



Daily Newswatch

Market Review

Last Friday, the FBMKLCI sink (-1.0%) as investors continued to adopt risk-off stance amid growing concerns of global economic slowdown triggered by the US's recently announced broad-based reciprocal tariff. Among the key index-constituents, significant selling pressure were observed in PETCHEM (-5.8%), YTL (-4.5%) and GAMUDA (-4.5%). Sector performance was all in negative tone, with the Technology (-3.8%), Construction (-2.7%), and Property (-1.9%) being the top 3 laggards. However, REIT was spared from the decline and closed higher (+0.5%), buoyed by the market speculation on a potential 25bps rate cut by BNM in the upcoming MPC meeting. The overall market breadth turned more hawkish, with 777 losers significantly outnumbered 185 gainers.

Last week, the Asian market tumbled amid stronger flight to safety stance, reflecting the global risk-off sentiment triggered by renewed trade tensions, heightened recessionary risk and uncertainty over US monetary policy. The Chinese market was not spared from the Asian market rout with SHANGHAI CI slipped 0.9% to close at 3,342.0, while the HSI declined further, ending the session at 22,849.8.

US equities closed the week on bearish tone, driven by a heightened risk-off sentiment across markets. Investor concerns were sharply elevated following China's retaliation by imposing a 34% tariff on all US imports, effective April 10, exacerbating fears of a full-blown global trade war. Additionally, the potential economic jitters driven by the trade tensions, coupled with a hawkish comment on interest rate from the US Federal Reserve, further weighed on market sentiment. That said, all three major indices posted significant losses, with the S&P 500, Dow Jones, and NASDAQ down by -8.2%, -7.4%, and -8.6%, respectively. The broad-based sell-off highlights the heightened market uncertainty, driven by fears that escalating trade conflicts could trigger a global recession.

Macro News

- US:** Trump tax cut, debt limit plan advances amid tariff turmoil
- Malaysia:** Anwar: Malaysia's economic growth may face setback due to US tariff hike
- Japan:** February household spending dips on cost-of-living pressures
- US:** Musk says he hopes for 'zero tariffs' between US and Europe
- US:** Powell says Fed in no hurry to cut as markets continue to swoon
- US:** Payrolls rose by 228,000 in March, but unemployment rate increases to 4.2%

Corporate News

- Ho Hup:** Ordered to pay contractor in adjudication decision
- KKB Engineering:** Wins adjudication decision in payment dispute with contractor
- Mr Diy:** Founder Tan Yu Yeh relinquishes vice chairman post, to serve as adviser
- Radium:** To diversify into healthcare with 140-bed hospital in Malacca
- Lianson:** To sell vessel to Dubai-based firm for RM31m
- Exsim Hospitality:** Wins RM1.13m design and build contract
- Axiata:** To exit Myanmar with US\$150m divestment

Upcoming key economic data releases

Date

| | |
|--|--------|
| US – FOMC Minutes | Apr 10 |
| US – March 2025's CPI | Apr 10 |
| US – March's PPI | Apr 11 |
| US – April 2025's Consumer Sentiment Index | Apr 11 |

| Key Indices | Last Close | Daily chg % | YTD chg % |
|-------------|------------|-------------|-----------|
| FBM KLCI | 1,504.1 | (1.0) | (8.4) |
| Dow Jones | 38,314.9 | (5.5) | (9.9) |
| Nasdaq CI | 15,587.8 | (5.8) | (19.3) |
| S&P 500 | 5,074.1 | (6.0) | (13.7) |
| FTSE 100 | 8,055.0 | (5.0) | (1.4) |
| Nikkei 225 | 33,780.6 | (2.8) | (15.3) |
| Shanghai CI | 3,342.0 | (0.2) | (0.3) |
| HSI | 22,849.8 | (1.5) | 13.9 |
| STI | 3,825.9 | (3.0) | 1.0 |

| Market Activities | Last Close | % Chg |
|-----------------------|------------|--------|
| Vol traded (m shares) | 1,812.3 | (27.9) |
| Value traded (RM m) | 1,892.3 | 4.4 |
| Gainers | 185 | |
| Losers | 777 | |
| Unchanged | 366 | |

| Top 5 Volume | Last Close | Daily chg % | Vol (m) |
|--------------|------------|-------------|---------|
| SAPNRG | 0.045 | 0.0 | 43.9 |
| CIMB | 7.010 | (1.7) | 25.3 |
| NEXG | 0.075 | 7.1 | 1.2 |
| PERTAMA | 0.080 | (11.1) | 25.2 |
| VS | 0.800 | (2.4) | 24.5 |

| Top 5 Turnover | Last Close | Daily chg % | Val (RM m) |
|----------------|------------|-------------|------------|
| CIMB | 7.010 | (1.7) | 182.7 |
| MA YBANK | 10.260 | (0.6) | 117.5 |
| GAMUDA | 4.050 | (4.5) | 91.3 |
| PEBANK | 4.370 | (0.7) | 82.1 |
| RHBANK | 6.900 | 0.0 | 50.9 |

| Currencies | Last Close | % Chg |
|-----------------|------------|-------|
| USD/MYR | 4.437 | 0.1 |
| USD/JPY | 146.930 | (0.6) |
| EUR/USD | 1.096 | (0.9) |
| USD/CNY | 7.282 | (0.2) |
| US Dollar Index | 103.023 | 0.9 |

| Commodities | Last Close | % Chg |
|--------------------|------------|-------|
| Brent (USD/barrel) | 65.6 | (6.5) |
| Gold (USD/troy oz) | 3,038.2 | (2.5) |
| CPO (MYR/metric t) | 4,702.0 | (2.3) |
| Bitcoin (USD/BTC) | 82,753.5 | (0.4) |



Macro News

US: Trump tax cut, debt limit plan advances amid tariff turmoil

Senate Republicans have passed a budget resolution allowing for the extension of Trump's 2017 tax cuts and authorizing US\$1.5tn in new tax cuts, while also raising the US debt ceiling by US\$5tn. The resolution enables GOP lawmakers to begin crafting a new tax package aimed at boosting investment amid economic uncertainty caused by Trump's tariff policies. However, internal GOP divisions persist over the lack of significant spending cuts, with some fiscal conservatives in the House opposing the plan. The final tax legislation, which may include offsetting tax increases and selective spending reductions, is expected to be enacted between May and August using budget reconciliation to bypass Democratic support. *(Bloomberg)*

Malaysia: Anwar: Malaysia's economic growth may face setback due to US tariff hike

Prime Minister Anwar Ibrahim acknowledged that Malaysia's economic growth could be slightly impacted by the new US tariffs announced by President Trump, especially given the country's heavy reliance on exports like semiconductors—65% of which are sent to the US. He emphasized the need for ASEAN unity in defending regional economic interests and revealed that Malaysia held a special Cabinet meeting to address the issue. As ASEAN chair in 2025, Anwar is also engaging in diplomatic talks with leaders from Japan, South Korea, China, and ASEAN member states to coordinate a collective response and potentially negotiate with the US to ease trade pressures. *(Bernama)*

Japan: February household spending dips on cost-of-living pressures

Japanese household spending fell 0.5% in February year-on-year, marking the first decline in three months, despite a 3.5% month-on-month increase. The dip reflects continued consumer caution amid high prices, with analysts predicting a sluggish recovery in private consumption until at least the second half of 2025. While companies are planning significant wage hikes to combat rising living costs, uncertainty from US tariffs and weak real wage growth continue to weigh on spending. *(Reuters)*

US: Musk says he hopes for 'zero tariffs' between US and Europe

Elon Musk expressed hope for a future free trade zone between the US and Europe, advocating for zero tariffs and greater freedom of movement between the regions. Speaking at an event hosted by Italy's right-wing League Party, Musk emphasized his ongoing advice to President Trump in support of open trade and labor mobility. His comments come shortly after Trump announced new 20% tariffs on European Union countries, including Italy, prompting concerns and calls for de-escalation from Italian officials. *(Reuters)*

US: Powell says Fed in no hurry to cut as markets continue to swoon

Federal Reserve Chair Jerome Powell signaled that the Fed will not rush to cut interest rates in response to market turmoil or Trump's sweeping new tariffs, emphasizing the need for clarity amid ongoing economic uncertainty. Powell highlighted concerns that the tariffs could lead to both slower growth and higher inflation, and stressed the Fed's responsibility to prevent temporary price increases from becoming long-term inflation issues. Despite market pressure and President Trump's calls for rate cuts, Powell indicated that the Fed will maintain a cautious approach, prioritizing inflation control over immediate economic stimulus. *(Bloomberg)*

US: Payrolls rose by 228,000 in March, but unemployment rate increases to 4.2%

In March 2025, the US economy added 228,000 jobs, surpassing the anticipated 140,000 and exceeding the 12-month average of 158,000. Significant employment gains were observed in the healthcare and transportation sectors. Despite this growth, the unemployment rate edged up to 4.2%, partly due to increased labor force participation. Additionally, average hourly earnings grew by 3.8% year-over-year, slightly below the previous month's 4% increase, providing the Federal Reserve with some flexibility in monetary policy decisions. *(Bloomberg)*

Corporate News

Ho Hup: Ordered to pay contractor in adjudication decision

Ho Hup Construction's subsidiary, Bukit Jalil Development Sdn Bhd (BJD), has been ordered to pay RM7.37m to Geopancar Sdn Bhd in an adjudication decision over unpaid substructure work for the aborted Flex @ Bukit Jalil City project. BJD did not participate in the proceedings, citing ongoing settlement negotiations, which later failed. Ho Hup said the claim is disputed, unsecured, and has no recourse to the parent company, and BJD will apply to the High Court to set aside the adjudication decision. *(The Edge)*

KKB Engineering: Wins adjudication decision in payment dispute with contractor

KKB Engineering Bhd has received a favourable adjudication decision in its RM10.06m dispute with Fook Lai Construction over outstanding claims related to steel works for a glove factory project in Bintulu. The dispute was resolved through adjudication under the Construction Industry Payment and Adjudication Act, and both parties have since reached an amicable settlement, though terms were not disclosed. *(The Edge)*

Mr Diy: Founder Tan Yu Yeh relinquishes vice chairman post, to serve as adviser

Mr DIY Group announced that its founder and executive vice chairman, Tan Yu Yeh, will step down from his role on April 17 to assume an advisory position within the group. Tan, who holds a 50.04% indirect and 0.32% direct stake in the company, re-entered the Forbes Malaysia Rich List this year at No. 17 with a net worth of US\$1.3bn. The company also appointed Tan's nephew, Tan Shie Haur—CEO of MDIH Singapore and operator of similar businesses overseas—as a non-independent, non-executive director effective the same day. *(The Edge)*

Radium: To diversify into healthcare with 140-bed hospital in Malacca

Radium Development Bhd is diversifying into the healthcare sector with plans to build and operate a 140-bed hospital in Bukit Katil, Malacca through its healthcare unit, A Famosa Specialist Hospital (Malacca) Sdn Bhd. The RM25.5m land purchase is still pending completion, and construction is expected to begin in the second half of 2025, with the hospital targeted to launch in early 2028. While no profit contribution is expected in the next three years, Radium views healthcare as a growing sector that can provide stable, recurring long-term income. *(The Edge)*

Lianson: To sell vessel to Dubai-based firm for RM31m

Lianson Fleet Group Bhd (formerly Icon Offshore) is selling its vessel, Icon Azra, to Dubai-based P&O Maritime Offshore for US\$6.9m (RM30.73m) as part of its fleet modernisation and diversification strategy. The sale is expected to generate a net gain of RM8.01m, with proceeds used for corporate and strategic growth initiatives. The move supports LFG's pivot beyond offshore support vessels into new markets, aligning with its rebranding and long-term growth plans. *(The Edge)*

Exsim Hospitality: Wins RM1.13m design and build contract

EXSIM Hospitality Bhd's subsidiary, EXSIM Concepto Sdn Bhd, has secured a RM1.13m design-and-build contract from EXSIM Kebun Teh Sdn Bhd for the Lumba Kuda Level 1 project. The contract commenced on April 4, 2025, and is scheduled for completion within two months. *(The Star)*

Axiata: To exit Myanmar with US\$150m divestment

Axiata Group Bhd is exiting Myanmar by selling its entire 87.5% stake in Edotco Investments Singapore Pte Ltd for US\$150m, citing deteriorating macroeconomic and operational conditions. The proceeds will be used to reduce debt as part of Axiata's strategy to maintain a strong balance sheet and enhance shareholder value. The divestment is expected to complete within 12 months and is not anticipated to materially impact Axiata's financials for FY2024. *(Bernama)*



Stock Selection Based on Dividend Yield

| | Sector | Price (RM) | Dividend/Share (RM) | Dividend Yield (%) |
|------------------------------|------------|------------|---------------------|--------------------|
| Bermaz Auto | Consumer | 1.17 | 0.15 | 13.08 |
| Amway (M) | Consumer | 5.15 | 0.47 | 9.13 |
| British American Tobacco (M) | Consumer | 6.25 | 0.54 | 8.64 |
| Sentral REIT | REIT | 0.77 | 0.06 | 8.31 |
| YTL Hospital REIT | REIT | 1.03 | 0.08 | 8.06 |
| REXIT | Technology | 0.64 | 0.05 | 7.81 |
| Hektar REITS | REIT | 0.48 | 0.04 | 7.79 |
| KIP REIT | REIT | 0.87 | 0.07 | 7.70 |
| CapitaLand Malaysia Trust | REIT | 0.65 | 0.05 | 7.44 |
| MBM Resources | Consumer | 5.40 | 0.39 | 7.28 |
| Paramount Corporation | Property | 1.05 | 0.07 | 7.14 |
| Taliworks Corporation | Utilities | 0.71 | 0.05 | 7.09 |
| Ta Ann Holdings | Plantation | 3.95 | 0.27 | 6.94 |
| MAG Holdings | Consumer | 1.23 | 0.08 | 6.67 |
| Magnum | Consumer | 1.23 | 0.08 | 6.67 |

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 | | |
| 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 |
| Cuckoo International (Mal) Bhd | Main Market | 1.29 | 143.3 | 222.1 | 10 Apr | 30 Apr |

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Published & Printed By:

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