

# Daily Newswatch

## Market Review

The FBM KLCI closed higher on Wednesday, rising 0.9%, buoyed by buying interest in heavyweight stocks ahead of Bank Negara Malaysia's OPR decision. Investor sentiment was also lifted by renewed optimism over potential progress in US-China trade relations. Among key index constituents, YTL led the gains (+5.7%), followed by PCHEM (+3.9%) and GAMUDA (+3.9%). Gains were seen across most sectors, led by Construction (+2.3%), Telecommunications & Media (+1.7%) and Utilities (+1.4%). Market breadth turned positive, with 532 gainers outpacing 330 losers.

On Wednesday, Asian stock markets closed higher, supported by renewed optimism after China's central bank and financial regulators unveiled sweeping plans to cut key interest rates to stimulate economic growth amid ongoing trade concerns. In consequence, the HSI edged up 0.1% to close at 22,691.9, while SHANGHAI CI rose 0.8% to end at 3,342.7.

European equities ended lower on Wednesday as persistent tariff-related uncertainties continued to weigh on investor sentiment. As a result, the EURO STOXX 50 posted a 0.6% decline in response to the cautious trading environment.

This morning, for Wednesday's closing, US stocks closed higher, underpinned by investor optimism following a potential de-escalation in trade tension between China and US. Investors also weighed in on the Federal Reserve decision to hold interest rates steady. Consequently, the Dow Jones edged up 0.7%, the S&P 500 increased 0.4%, while the Nasdaq rose 0.3%.

## Macro News

- **China:** Signals India levy is a warning on cutting deals with US
- **China:** Keeps on adding gold to reserves as challenges stack up
- **EU:** Plans to hit Boeing with tariffs if US trade talks fail
- **US:** Trump downplays trade negotiations, says he will dictate terms
- **US:** To hold ice-breaker trade talks in Geneva on Saturday with China
- **US:** Fed holds rates, sees risk of higher inflation and unemployment

## Corporate News

- **Sarawak Cable:** To sue unit's liquidators over alleged misconduct in asset disposal
- **Pavilion REIT:** Unitholders give greenlight to Pavilion REIT's RM480m hotel acquisitions
- **Maybank:** RM46.7bn social investments impacted 4m people in last 10 years, says latest report
- **Kumpulan Jetson:** Puts shareholders' requisition for EGM on hold pending legal outcome
- **Genting Malaysia:** CreditSights flags Genting Malaysia's takeover of Empire Resorts as credit negative amid debt, related-party transaction concerns
- **Pharmaniaga:** 1Q net profit up 15% on higher sales and cost optimisation

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,549.9	0.9	(5.6)
Dow Jones	41,114.0	0.7	(3.4)
Nasdaq CI	17,738.2	0.3	(8.1)
S&P 500	5,631.3	0.4	(4.3)
SX5E	5,230.2	(0.6)	6.8
FTSE 100	8,559.3	(0.4)	4.7
Nikkei 225	36,779.7	(0.1)	(7.8)
Shanghai CI	3,342.7	0.8	(0.3)
HSI	22,691.9	0.1	13.1
STI	3,865.4	0.1	2.1
Market Activities		Last Close	% Chg
Vol traded (m shares)		2,844.2	1.8
Value traded (RM m)		2,430.5	29.5
Gainers		532	
Losers		330	
Unchanged		589	
Top 5 Volume	Last Close	Daily chg %	Vol (m)
SAPNRG	0.045	12.5	112.3
WTEC	0.240	(5.9)	31.9
TANCO	0.900	1.7	31.8
DNEX	0.275	3.8	30.1
POS	0.300	11.1	29.8
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.160	0.7	172.7
MAYBANK	10.000	0.4	160.8
CIMB	6.950	0.7	123.4
TM	7.040	1.9	112.5
GAMUDA	4.520	3.9	102.2
Currencies		Last Close	% Chg
USD/MYR		4.2397	(0.2)
USD/JPY		143.78	0.0
EUR/USD		1.1311	0.1
USD/CNY		7.2275	(0.1)
US Dollar Index		99.82	0.6
Commodities		Last Close	% Chg
Brent (USD/barrel)		61.0	(1.8)
Gold (USD/troy oz)		3,365	(0.0)
CPO (MYR/metric t)		3,710	(0.4)
Bitcoin (USD/BTC)		97,323	0.5



## Macro News

### China: Signals India levy is a warning on cutting deals with US

China imposed levies on an insecticide shipped from India in what state media said is a signal that it would punish countries trying to cut deals with the US at Beijing's expense. China's Ministry of Commerce imposed anti-dumping duties on Indian exports of the insecticide cypermethrin starting Wednesday, after saying it found that India was dumping the compound into its economy and causing damage to Chinese companies. Yuyuantantian, a social media account affiliated with China's state broadcaster that has been frequently used to indicate the official thinking on trade issues, said in a post Wednesday that the move follows India's imposing of 12% levies on some steel imports, which would mainly affect China. (*Bloomberg*)

### China: Keeps on adding gold to reserves as challenges stack up

China expanded its gold reserves for a sixth straight month in April, underlining its push to boost holdings of the precious metal as prices trade near a record and the trade war rumbles on. Bullion held by the People's Bank of China rose by about 70,000 troy ounces last month, according to data on Wednesday. In the latest six-month span, volumes have climbed by close to 1m ounces or about 30 tonnes. Gold has rallied to successive records this year, supported by concerted central bank buying as authorities seek to diversify holdings away from the US dollar. Bullion's upswing — with prices up nearly 30% this year — has also been aided by rising investment demand as the US-led trade war unsettles financial markets, raises concern about US assets and drives haven demand. (*Bloomberg*)

### EU: Plans to hit Boeing with tariffs if US trade talks fail

The European Union (EU) will propose tariffs on Boeing Co aircraft if talks with the US meant to de-escalate the trade conflict fail, according to a person familiar with the plan, who spoke on the condition of anonymity. The duties would be part of an EU plan to hit about €100bn (US\$114bn or RM483.4bn) in US goods with additional tariffs, *Bloomberg* reported Tuesday. That list of products will be shared with member states this week and could change over the next month during consultations. The European Commission, the bloc's executive arm that handles trade matters, has been meeting with US officials ever since President Donald Trump announced last month a 20% universal tariff — reduced to 10% until July — on nearly all EU exports. He also imposed a 25% levy on cars and metals. (*Bloomberg*)

### US: Trump downplays trade negotiations, says he will dictate terms

President Donald Trump said he would prescribe tariff levels and trade concessions for partners looking to avoid higher duties, appearing to move away from the idea that he would engage in back-and-forth negotiations. "We're going to put very fair numbers down, and we're going to say, here's — what this country, what we want. And congratulations, we have a deal. And they'll either say 'great', and they'll start shopping, or they'll say, 'not good'," Trump said Tuesday at the White House as he met with Canadian Prime Minister Mark Carney. "It's going to be a very fair number; it'll be a low number. We're not looking to hurt countries," he added. (*Bloomberg*)

### US: To hold ice-breaker trade talks in Geneva on Saturday with China

U.S. Treasury Secretary Scott Bessent and chief trade negotiator Jamieson Greer will meet China's economic tsar He Lifeng in Switzerland this weekend for talks that could be the first step toward resolving a trade war disrupting the global economy. News of the planned Geneva meeting, first announced by Washington late Tuesday, sent U.S. equity index futures higher. Stock markets in China and Hong Kong followed suit during Asian trading on Wednesday. (*Bloomberg*)

### US: Fed holds rates, sees risk of higher inflation and unemployment

Federal Reserve Chair Jerome Powell said officials are not in a hurry to adjust interest rates, adding tariffs could lead to higher inflation and unemployment. "If the large increases in tariffs that have been announced or sustained, they're likely to generate a rise in inflation, a slowdown in economic growth and an increase in unemployment," Powell said Wednesday at the conclusion of a two-day meeting in Washington. "The effects on inflation could be short lived, reflecting a one-time shift in the price level," he said. But it's "also possible that the inflationary effects could instead be more persistent." (*Bloomberg*)

## Corporate News

### Sarawak Cable: To sue unit's liquidators over alleged misconduct in asset disposal

Practice Note 17-listed Sarawak Cable Bhd is planning to take legal action against the appointed liquidators of its subsidiary, Leader Cable Industry Bhd (LCIB), alleging wilful negligence and misconduct in how LCIB's assets may be disposed of. In a filing with the stock exchange on Wednesday, the loss-making cable manufacturer, currently under interim judicial management, said its board had used its remaining authority to inform the appointed liquidators — Khoo Siew Kiat and Goh Hua Yang from Messrs Deloitte Restructuring Services PLT — of its intention to start legal proceedings. (*The Edge*)



**Pavilion REIT: Unitholders give greenlight to Pavilion REIT's RM480m hotel acquisitions**

Pavilion Real Estate Investment Trust (Pavillion REIT) has received its unitholders' approval to acquire two hospitality assets, namely Banyan Tree Kuala Lumpur and Pavilion Hotel Kuala Lumpur, for RM480m. Post-acquisition, the hotels will comprise approximately 5.5% of Pavilion REIT's enlarged total asset under management. As a result, Pavilion Kuala Lumpur Mall's share of the portfolio will decrease from 61.8% to 58.5%. Prior to this acquisition, the REIT had six properties consisting of five retail malls — namely Pavilion Kuala Lumpur Mall, Elite Pavilion Mall, Pavilion Bukit Jalil, Intermark Mall and DA MEN Mall — as well as office building Pavilion Tower. (*The Edge*)

**Maybank: RM46.7bn social investments impacted 4m people in last 10 years, says latest report**

Malayan Banking Bhd said it has disbursed RM46.7bn in social investments over the past decade, benefiting 4.2m people, according to its Social Impact Report 2024. This comprises two pillars — social empowerment initiatives which have reached 2.4m people in the last 10 years, as well as social financing catering to nearly half a million customers across Asean in 2024 through mortgages, automobile financing and insurance offerings, amounting to over RM12.2 bn. (*The Edge*)

**Kumpulan Jetson: Puts shareholders' requisition for EGM on hold pending legal outcome**

Kumpulan Jetson Bhd announced on Wednesday that its shareholders' requisition dated April 23, 2025 to convene an extraordinary general meeting (EGM) will be put on hold, pending the outcome of a legal suit filed by three minority shareholders challenging the validity of the notice. The decision follows consultation with legal counsel Eric Tan of Messrs Ong Kok Bin & Co, as there are concerns that proceeding with the requisition could expose the company and its board to potential contempt of court proceedings. (*The Edge*)

**Genting Malaysia: CreditSights flags Genting Malaysia's takeover of Empire Resorts as credit negative amid debt, related-party transaction concerns**

Genting Malaysia Bhd's (GENM) takeover of Genting Empire Resorts, which owns gaming properties in New York through Empire Resorts, is seen as credit negative by CreditSights. This is due to the increased debt to support ERI's weak earnings outlook and concerns over related-party transactions (RPTs). GENM signed an agreement to acquire a 51% stake in Genting Empire Resorts from Kien Huat Realty III Ltd, owned by Genting promoters. The acquisition will increase GENM's ownership to 100%. CreditSights is concerned about RPTs due to GENM's history with such deals, some of which were unfavorable to creditors. The deal also raises questions about its fairness. (*The Edge*)

**Pharmaniaga: 1Q net profit up 15% on higher sales and cost optimisation**

Pharmaniaga Bhd's net profit for the first quarter ended March 31, 2025 (1QFY2025) increased 15.3% to RM29.6m from RM25.7m a year ago, thanks to higher sales and cost optimisation efforts, which resulted in a 2.5% reduction in operating expenses. The cost-cutting measures included reduced warehouse rental costs and lower advertising and promotional expenses, the company said in a bourse filing. Revenue for the quarter rose 9.4% to RM1.1bn, compared with RM965m in the same period last year. This growth was primarily driven by higher demand in the concession segment, on the back of increased orders from government hospitals and the inclusion of new products in the approved products purchase list. (*The Edge*)

<u>Upcoming key economic data releases</u>	<u>Date</u>
<b>Malaysia – March's Unemployment Rate</b>	May 09
<b>China – Balance of Trade</b>	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		
<a href="#">Peoplelogy Berhad</a>	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
<a href="#">Cuckoo International (Mal) Bhd</a>	Main Market	1.29	143.3	222.1	5 Jun	24 Jun

# Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. ("Mercury Securities") and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities' website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

## 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](http://www.mercurysecurities.com.my)  
Email: mercurykl@mersec.com.my