ended marginally lower at 1,503.8 (-0.1%) as late selling pressure erased earlier gains, reflecting a cautious market sentiment amid mixed regional signals. Investors remained on edge ahead of the April 2 deadline for US tariff announcements, which are expected to impose significant trade duties on nations that have levied tariffs on US exports. Among index constituents, declines were led by PETDAG (-5.7%), followed by SUNWAY (-2.2%) and QL (-1.9%). Sector-wise, the negatives were felt across the board, with Health Care retreating (-1.5%), Technology slipping (-1.0%), and Industrial Products & Services easing (-0.9%). Overall, market breadth was subdued with 310 advancers versus 601 decliners.

Macro Bits

- **Malaysia:** BNM sees significant growth hurdles ahead
- **Malaysia:** Current policy rate supportive, in line with outlook on growth, inflation
- **US:** Planning to exclude sector-specific tariffs on April 2
- **China:** Rolls out new rules to step up countermeasures to foreign sanctions
- **China:** Saving fiscal power for trade war as spending progress lags

Corporate News

- **Bank Islam:** Issues RM250m Islamic bond
- **IJM:** Remains confident in project prospects despite online allegations
- **Axiata:** Shareholders approve XL Axiata-Smartfren merger
- **MHB:** Bags EPCIC contract from Vestigo Petroleum for offshore wellhead platforms
- **Advancecon:** Gets RM56.6m infrastructure works contract
- **Nestcon:** Wins RM100m earthworks job in Beringin High-Tech Auto Valley
- **AME REIT:** To acquire three industrial properties from AME Elite for RM100.8m
- **Catcha Digital:** Buys 92.5% stake in financial software firm Theta Service for RM35m
- **Borneo Oil:** Chosen as Petronas' Sabah vendor, teams up with Chinese firm to bid for drilling projects

Upcoming key economic data releases

Date

US – Mar 2025 Manufacturing PMI	Apr 01
US – Mar 2025 NFP, Unemployment Rate	Apr 04
US – Mar 2025 CPI	Apr 10
Malaysia – Feb 2025 Unemployment Rate	Apr 10
US – Mar 2025 PPI	Apr 11
US – Mar 2025 Retail Sales	Apr 16
Malaysia – Mar 2025 Inflation Rate	Apr 23

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,503.8	(0.1)	(8.4)
Dow Jones	42,583.3	1.4	(1.3)
Nasdaq CI	18,188.6	2.3	(7.9)
S&P 500	5,767.6	1.8	(3.6)
FTSE 100	8,638.0	(0.1)	5.8
Nikkei 225	38,100.8	1.3	(5.6)
Shanghai CI	3,370.0	0.2	0.4
HSI	23,689.7	(2.2)	18.1
STI	3,926.5	(0.1)	3.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,437.4	5.1
Value traded (RM m)	4,282.2	62.0
Gainers	310	
Losers	601	
Unchanged	435	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
EAH	0.005	0.0	67.1
SALIRAN	0.245	(3.9)	42.4
PERTAMA	0.160	0.0	30.9
VS	0.830	(1.2)	20.6
BPURI	0.330	1.5	19.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	6.920	1.0	115.8
MAYBANK	10.160	(0.2)	80.0
ABMB	4.660	(8.4)	72.4
GAMUDA	3.930	(1.0)	61.9
IHH	6.950	0.7	48.4

Currencies	Last Close	% Chg
USD/MYR	4.440	0.1
USD/JPY	149.320	(0.4)
EUR/USD	1.082	(0.3)
USD/CNY	7.252	(0.0)
US Dollar Index	104.088	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	72.2	0.2
Gold (USD/troy oz)	3,015.6	(0.7)
CPO (MYR/metric t)	4,721.5	(0.4)
Bitcoin (USD/BTC)	87,631.6	(0.2)



Macro News

Malaysia: BNM sees significant growth hurdles ahead

Malaysia's central bank said growth risks loom large in its monetary policy considerations, as brewing global trade disputes and geopolitical tensions threaten exports. Bank Negara Malaysia Governor Abdul Rasheed Ghaffour said he expects an increasingly challenging external environment in 2025, even as he reaffirmed the government's annual growth forecast of 4.5% to 5.5%. He's counting on domestic sources of growth and a diversified export structure to help the economy withstand the challenges, after a 5.1% expansion last year. "Whilst we benefit from the positive momentum of 2024, it is clear there are significant hurdles ahead," he said in a foreword of the bank's annual economic and monetary review released Monday. "The external environment is highly fluid and unpredictable, and we cannot rest on our laurels." Malaysia, a major technology and commodity exporter, is seeking to avoid either being caught in the cross-hairs of the global trade war or suffering indirect effects from higher US tariffs on China, its biggest trade partner. Exports to China declined 8.1% from a year ago in February. *(Reuters)*

Malaysia: Current policy rate supportive, in line with outlook on growth, inflation

Malaysia's central bank on Monday said that the current level of overnight policy rate remains supportive and in line with its outlook on economic growth and inflation. "The level is consistent with our current assessment of inflation and growth outlook," said Bank Negara Malaysia (BNM) governor Datuk Abdul Rasheed Ghaffour. "We are closely monitoring economic conditions, including global tariffs and domestic policy measures." Abdul Rasheed was speaking at a news conference following the release of BNM's flagship publications — the 2024 Annual Report, Economic and Monetary Review, and Financial Stability Review for the Second Half of 2024. *(Bloomberg)*

US: Planning to exclude sector-specific tariffs on April 2

US President Donald Trump's administration is likely to exclude a set of sector-specific tariffs while applying reciprocal levies on April 2, Bloomberg News and the Wall Street Journal reported, citing officials. Trump said in February that he intended to impose auto tariffs "in the neighbourhood of 25%" and similar duties on semiconductors and pharmaceutical imports, but he later agreed to delay some auto tariffs after a push by the three largest US automakers for a waiver. Sector-specific tariffs are now not likely to be announced on April 2, the Wall Street Journal reported on Sunday, citing an administration official. *(Bloomberg)*

China: Rolls out new rules to step up countermeasures to foreign sanctions

Chinese Premier Li Qiang has signed an order to implement new rules for strengthening China's countermeasures to foreign sanctions, the Chinese government said on Monday. The rules concern the implementation of China's anti-foreign sanctions law, which was passed in 2021. The law stipulates that individuals or entities involved in making or implementing discriminatory measures against Chinese citizens or entities could be put on an anti-sanctions list by the Chinese government. Those on the list may be denied entry into China or be expelled from China. Their assets within China may be seized or frozen, and they could be restricted from doing business with entities or people within China. *(Bloomberg)*

China: Saving fiscal power for trade war as spending progress lags

China's government appears in no rush to implement its budget, as Beijing preserves spending power to counter any damage inflicted by higher US tariffs. The combined expenditure in the general public budget and the government fund account, China's two main fiscal books, rose to 5.7tn yuan (US\$779bn or RM3.4tn) in the first two months, an increase of 2.9% from the same period a year earlier, according to Bloomberg calculations based on data released by the Ministry of Finance on Monday. That's about 13.4% of the outlays planned for the full year by the government, the weakest start to a year since 2022. *(Reuters)*



Corporate News

Bank Islam: Issues RM250m Islamic bond

Bank Islam Malaysia Bhd said on Monday it has issued the seventh tranche of subordinated sukuk murabahah or Islamic bond that amounted to RM250m under its RM10bn sukuk murabahah programme, which was lodged with the Securities Commission Malaysia in September 2018. The sukuk, which has a 10-year tenure and will be redeemed at its full nominal value upon maturity, comes with a call option on its fifth anniversary, according to BIMB in a statement. "The sukuk murabahah shall qualify as Tier 2 regulatory capital of Bank Islam in compliance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components). Hence, it will enhance the capital adequacy of Bank Islam in line with the Basel III requirements," said BIMB. *(The Edge)*

IJM: Remains confident in project prospects despite online allegations

IJM Corp Bhd remains positive about its business outlook and the potential to secure tendered projects, according to its chief financial officer Datuk Edward Chong Sin Kiat, despite recent online allegations casting a pall over the company. Chong noted that IJM's official response should provide assurance to potential clients. The company had formally addressed the matter by lodging a report with the Malaysian Communications and Multimedia Commission (MCMC) last week. "I'm sure our clients know what is true and what is not. We remain hopeful [of securing the tendered projects]. We are bidding alongside our competitors, and everyone is putting in a good bid. Let's see what the outcome is," Chong said, speaking at the launch of Malaysia's first AI-powered security robot deployment in a commercial property at Menara Prudential. *(The Edge)*

Axiata: Shareholders approve XL Axiata-Smartfren merger

Axiata Group Bhd's shareholders have approved the proposed merger between PT XL Axiata and PT Smartfren Telecom Tbk. The proposed merger was approved by the shareholders at the group's extraordinary general meeting (EGM) through polling, and the results have been submitted to Bursa Malaysia in compliance with regulatory requirements. "This approval marks a key milestone in finalising the merger, bringing the formation of the new entity, XLSMART, another step closer to completion," Axiata said. *(The Edge)*

MHB: Bags EPCIC contract from Vestigo Petroleum for offshore wellhead platforms

Malaysia Marine and Heavy Engineering Holdings Bhd announced on Monday that it has secured a contract from Vestigo Petroleum Sdn Bhd to undertake an engineering, procurement, construction, installation, and commissioning (EPCIC) project. In a statement, MHB said its subsidiary, Malaysia Marine and Heavy Engineering Sdn Bhd will be responsible for fabricating two wellhead platforms — Irong Timur and Berantai East — each weighing approximately 1,500 metric tons. Once completed, these facilities will be deployed offshore Peninsular Malaysia to support the field development plans of Vestigo, a wholly owned unit of Petronas Carigali Sdn Bhd. *(The Edge)*

Advancecon: Gets RM56.6m infrastructure works contract

Construction services firm Advancecon Holdings Bhd said it has secured a RM56.6m contract for infrastructure works at Ladang Londah in Gemas, Negeri Sembilan. Under the contract from Fraser & Neave Holdings Bhd, Advancecon will be responsible for site clearing, earthwork, erosion control, water reservoir embankment, and other works, the company said in an exchange filing on Monday. The contract is expected to be completed within 10 months. "The project will be executed in multiple phases, focusing on comprehensive site preparation, environmental protection measures and efficient water reservoir embankment construction," the company said in a separate statement. *(The Edge)*

Nestcon: Wins RM100m earthworks job in Beringin High-Tech Auto Valley

Construction outfit Nestcon Bhd, through its wholly owned subsidiary Nestcon Infra Sdn Bhd, has secured a RM100m contract from Alam Casana Sdn Bhd for earthworks covering an area of 242 acres in Mukim Kerling, Hulu Selangor, Selangor. The project is part of the first-phase development within the 800-acre Beringin High-Tech Auto Valley ecosystem, which is anchored by the 200-acre Chery Smart Auto Industrial Park in Lembah Beringin. In a bourse filing on Monday, the company said the contract — its third win this year — will commence on April 3, 2025, and is slated for completion by July 2, 2026. *(The Edge)*



AME REIT: To acquire three industrial properties from AME Elite for RM100.8m

AME Real Estate Investment Trust has entered into a deal on Monday to acquire three industrial properties from its sponsor, AME Elite Consortium Bhd, for RM100.8m. The properties are located in AME Elite's industrial parks — one of them in i-Park @ Senai Airport City (priced at RM39.3m) and the other two in i-TechValley at Southern Industrial Logistic Clusters (RM30.8m each), according to a joint statement. "These under-construction properties feature single-storey detached factories with mezzanine offices and ancillary buildings, with a total agreed lettable area of approximately 296,542 sq ft," the statement said, adding that the transaction is expected to be completed in phases from the third quarter of 2025 to the first quarter of 2026. *(The Edge)*

Catcha Digital: Buys 92.5% stake in financial software firm Theta Service for RM35m

Catcha Digital Bhd has proposed to acquire a 92.5% stake in financial software company Theta Service Partner Sdn Bhd for RM35m, as part of the company's expansion into enterprise IT solutions and to diversify its revenue beyond digital media advertising. In a filing on Monday, the digital media and advertising company said its wholly owned subsidiary Catcha Theta Holdings Sdn Bhd has signed a conditional share sale agreement with Theta Service vendors — namely Mark Leong Tse Ho, Genesis Liegenschafts Verwaltung GmbH, Yap Siew Lan, Hew How Fong, Choy Chong Hwai and Chan Chong Yoong — to acquire the controlling stake in the company. The purchase will be entirely in cash, with payment structured in four tranches, of which the last three tranches are tied to Theta Service's expected profit after tax for the financial years ending 2024, 2025, and 2026. *(The Edge)*

Borneo Oil: Chosen as Petronas' Sabah vendor, teams up with Chinese firm to bid for drilling projects

Borneo Oil Bhd said its indirect subsidiary Borneo Oil (Sabah) Sdn Bhd (BOS) has secured a licence from Petroliaam Nasional Bhd (Petronas) as a Sabahan vendor. The group said BOS is expanding its operational base to offer comprehensive oil and gas services through partnerships with experienced technical service providers in the oil and gas services and equipment sector. In line with this, BOS has signed an agreement with Intercontinental Strait Energy Technology Co Ltd (SETC), to jointly bid for projects involving drilling, completion, stimulation, and geological consultancy, said Borneo Oil in an exchange filing on Monday. *(The Edge)*



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.13	0.15	13.54
Hektar REITS	REIT	0.48	0.04	9.05
British American Tobacco (M)	Consumer	6.09	0.54	8.87
Amway (M)	Consumer	5.42	0.47	8.67
Sentral REIT	REIT	0.77	0.06	8.31
YTL Hospital REIT	REIT	1.02	0.08	8.14
REXIT	Technology	0.63	0.05	7.94
KIP REIT	REIT	0.87	0.07	7.70
CapitaLand Malaysia Trust	REIT	0.64	0.05	7.50
MBM Resources	Consumer	5.38	0.39	7.23
Paramount Corporation	Property	1.04	0.07	7.21
Ta Ann Holdings	Plantation	3.86	0.27	7.10
Taliworks Corporation	Utilities	0.71	0.05	7.09
MAG Holdings	Consumer	1.22	0.08	6.72
Magnum	Consumer	1.22	0.08	6.72

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		
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
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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Published & Printed By:

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