



Daily Newswatch

Market Review

The FBM KLCI closed higher (+0.1%) last Friday, supported by improved market sentiment and increased foreign fund inflows into the region, following signs of easing trade tensions between China and the US. Among key index constituents, SUNWAY led the gains (+5.3%), followed by GAMUDA (+3.8%) and IHH (+1.9%). Gains were seen across most sectors, led by Technology (+3.6%), Construction (+2.9%) and Property (+2.2%). Market breadth turned positive, with 744 gainers outpacing 310 losers.

Asian stocks ended higher last Friday, buoyed by optimism over potential trade talks between China and the US, alongside a strong overnight rally on Wall Street driven by upbeat earnings from major tech companies. As a result, the HSI edged up 1.7% to close at 22,504.7 while SHANGHAI CI remained unchanged at 3,279.0 as Chinese markets were closed for the May Golden Week holiday.

European equities closed higher last Friday, lifted by growing hopes for a de-escalation in US-China trade tensions. This translated into a 2.4% gain in the EURO STOXX 50.

US stocks closed higher last Friday as investors welcomed a better-than-expected nonfarm payrolls report for April, which helped ease recession concerns. Sentiment was further lifted by signs of a possible thaw in US-China trade tensions. In Consequence, the Dow Jones edged up 1.4%, the S&P 500 rose 1.5%, while the Nasdaq increased 1.5%.

Macro News

- Malaysia:** Government planning direct KL-Bangkok cargo rail link to boost Asean trade — Loke
- China:** Hints at possible thaw with US in weighing trade talks
- Hong Kong:** Buys US dollars to maintain FX peg in first since 2020
- Japan:** US, Japanese officials to start trade consultations, Treasury says; Japan said sceptical
- Singapore:** Heads to vote in biggest test yet for ruling party
- EU:** Inflation holds above target as ECB weighs cuts
- US:** Trump proposes \$163bn cut to US budget that slashes domestic spending

Corporate News

- Genting:** Takes full control of Empire Resorts from Lim family in US\$41m deal
- Exsim Hospitality:** Secures RM17m interior design contract
- TCS:** Gets DBKL's nod to resume construction for Wangsa Maju project after safety review
- PLB Engineering:** Sells Penang plots at below valuation to repay borrowings
- DPS Resources:** Edward Sow resigns as MD of DPS Resources to 'pursue own interests'
- MN Holdings:** JV secures RM50m data center job from Gamuda
- CIMB:** To buy 16 properties for RM209.8m from major shareholder EPF

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,542.5	0.1	(6.1)
Dow Jones	41,317.4	1.4	(2.9)
Nasdaq CI	17,977.7	1.5	(6.9)
S&P 500	5,686.7	1.5	(3.3)
FTSE 100	8,596.4	1.2	5.2
Nikkei 225	36,830.7	1.0	(7.7)
Shanghai CI	3,279.0	(0.2)	(2.2)
HSI	22,504.7	1.7	12.2
STI	3,845.1	0.3	1.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,736.5	6.6
Value traded (RM m)	2,460.6	9.3
Gainers	744	
Losers	310	
Unchanged	450	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
REACHTEN	0.540	3.8	133.9
NATGATE	1.520	11.8	59.5
JAKS	0.120	26.3	50.3
GAMUDA	4.400	3.8	36.3
TANCO	0.880	2.3	32.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	9.990	0.0	184.5
CIMB	7.150	0.4	170.1
GAMUDA	4.400	3.8	157.4
TENAGA	13.860	0.0	116.9
NATGATE	1.520	11.8	86.3

Currencies	Last Close	% Chg
USD/MYR	4.2568	1.4
USD/JPY	144.96	0.3
EUR/USD	1.1297	0.1
USD/CNY	7.2713	0.0
US Dollar Index	100.03	(0.2)

Commodities	Last Close	% Chg
Brent (USD/barrel)	61.3	(1.4)
Gold (USD/troy oz)	3,241	0.0
CPO (MYR/metric t)	3,920	(1.3)
Bitcoin (USD/BTC)	96,569	(0.5)



Macro News

Malaysia: Government planning direct KL-Bangkok cargo rail link to boost Asean trade — Loke

The government plans to introduce a direct cargo rail service between Kuala Lumpur and Bangkok to enhance trade between Malaysia and Thailand, while supporting deeper Asean economic integration. Transport Minister Anthony Loke said the proposal has been approved by the Cabinet and fully supported by Prime Minister Datuk Seri Anwar Ibrahim. The service is expected to begin later this year. "As Asean chair, we want to see increased intra-regional trade. A direct Kuala Lumpur-Bangkok rail link will also improve connectivity to other countries, including Laos, China, and Central Asia. (*Bernama*)

China: Hints at possible thaw with US in weighing trade talks

China said it is assessing the possibility of trade talks with the US, the first sign since US President Donald Trump hiked tariffs last month that negotiations could begin between the two sides. China's Commerce Ministry said in a Friday (May 2) statement that it had noted senior US officials repeatedly expressing their willingness to talk to Beijing about tariffs and urged officials in Washington to show "sincerity" towards China. "The US has recently sent messages to China through relevant parties, hoping to start talks with China," the ministry added. "China is currently evaluating this." (*Bloomberg*)

Hong Kong: Buys US dollars to maintain FX peg in first since 2020

The Hong Kong Monetary Authority (HKMA) bought US dollars to cap the gains of the city's currency, the first such intervention since 2020. An official at the HKMA's New York Representative Office confirmed to Bloomberg it had bought around US\$6bn in US dollars when contacted by telephone. The latest intervention marked the first time the HKMA bought US dollars in roughly five years as a weaker US currency pushed its Hong Kong counterpart towards the strong end of its 7.8-7.9-per-dollar allowed trading range. Authorities have stepped into the market more recently to sell US dollars, including in 2022 and 2023, when the local currency threatened to breach the weak end of its trading band. (*Bloomberg*)

Japan: US, Japanese officials to start trade consultations, Treasury says; Japan said skeptical

Top U.S. and Japanese officials agreed to start immediate working-level consultations after "frank and constructive" trade talks in Washington on Thursday, the U.S. Treasury Department said on Friday, but Japanese accounts were more downbeat. U.S. Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick and Trade Representative Jamieson Greer met with Japan's Economic Revitalization Minister Ryosei Akazawa, another set of discussions sought by U.S. trading partners to avert high tariffs imposed by U.S. President Donald Trump last month. (*Reuters*)

Singapore: Heads to vote in biggest test yet for ruling party

Singaporeans began voting Saturday in the ruling party's biggest electoral test in decades amid concerns over global economic turmoil and high living costs in the Southeast Asian city-state. Prime Minister Lawrence Wong is leading the People's Action Party into its first election since he took office a year ago. He's seeking a mandate to bring a new generation of political leaders into his cabinet behind a party that has never won less than 89% of the seats in parliament over six decades. Opposition parties are aiming to grow a foothold in parliament and deprive the PAP of a convincing popular vote share. (*Bloomberg*)

EU: Inflation holds above target as ECB weighs cuts

Euro-area inflation unexpectedly held steady, and an underlying measure jumped in an awkward report for officials weighing how to respond to the economic hit from US tariffs. Consumer prices rose 2.2% in April from a year ago, the same pace as in March, Eurostat said Friday. Economists had expected a slowdown to 2.1% in a Bloomberg survey. Closely watched services inflation accelerated, an expected effect of later Easter holidays that should reverse in May. The core number that strips out volatile components including food and energy came in at 2.7%, far more than analysts had predicted. (*Bloomberg*)

US: Trump proposes \$163bn cut to US budget that slashes domestic spending

U.S. President Donald Trump's administration on Friday proposed a \$163bn cut to the federal budget that would sharply reduce spending on education, housing and medical research next year, while increasing outlays for defense and border security. The administration said the proposed budget would raise homeland security spending by nearly 65% from 2025 enacted levels, as Trump cracks down on illegal immigration. (*Reuters*)

Corporate News

Genting: Takes full control of Empire Resorts from Lim family in US\$41m deal

Genting Malaysia Bhd (Genting Malaysia) is going to gain full control of loss-making Empire Resorts Inc in a US\$41m (RM177m) deal from the Lim family's Kien Huat Realty III Ltd, by acquiring the remaining 51% stake in Genting Empire Resorts LLC (GERL) that it does not



own. It currently holds 49% interest in GERL, which owns Empire Resorts. Concurrently, Kien Huat Realty III will assign a US\$39.7m debt — including accrued interest — that Empire Resorts owes to Genting Malaysia. Kien Huat Realty III is controlled by Genting group's founding Lim family, led by Tan Sri Lim Kok Thay. *(The Edge)*

Exsim Hospitality: Secures RM17m interior design contract

Exsim Hospitality Bhd (Exsim), previously known as Pan Malaysia Holdings Bhd, said it has won an interior fit-out works contract worth RM17.2m. The company will undertake the job at apartment units, Exsim said in a bourse filing on Friday, without giving details of the apartments. The company said the contract was awarded to its wholly owned subsidiary, EXSIM Concepto Sdn Bhd, by Nestcon Builders Sdn Bhd. *(The Edge)*

TCS: Gets DBKL's nod to resume construction for Wangsa Maju project after safety review

TCS Group Holdings Bhd said the group has received the Kuala Lumpur City Hall's (DBKL) nod to resume construction works for the J Satine mixed development project in Wangsa Maju. "Following a thorough review and acceptance of the independent check consultant report, DBKL has granted approval for work to recommence on Phase 3 (SOHO Block) and Phase 2 (Blocks A and B) of the J Satine development," the construction group said in a bourse filing on Friday. *(The Edge)*

PLB Engineering: Sells Penang plots at below valuation to repay borrowings

PLB Engineering Bhd is selling five parcels of land in Tasik Gelugor, Penang, to a property developer for RM48m in cash. The proceeds from the sale will be used to repay bank borrowings. The selling price is below the RM60.8m valuation provided by an independent appraiser earlier this week. The land parcels, spanning 199.5 acres (807,157.9 square meters), are being sold to Telaga Raya Sdn Bhd, a company wholly owned by Lechumenan Elangowan. *(The Edge)*

DPS Resources: Edward Sow resigns as MD of DPS Resources to 'pursue own interests'

DPS Resources Bhd announced on Friday the resignation of its managing director Edward Sow Yuen Seng, effective immediately. The rubber wood furniture component maker said Sow, 38, stepped down to "pursue his own interests". There were no disagreements between him and the board, and no matters that required shareholders' attention, the company added in its filing with Bursa Malaysia. Sow was appointed as managing director in July 2015, succeeding his father Tan Sri Dr Sow Chin Chuan, who assumed the role of executive chairman. *(The Edge)*

MN Holdings: JV secures RM50m data centre job from Gamuda

MN Holdings Bhd said its joint venture (JV) with Protech Builders Sdn Bhd has secured a sub-contract worth RM50m for the mechanical, electrical and plumbing fit-out works of a data centre. The sub-contract was awarded by Gamuda Engineering Sdn Bhd, a wholly owned subsidiary of Gamuda Bhd, said the underground utilities and substation engineering specialist in a filing with Bursa Malaysia on Friday. The data centre is located in the central region of Peninsular Malaysia, said MN Holdings without disclosing the exact location *(The Edge)*

CIMB: To buy 16 properties for RM209.8m from major shareholder EPF

CIMB Group Holdings Bhd's (CIMB Group) wholly owned CIMB Bank Bhd (CIMB Bank) will buy 16 properties that it is currently leasing from the Employees Provident Fund Board (EPF) for RM209.8m, cash. The properties are part of 24 properties that CIMB Bank has been leasing from EPF under a sale and leaseback agreement dated Dec 30, 2009, which is set to expire on June 30 this year, according to CIMB Group in a bourse filing Friday. CIMB Bank entered into 16 sale and purchase agreements with EPF on Wednesday to acquire the 16 properties — spread out across Kuala Lumpur, Selangor, Johor, Perak, Pahang, Terengganu, Kelantan, Sabah, Sarawak and Labuan — leading to the termination of the existing lease agreement. *(The Edge)*

<u>Upcoming key economic data releases</u>	<u>Date</u>
US – ISM Services PMI	May 05
US – Fed Funds Interest Rate Decision	May 08
Malaysia – Interest Rate Decision	May 08
Malaysia – March's Unemployment Rate	May 09
China – Balance of Trade	May 09
<i>Source: Bloomberg</i>	



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.11	0.15	13.78
Amway (M)	Consumer	5.07	0.47	9.27
British American Tobacco (M)	Consumer	6.21	0.54	8.70
Sentral REIT	REIT	0.78	0.06	8.26
YTL Hospital REIT	REIT	1.04	0.08	7.98
REXIT	Technology	0.63	0.05	7.94
KIP REIT	REIT	0.87	0.07	7.75
Hektar REITS	REIT	0.49	0.04	7.63
CapitaLand Malaysia Trust	REIT	0.64	0.05	7.56
Paramount Corporation	Property	1.03	0.07	7.28
MBM Resources	Consumer	5.43	0.39	7.24
Taliworks Corporation	Utilities	0.70	0.05	7.14
MAG Holdings	Consumer	1.23	0.08	6.67
Magnum	Consumer	1.23	0.08	6.67
Ta Ann Holdings	Plantation	3.92	0.26	6.58

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		
Fibromat (M) Berhad	ACE Market	0.55	32.3	24.8	25 Apr	08 May
Peoplelogy Berhad	ACE Market	0.25	105.0	0.0	6 May	20 May
Eco-Shop Marketing Berhad	Main Market	1.21	347.0	515.1	7 May	23 May
Oasis Home Holding Berhad	ACE Market	0.28	100.0	50.0	9 May	28 May
Hartanah Kenyalang Berhad	ACE Market	0.16	120.9	77.5	27 May	09 Jun
Cuckoo International (Mal) Bhd	Main Market	1.29	143.3	222.1	5 Jun	24 Jun



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