



Daily Newswatch

Market Review

The FBM KLCI closed lower on Thursday, declining 0.5%, amid weaker broader market sentiment, as investors remained cautious amid ongoing tariff uncertainty that continues to rattle global markets. Among key index constituents, IOICORP led the losses (-3.5%), followed by MRDIY (-2.9%) and SDG (-2.4%). Losses were seen across most sectors, led by Plantation (-1.4%), Health Care (-1.3%) and Financial Services (-0.7%). Market breadth turned negative, with 352 losers trailing 462 gainers.

In Asia 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 0.4% to close at 22,775.9, while SHANGHAI CI rose 0.3% to end at 3,352.0.

European markets closed higher for Thursday, buoyed by growing hopes for a de-escalation in US-China trade tensions as trade deals between the US and UK kept the 10% US tariffs on UK goods. Meanwhile, the EU threatened to tariff a series of US goods should their negotiations fall through. The Euro Stoxx 50 gained 1.1%.

This morning, for Thursday's closing, US stocks closed higher after President Trump announced a trade agreement with the UK and expressed optimism about upcoming negotiations with China, lifting investor sentiment that the global trade war may be easing. Consequently, the Dow Jones edged up 0.6%, the S&P 500 rose 0.6%, while the Nasdaq increased 1.1%.

Macro News

- Malaysia:** Decrease in the Statutory Reserve Requirement Ratio
- Malaysia:** BNM keeps overnight policy rate steady, flags rising downside risks to growth
- Malaysia:** Industrial output rises faster than expected in March, official data show
- Malaysia:** 10% blanket tariff expected to remain, says Miti official in Malaysia-US trade talks
- Hong Kong:** Central bank keeps key rate unchanged, tracking Fed move
- UK:** Central bank keeps key rate unchanged, tracking Fed move
- US:** Trump, Starmer hail limited US-UK trade deal, but 10% duties remain
- US:** Trump says he would not lower China tariffs to jump-start talks
- US:** Trump slams Fed chair Powell again for keeping rates steady
- US:** Weekly jobless claims fall more than expected

Corporate News

- Fibromat:** Targets 20% annual profit growth, eyes projects in Sabah, Sarawak
- Infraharta:** Wins RM17.4m subcontract for hospital project in Kuantan
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- Citaglobal:** To pilot telecom and solar projects in East Java under deal with Indonesia's leading Islamic group
- Lotte Chemical Titan:** Secures 10-year ethylene supply deal in Indonesia
- Petronas Gas:** To develop 120MW power plant in Labuan with Sabah GLCs
- HHRG:** Dismisses CEO for misconduct and abuse of authority

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,542.7	(0.5)	(6.1)
Dow Jones	41,368.5	0.6	(2.8)
Nasdaq CI	17,928.1	1.1	(7.2)
S&P 500	5,663.9	0.6	(3.7)
SX5E	5,288.9	1.1	8.0
FTSE 100	8,531.6	(0.3)	4.4
Nikkei 225	36,928.6	0.4	(7.4)
Shanghai CI	3,352.0	0.3	0.0
HSI	22,775.9	0.4	13.5
STI	3,848.2	(0.4)	1.6
Market Activities		Last Close	% Chg
Vol traded (m shares)		3,365.6	18.3
Value traded (RM m)		2,719.6	11.9
Gainers		462	
Losers		352	
Unchanged		615	
Top 5 Volume	Last Close	Daily chg %	Vol (m)
NATGATE	1.580	6.0	77.7
SAPNRG	0.045	0.0	77.3
TANCO	0.915	1.7	36.1
VELESTO	0.160	3.2	32.7
MYEG	0.900	0.6	30.4
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.300	1.0	284.7
NATGATE	1.580	6.0	122.8
MAYBANK	9.880	(1.2)	119.3
GAMUDA	4.500	(0.4)	99.6
PBBANK	4.450	(0.4)	87.7
Currencies		Last Close	% Chg
USD/MYR		4.2805	(1.0)
USD/JPY		145.85	0.0
EUR/USD		1.1226	(0.0)
USD/CNY		7.2428	(0.2)
US Dollar Index		100.64	1.0
Commodities		Last Close	% Chg
Brent (USD/barrel)		63.4	3.7
Gold (USD/troy oz)		3,306	0.0
CPO (MYR/metric t)		3,772	1.3
Bitcoin (USD/BTC)		103,012	0.4



Macro News

Malaysia: Decrease in the Statutory Reserve Requirement Ratio

Bank Negara Malaysia wishes to announce that the Statutory Reserve Requirement (SRR) Ratio will be lowered by 100 basis points, from 2% to 1%, effective 16 May 2025. The decision to reduce the SRR is part of Bank Negara Malaysia's continuous efforts to ensure sufficient liquidity in the domestic financial system. This will facilitate banks to better manage liquidity in an environment of greater financial market volatility and provide continued support for financial intermediation activity. The SRR reduction will release approximately RM19 billion worth of liquidity into the banking system. *(Bank Negara Malaysia)*

Malaysia: BNM keeps overnight policy rate steady, flags rising downside risks to growth

Malaysia's central bank has kept the overnight policy rate unchanged at 3%, as expected, while flagging rising downside risks to economic growth. This marks the 12th consecutive meeting with no rate changes since a 25-basis-point increase in May 2023. Before the decision, 20 out of 25 economists predicted that Bank Negara Malaysia (BNM) would hold the rate steady, while five expected a 25-basis-point cut, fearing that global trade tensions could affect growth. *(The Edge)*

Malaysia: Industrial output rises faster than expected in March, official data show

Malaysia's industrial production rose at a faster-than-expected pace in March, led by manufacturing activities and a turnaround in mining output, official data on Thursday showed. Electricity generation, however, dipped. The industrial production index — which measures output from factories, power plants and mines — rose 3.2% in March when compared to the same month in 2024, the Department of Statistics Malaysia said. That's significantly higher than the median 2.1% increase in a Bloomberg survey and February's 1.5% year-on-year rise. On a month-on-month basis, the index surged 9.3% in March. *(The Edge)*

Malaysia: 10% blanket tariff expected to remain, says Miti official in Malaysia-US trade talks

Malaysia's trade talks with the US may yield positive results, but the existing 10% blanket import tariff is expected to stay, according to Ministry of Investment, Trade and Industry (Miti) official Raveendran Nair. Raveendran, who was among the Miti entourage that visited Washington DC to set up talks, shared that US Secretary of Commerce Howard Lutnick confirmed the 10% tariff would remain for all countries, despite ongoing negotiations. *(The Edge)*

Hong Kong: Central bank keeps key rate unchanged, tracking Fed move

The Hong Kong Monetary Authority (HKMA) left its base rate charged through the overnight discount window unchanged at 4.8% on Thursday, tracking a move by the US Federal Reserve (Fed) to keep rates steady. Fed chair Jerome Powell said on Wednesday "despite heightened uncertainty, the US economy is still in a solid position", and the current stance of monetary policy leaves the Fed well positioned to respond in a timely way to potential economic developments. HKMA said Hong Kong's monetary and financial markets have continued to operate in an orderly manner. *(Reuters)*

UK: Central bank keeps key rate unchanged, tracking Fed move

The Bank of England (BOE) cut interest rates by a quarter point to 4.3% as Donald Trump's global trade war weighs on UK growth, in a decision that split senior officials into three groups and was made before the US president hinted at an imminent deal to lower tariffs on British exports. Five members of the BOE's Monetary Policy Committee voted for a quarter-point cut, while two wanted a larger half-point reduction. Another two voted to hold rates steady. The committee held its guidance that easing should continue to be "gradual and careful" in light of volatility in the global economy caused by Trump's sweeping tariffs. *(Bloomberg)*

US: Trump, Starmer hail limited US-UK trade deal, but 10% duties remain

U.S. President Donald Trump and British Prime Minister Keir Starmer on Thursday announced a limited bilateral trade agreement that leaves in place Trump's 10% tariffs on British exports, modestly expands agricultural access for both countries and lowers prohibitive U.S. duties on British car exports. The "general terms" agreement, opens new tab is the first of dozens of tariff-lowering deals that Trump expects to land in coming weeks after upending the global trading system with steep new import taxes aimed at shrinking a \$1.2tn U.S. goods trade deficit. *(Reuters)*

US: Trump says he would not lower China tariffs to jump-start talks

US President Donald Trump said he is unwilling to pre-emptively lower tariffs on China in order to unlock more substantive negotiations with Beijing on trade. "No," Trump said on Wednesday when asked by a reporter if he is open to pulling back his 145% duties on Chinese imports to get the world's second-largest economy to the negotiating table. The president's comments come before Treasury Secretary Scott Bessent and US Trade Representative Jamieson Greer meet this week in Switzerland with Chinese Vice Premier He Lifeng on trade. Trump spoke at a swearing-in ceremony for his ambassador to China, David Perdue. *(Bloomberg)*

US: Trump slams Fed chair Powell again for keeping rates steady

US President Donald Trump renewed his criticism of Federal Reserve (Fed) chair Jerome Powell after the board declined to cut interest



rates, but stopped short of repeating his call for Powell to be ousted. 'Too late' Jerome Powell is a fool, who doesn't have a clue. Other than that, I like him very much! Oil and energy way down, almost all costs (groceries and eggs) down, virtually no inflation, tariff money pouring into the US — the exact opposite of 'too late'! Enjoy!" the president posted on Thursday on his Truth Social platform. (*Bloomberg*)

US: Weekly jobless claims fall more than expected

The number of Americans filing new applications for unemployment benefits fell more than expected last week, suggesting the labour market continued to chug along, though risks are mounting from tariffs. Initial claims for state unemployment benefits dropped 13,000 to a seasonally adjusted 228,000 for the week ended May 3, the Labor Department said on Thursday. Economists polled by *Reuters* had forecast 230,000 claims for the latest week. The decline unwound some of the boost from school spring breaks in New York state, which had lifted claims to a two-month high. (*Reuters*)

Corporate News

Fibromat: Targets 20% annual profit growth, eyes projects in Sabah, Sarawak

Geotechnical services provider Fibromat (M) Bhd expects 20% annual profit growth over the next three years, driven by ongoing and upcoming projects, including a number in Sabah and Sarawak. The company has not announced a dividend policy. At its listing ceremony on Thursday, chief financial officer Nadiah Firdaus projected profit after tax from unbilled projects to reach RM13m in 2025, RM16m in 2026, and RM18m in 2027, supported by 42 ongoing projects and a strong revenue pipeline. She also mentioned RM118m in new projects being secured, but gave no further details. (*The Edge*)

Infraharta: Wins RM17.4m subcontract for hospital project in Kuantan

Construction company Infraharta Holdings Bhd has won a RM17.4m subcontract for site clearance, earthwork, and piling works for the women and children's block of the Tengku Ampuan Afzan Hospital in Kuantan, Pahang. In a bourse filing on Thursday, Infraharta Holdings said it accepted a letter of award from Synergy Goldtree Sdn Bhd — primarily involved in civil and building construction — on Monday. The 12-month contract period started on Monday, and will be completed by May 4 next year. (*The Edge*)

Kerjaya Prospek: Bags RM162m building job in Johor Bahru

Kerjaya Prospek Group Bhd has secured a RM162m building contract from Majestic Gen Sdn Bhd for a project in Johor Bahru. The contract was awarded to its wholly owned subsidiary, Kerjaya Prospek (M) Sdn Bhd. The project involves the construction of a 47-storey transit-oriented serviced apartment development, dubbed Gen Rise. It comprises one block of 732 serviced apartment units, nine levels of podium parking, one level of basement parking with mechanical and electrical (M&E) facilities, an additional level of parking and M&E facilities with a commercial unit, and three levels of recreational facilities. (*The Edge*)

Citaglobal: To pilot telecom and solar projects in East Java under deal with Indonesia's leading Islamic group

Citaglobal Bhd is exploring telecommunications and renewable energy projects in East Java, Indonesia, through a one-year agreement with Pimpinan Wilayah Muhammadiyah Jawa Timur (PWMJT), one of Indonesia's oldest and most influential Islamic organisations overseeing 3,000 institutions in the region. The plan involves piloting 250 telecommunication towers and five megawatts of solar energy at PWMJT's schools, hospitals and universities. Feasibility studies will begin within six months of the May 7 agreement signing. (*The Edge*)

Lotte Chemical Titan: Secures 10-year ethylene supply deal in Indonesia

Lotte Chemical Titan Holding Bhd (LC Titan) has secured a 10-year ethylene supply contract from PT Asahimas Chemical that is valued at more than RM743.5m. The sale and agreement, signed on Wednesday, will see LC Titan supply about 150,000 tonnes of ethylene per annum to Asahimas Chemical. LC Titan said the agreement was signed by its wholly owned Indonesian unit, PT Lotte Chemical Indonesia (LCI), and would be effective from July 1, 2025 to June 30, 2035, the group said in a filing with Bursa Malaysia. (*The Edge*)

Petronas Gas: To develop 120MW power plant in Labuan with Sabah GLCs

Petronas Gas Bhd (Petronas Gas) is partnering two Sabah state government-linked companies to jointly develop a 120MW power plant in Labuan. In a filing with the stock exchange on Thursday, Petronas Gas said its wholly owned subsidiary, PG Energia Sdn Bhd, had entered into a shareholders' agreement with Sustainable Power Sdn Bhd (SPSB) and SEC Power Sdn Bhd for the collaboration. SPSB is a wholly owned unit of Sabah Electricity Sdn Bhd, while SEC Power is a wholly owned unit of Sabah Energy Corporation Sdn Bhd. (*The Edge*)

HHRG: Dismisses CEO for misconduct and abuse of authority

HHRG Bhd's chief executive officer (CEO) Fong Chee Khuen has been dismissed from his position with immediate effect for serious misconduct and abuse of authority, according to the company's filing with Bursa Malaysia on Thursday. Fong had been suspended from his duties since April 7, 2025 following a show cause letter from the company regarding his financial transactions and personal conduct. Fong, 53, was appointed as CEO on October 3, 2022. (*The Edge*)



<u>Upcoming key economic data releases</u>	<u>Date</u>
US – April's Inflation Rate	May 13
US – April's PPI	May 15
US – April's Retail Sales	May 15
<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		
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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