



Daily Newswatch

Market Review

The FBM KLCI closed higher (+0.2%) last Friday as global trade talks lifted investor sentiment. Among key index constituents, PMETAL led the gains (+2.9%), followed by PETDAG (+2.8%) and IOICORP (+1.7%). Gains were seen across most sectors, led by Energy (+1.0%), Industrial Products & Services (+0.9%) and Plantation (+0.6%). Market breadth turned positive, with 416 gainers outpacing 396 losers.

On Monday, Asian stock markets closed higher after China and the US announced a trade deal that included a 90-day pause on new tariffs and a reduction in reciprocal tariffs by 115 basis points. In consequence, the HSI edged up 3.0% to close at 23,549.5, while SHANGHAI CI rose 0.8% to end at 3,369.2.

European markets closed higher on Monday, buoyed by growing hopes for a de-escalation in US-China trade tensions. This translated to 1.6% gains in EURO STOXX 50.

This morning, for Monday's closing, US stock markets closed higher underpinned by renewed optimism after the US and China agreed to temporarily slash tariffs amid weekend negotiations in Switzerland, easing fears that the trade war could trigger a recession. Consequently, the Dow Jones edged up 2.8%, the S&P 500 rose 3.3%, while the Nasdaq increased 4.3%.

Macro News

- China:** Consumer deflation extends in April as tariffs take toll
- EU:** European leaders tell Putin to agree to Ukraine ceasefire or face new sanctions
- EU:** Considers bank-liquidity tweak to bolster securitisation
- US:** Flock of Fed speakers show no eagerness to consider rate cuts
- US:** Trump opens door to tariffs on commercial aircraft, engines
- US:** Agree to lower tariffs in 90-day cool-off period between US and China

Corporate News

- CMSB:** Sarawak tightening grip on strategic assets held by CMSB
- I-Bhd:** Another spark in i-City
- Perak Transit:** Inks MOU to manage Terminal Perlis Sentral for 15 years
- Yoong Onn:** Fire breaks out at Yoong Onn's Singapore factory and warehouse
- Muhibbah Engineering:** Served arbitration notice over five-year-old terminated project
- Pentamaster:** Names Hon Tuck Weng as new CEO

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,546.5	0.2	(5.8)
Dow Jones	42,410.1	2.8	(0.3)
Nasdaq CI	18,708.3	4.3	(3.1)
S&P 500	5,844.2	3.3	(0.6)
SX5E	5,392.4	1.6	10.1
FTSE 100	8,605.0	0.6	5.3
Nikkei 225	37,644.3	0.4	(5.6)
Shanghai CI	3,369.2	0.8	0.5
HSI	23,549.5	3.0	17.4
STI	3,876.2	0.7	2.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,943.3	(12.5)
Value traded (RM m)	1,897.6	(30.2)
Gainers	416	
Losers	396	
Unchanged	618	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
SAPNRG	0.045	0.0	58.0
CBHB	0.240	(21.3)	48.3
MYEG	0.905	0.6	42.1
TANCO	0.930	1.6	41.1
LCTITAN	0.585	7.3	40.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.300	0.0	135.4
MAYBANK	9.890	0.1	81.1
GAMUDA	4.500	0.0	76.7
CIMB	6.870	0.0	58.7
SUNWAY	4.720	(1.0)	48.7

Currencies	Last Close	% Chg
USD/MYR	4.3007	(0.0)
USD/JPY	148.45	0.0
EUR/USD	1.1088	0.0
USD/CNY	7.2053	0.5
US Dollar Index	101.78	1.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	65.1	1.9
Gold (USD/troy oz)	3,236	(0.0)
CPO (MYR/metric t)	3,790	0.5
Bitcoin (USD/BTC)	102,438	(0.2)



Macro News

China: Consumer deflation extends in April as tariffs take toll

China's consumer deflation extended for a third month in April as punitive tariffs imposed by the US add to a drag on prices from weak domestic demand. The consumer price index fell 0.1% from a year earlier, the National Bureau of Statistics said on Saturday, similar to the drop in the previous month. It also matched the median forecast of economists surveyed by *Bloomberg*. Factory deflation persisted for a 31st month, with the producer price index recording a decline of 2.7%, compared with 2.5% in March. (*Bloomberg*)

EU: European leaders tell Putin to agree to Ukraine ceasefire or face new sanctions

Major European powers threw their weight behind an unconditional 30-day Ukraine ceasefire on Saturday, with the backing of US President Donald Trump, and threatened President Vladimir Putin with "massive" new sanctions if he does not accept within days. The leaders of Britain, France, Germany, Poland and Ukraine set the start of the ceasefire for Monday, May 12, at a meeting in Kyiv, during which they held a phone call with Trump. "So, all of us here together with the US are calling Putin out. If he is serious about peace, then he has a chance to show it," British Prime Minister Keir Starmer told a press conference. (*Reuters*)

EU: Considers bank-liquidity tweak to bolster securitisation

The European Commission is considering changes that would make it more appealing for banks to hold asset-backed securities as part of their emergency cash reserves. The move is part of a broader plan to revive Europe's €1.2tn (US\$1.4tn or RM5.8tn) securitisation market, which politicians hope can play a key role in financing areas like housing, energy, and defence. The European Union's executive arm circulated a set of potential proposals this week widening the criteria for securitisations that can be counted towards banks' high-quality liquid assets requirements beyond the AAA-rated senior portions already included. (*Bloomberg*)

US: Flock of Fed speakers show no eagerness to consider rate cuts

On a day when more than half of the Federal Reserve's (Fed) policymakers offered public remarks, not one made it sound like the US central bank was near lowering interest rates. "I am usually inclined to take action; but in this case, taking no action may be the best choice to balance the risks coming from further elevated inflation and a slowing labour market," Cleveland Fed president Beth Hammack said on Friday in remarks prepared for a conference at Stanford University's Hoover Institution in California. Hammack emphasised officials needed more time to evaluate the effects of tariffs and other government policies. (*Bloomberg*)

US: Trump opens door to tariffs on commercial aircraft, engines

The Trump administration is probing whether imported aircraft, jet engines and parts represent a threat to national security, a precursor to imposing new tariffs targeting the commercial aerospace industry. The Commerce Department announced the investigation, which started May 1, in a Friday filing. The probe targets commercial aircraft and jet engines as well as components according to the filing. The department did not immediately respond to a request for comment. Officials will look at "the concentration of US imports" of those items "from a small number of suppliers and the associated risks" as well as "the impact of foreign government subsidies and predatory trade practices on the competitiveness" of the industry, according to the notice. (*Bloomberg*)

US: Agree to lower tariffs in 90-day cool-off period between US and China

The US and China will temporarily lower tariffs on each other's products, according to a joint statement, in a move to cool trade tensions and give the world's two largest economies three more months to resolve their differences. The combined 145% US levies on most Chinese imports will be reduced to 30% including the rate tied to fentanyl by May 14, while the 125% Chinese duties on US goods will drop to 10%, according to the statement and officials in a briefing Monday in Geneva. "We are in agreement that neither side wants to decouple," Treasury Secretary Scott Bessent said, adding that "we had a very robust and productive discussion on steps forward on fentanyl" and that talks might lead to "purchasing agreements" by China. (*Bloomberg*)

Corporate News

CMSB: Sarawak tightening grip on strategic assets held by CMSB

Sarawak is consolidating control over key strategic assets currently under the umbrella of Cahya Mata Sarawak Bhd (CMSB), a conglomerate historically linked to the family of its former governor, the late Tun Abdul Taib Mahmud. With CMSB's influence waning and a bitter ongoing family feud over shareholdings, the state government's move to safeguard critical infrastructure, particularly in cement production and telecommunications, does not come entirely as a surprise. (*The Edge*)

I-Bhd: Another spark in i-City

I-Bhd is rolling out a single-tower freehold integrated development called Wyndham Suites i-City in its flagship 72-acre i-City master plan in Shah Alam, Selangor, this month. The 55-storey tower comprises the 200-room, five-star Wyndham Suites i-City hotel, which takes up Levels



39 to 55, as well as 312 branded residences from Levels 12 to 38. Both components have similar unit configurations with built-ups of 550 to 865 sq ft. The selling price of the branded residences is RM441,000 to RM719,000, or an average of RM800 psf. *(The Edge)*

Perak Transit: Inks MOU to manage Terminal Perlis Sentral for 15 years

Perak Transit Bhd (Perak Transit) has inked a memorandum of understanding with the Kangar Municipal Council, with the municipal council agreeing to appoint Perak Transit to manage Terminal Perlis Sentral for 15 years at an undisclosed contract value. The final definitive agreement relating to the collaboration will be finalised and signed in the near term. Both parties will cooperate on the management and operations of the bus terminal, according to Perak Transit's filing with Bursa Malaysia. *(The Edge)*

Yoong Onn: Fire breaks out at Yoong Onn's Singapore factory and warehouse

Yoong Onn Corp Bhd reported a fire outbreak at its 60%-owned subsidiary TC Homeplus Pte Ltd's factory and warehouse, which are located in a two-storey industrial building in Singapore. The incident, which occurred on Friday afternoon, was under control with no human casualties reported, the home linen and bedding accessories retailer said in a filing with Bursa Malaysia. The group noted that the Singapore Civil Defence Force is conducting operations at the site, and the probe into the cause of the fire is underway. *(The Edge)*

Muhibbah Engineering: Served arbitration notice over five-year-old terminated project

Muhibbah Engineering (M) Bhd (Muhibbah Engineering) has received an arbitration notice from a former subcontractor over a project that was terminated nearly five years ago. Haumea Offshore is claiming RM43.4m from Muhibbah Engineering over a terminated subcontract for hook-up and commissioning works and marine vessel services on the Yetagun Acid Gas Removal Unit project, according to Muhibbah Engineering's stock exchange filing on Friday. The oil and gas services provider said the subcontract was mutually terminated back in July 2020. *(The Edge)*

Pentamaster: Names Hon Tuck Weng as new CEO

Pentamaster Corp Bhd (Pentamaster) has appointed Hon Tuck Weng as its chief executive officer, effective Friday. Hon, 54, has been with the company for 30 years starting his career there as a software programmer back in March 1995, the automated test equipment and automation solutions firm said in a bourse filing. Since May 2007, he had served as operations director, whereby he was responsible for overseeing daily operations of the group's management information system, quality assurance and control, manufacturing facilities and internal systems and control functions, according to Pentamaster. *(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
EU – March's Industrial Production	May 15
EU – Q1's GDP Growth Rate	May 15
Malaysia – Q1's GDP Growth Rate	May 16
EU – March's Balance of Trade	May 16
<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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