



# Daily Newswatch

## Market Review

The FBMKLCI closed lower (-0.3% to 1,519.0), diverging from the broader regional uptrend despite strong gains across major Asian markets. Domestic sentiment remained cautious, dragged by profit-taking in heavyweight banking stocks. The release of the latest US Federal Reserve meeting minutes reaffirmed a cautious policy stance, tempering market expectations for a near term rate cut. This, in turn, exerted upward pressure on global bond yields, weighing on the valuation of interest rate sensitive sectors such as banking. Among the major index constituents, TM (-3.8%), HLFGB (-2.6%) and RHBBANK (-2.3%). Between the sector, Construction (-0.8%) led the decline and followed by Telecommunication & Media (-0.8%) and Transportation & Logistics (-0.5%). Nonetheless, the broader market breadth was neutral with 478 losers versus 466 gainers

Asian equities closed mostly firmer on Thursday, buoyed by broad-based gains in the technology sector following Nvidia's stronger-than-expected 1Q earnings and revenue, which helped ease investor concerns over a potential slowdown in China. Risk sentiment was further supported by a decision from the U.S. Court of International Trade, which ruled against the implementation of President Donald Trump's proposed "Liberation Day" import tariffs, stating that the president lacked "unbounded authority" to impose duties on a wide range of foreign imports. The legal development was well-received by markets, alleviating some geopolitical trade tension and contributing to improved risk appetite across the region. As a result, Shanghai CI advanced 0.7% to close at 3,363.45 while the HSI also bucked the similar trend and climbed 1.4% to settle at 23,578.4.

European equities surrendered early gains to end lower on Thursday, as initial optimism faded amid persistent trade policy uncertainties. Early session strength was driven by news that a U.S. federal court blocked President Donald Trump's proposed "reciprocal tariffs," ruling that the administration had exceeded its authority under emergency economic powers. However, sentiment waned after the Trump administration immediately appealed the ruling, raising the prospect of a prolonged legal battle that could escalate to the U.S. Supreme Court. Consequently, EURO 50 closed 0.2% lower at 547.9.

U.S. equities closed on a firm footing Thursday, supported by upbeat earnings from Nvidia and favourable trade policy developments. Nvidia's strong fiscal first quarter results, surpassing consensus estimates on both revenue and earnings, sparked buying interest, particularly within the tech sector. Additionally, investor sentiment was buoyed by a U.S. federal court ruling that blocked President Donald Trump's proposed reciprocal tariffs on imports, citing executive overreach. Consequently, the Dow advanced 0.3% to close at 42,215.7, the Nasdaq gained 74.9 points, or 0.4% , to settle at 19,175.87, while the S&P 500 added 23.6 points, or 0.4%, to finish at 5,912.17. On the data front, US GDP contracted 0.2% in the first quarter, slightly less than initially estimated.

## Macro Snapshots

- US:** Elon Musk leaving Trump administration, White House official confirms
- US:** Court blocks Trump's tariffs, says president exceeded his authority
- US:** Says Fannie Mae to keep US guarantee as public firm
- US:** GDP Growth Rate 1Q25

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,519.0	(0.3)	(7.5)
Dow Jones	42,215.7	0.3	(0.8)
Nasdaq CI	19,175.9	0.4	(0.7)
S&P 500	5,912.2	0.4	0.5
SX5E	5,371.1	(0.1)	9.7
FTSE 100	8,716.5	(0.1)	6.6
Nikkei 225	38,433.0	1.9	(3.7)
Shanghai CI	3,363.4	0.7	0.3
HSI	23,573.4	1.4	17.5
STI	3,916.8	0.1	3.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,308.7	32.0
Value traded (RM m)	2,220.5	8.9
Gainers	416	
Losers	397	
Unchanged	591	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PERMAJU	0.010	(33.3)	160.0
NATGATE	1.440	(8.9)	121.1
VELESTO	0.185	5.7	60.0
NEXG	0.375	2.7	38.4
MYEG	0.890	0.0	37.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
NATGATE	1.440	(8.9)	182.2
TM	6.590	(3.8)	122.1
RHBBANK	6.520	(2.2)	101.3
MAYBANK	9.870	0.3	88.5
PBBANK	4.310	(0.5)	86.1

Currencies	Last Close	% Chg
USD/MYR	4.2432	(0.4)
USD/JPY	143.99	0.2
EUR/USD	1.1374	0.0
USD/CNY	7.1861	0.1
US Dollar Index	99.28	(0.6)

Commodities	Last Close	% Chg
Brent (USD/barrel)	64.2	(1.2)
Gold (USD/troy oz)	3,315	(0.1)
CPO (MYR/metric t)	3,909	(0.5)
Bitcoin (USD/BTC)	106,020.1	(0.1)



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- **Malaysia:** Asean green initiatives can generate additional US\$300bn by 2030, says Zafrul
- **Malaysia:** Asean private market association set to launch by year end, says Nazir Razak
- **Korea:** Cuts rates to shore up economic recovery

## Corporate Snapshots

- **HHRG:** To inject RM10m into stalled Terengganu mixed development project
- **Bank Islam:** issues eighth tranche of RM250m sukuk murabahah
- **Sunway Construction:** Bags two data centre contracts worth RM1.2bn from US-based tech firm
- **Jati Tinggi:** Wins RM161m data centre contract
- **Samaiden:** Signs long-term lease for Kelantan solar project
- **Bursa Malaysia:** In partnership to facilitate foreign-underlying ETF listings

## Macro News

### US: Elon Musk leaving Trump administration, White House official confirms

Billionaire and Tesla chief executive officer Elon Musk is leaving the Trump administration after a tumultuous period working to restructure the federal government, a White House official confirmed. A White House official told Reuters that it was accurate that Musk is leaving the administration and his "off-boarding will begin tonight". Musk on Wednesday thanked US President Donald Trump, as his time as a special government employee as a part of the Department of Government Efficiency (DOGE) draws to an end, he said in a post on social media platform X. *(Bloomberg)*

### US: Court blocks Trump's tariffs, says president exceeded his authority

A US trade court blocked President Donald Trump's tariffs from going into effect in a sweeping ruling on Wednesday, that found the president overstepped his authority by imposing across-the-board duties on imports from US trading partners. The Court of International Trade said the US Constitution gives Congress exclusive authority to regulate commerce with other countries that is not overridden by the president's emergency powers to safeguard the US economy. "The court does not pass upon the wisdom or likely effectiveness of the president's use of tariffs as leverage," a three-judge panel said in the decision to issue a permanent injunction on the blanket tariff orders issued by Trump since January. "That use is impermissible not because it is unwise or ineffective, but because [federal law] does not allow it." *(Bloomberg)*

### US: Says Fannie Mae to keep US guarantee as public firm

President Donald Trump said that the US government would retain guarantees and an oversight role over Fannie Mae and Freddie Mac even as he pursues a public offering for the mortgage giants. "I am working on TAKING THESE AMAZING COMPANIES PUBLIC, but I want to be clear, the US Government will keep its implicit GUARANTEES, and I will stay strong in my position on overseeing them as President," Trump wrote Tuesday night in a post on his Truth Social platform. The companies, which play a crucial role in the market for mortgage-backed securities, have been under government conservatorship since the 2008 financial crisis. Fannie and Freddie have both returned to steady profitability, with earnings being retained. Shares of both surged last week when Trump said he was considering a public offering. *(Bloomberg)*

### US: GDP Growth Rate 1Q25

The US economy contracted at an annualized rate of 0.2% in Q1 2025, a slight improvement from the initial estimate of a 0.3% decline, but still marked the first quarterly GDP contraction in three years. The upward revision was driven by stronger-than-expected fixed investment, which partially offset weaker consumer spending and a larger-than-anticipated drag from trade. Imports of goods and services soared 42.6% as businesses and consumers rushed to stockpile goods in anticipation of higher prices following a series of tariff announcements by the Trump administration. Additionally, consumer spending growth slowed to 1.2%, the weakest pace since Q2 2023, while federal government spending dropped 4.6%, the steepest decline since Q1 2022. In contrast, fixed investment rose by 7.8%, the strongest gain since mid-2023, and exports increased 2.4%. *(Trading Economics)*



**Malaysia: Asean green initiatives can generate additional US\$300bn by 2030, says Zafrul**

Asean could generate an additional US\$300bn (RM1.3tn) annually in green revenues and unlock up to US\$1.5tn in new value by 2030 with advancing green investments and cross-border collaboration in regional power grids, carbon markets, and clean energy incentives. Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said Malaysia's green investment strategy delivered close to 1,000 approved projects in 2024, channelling RM20.8bn into the economy and creating thousands of future-ready jobs. "We are pushing for key frameworks and regulatory provisions to put our green ambition into action. (*The Edge*)

**Malaysia: Asean private market association set to launch by year end, says Nazir Razak**

A new private market association is expected to be set up by year end to advise Asean governments on policies that support the growth of the industry, said banker-turned-investor Tan Sri Nazir Razak. A pro-tem committee — comprising members from Malaysia, Singapore, Thailand, and Indonesia — has already been formed and is working towards the formal establishment of the association by year end, said Nazir, who chairs the Asean Business Advisory Council (Asean-BAC) Malaysia. Among the issues that can be discussed are market fragmentation, and rules on taxation and ownership for the growth of the private market industry, Nazir told reporters on the sidelines of the Asean Business Forum 2025 on Thursday. (*The Edge*)

**Korea: Cuts rates to shore up economic recovery**

South Korea's central bank cut interest rates for a fourth time in the current easing cycle on Thursday, just days ahead of a snap presidential election, to bolster an economic recovery that has been clouded by US tariffs. The Bank of Korea's (BOK) seven-member board voted to cut its benchmark interest rate to 2.5% at its monetary policy review, an outcome expected by all 36 economists polled by *Reuters*. The BOK also published its quarterly update of macroeconomic forecasts, which predicted much weaker economic growth for this year, at 0.8%, down from February's 1.5%. (*Bloomberg*)

## Corporate News

**HHRG: To inject RM10m into stalled Terengganu mixed development project**

HHRG Bhd which is currently facing a boardroom dispute, plans to invest RM10m into a stalled mixed development project in Kuala Terengganu, originally set to be completed by August 2024. The project, on state-owned land in Kampung Ladang Tanjung, includes two 25-storey towers with 372 serviced apartments, nine retail shops, and six levels of parking. According to a filing with Bursa Malaysia, the land is owned by the Terengganu state housing trust (Lembaga Tabung Amanah Warisan Negeri Terengganu), which had earlier signed a joint development deal in 2018 with one of HHRG's new partners, Udaran Sdn Bhd. Udaran is now seeking to extend the project deadline to no earlier than August 2028. HHRG's wholly owned subsidiary, Open Road Sdn Bhd, will form an unincorporated joint venture with Udaran and Tregon Construction Sdn Bhd to manage and complete the project. OREC will receive 51% of the profits, with Udaran getting the remaining 49%. Udaran will also provide OREC a RM5m performance guarantee after the joint venture conditions are met. (*The Edge*)

**Bank Islam: issues eighth tranche of RM250m sukuk murabahah**

Bank Islam Malaysia Bhd has issued its eighth tranche of RM250m subordinated sukuk murabahah under its RM10bn sukuk murabahah programme. In a statement on Wednesday, the bank said the sukuk murabahah qualifies as Tier 2 capital under Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (Capital Components). "This issuance demonstrates Bank Islam's proactive capital management strategy and forms a key component of its long-term funding and capital planning initiatives," it said. (*The Edge*)

**Sunway Construction: Bags two data centre contracts worth RM1.2bn from US-based tech firm**

Sunway Construction Group Bhd has secured two work orders valued at RM1.2bn to undertake general contractor services for two data centre projects awarded by a US-based technology company. The projects are scheduled to begin immediately, with final completion targeted for February 2027, SunCon said in its filing. SunCon has secured RM3.5bn in new orders so far this year, representing over half of its 2025 order book replenishment target range of RM4.5 billion to RM6 billion. Consequently, its total outstanding order book has increased to RM7.9bn. "The projects win further expand the group's order book for the year and fortify earnings visibility over the next 2 years. (*The Edge*)

**Jati Tinggi: Wins RM161m data centre contract**

Jati Tinggi Group Bhd has received a letter of acceptance from Tenaga Nasional Bhd or TNB to establish 275 kilovolts (kV) bulk supply connection to a data centre in Johor, for RM161.5m. In a filing with Bursa Malaysia, the infrastructure and engineering firm said the scope of works consist of a new transmission main intake 275kV works, relay and retrofitting works and reconfiguration works. "The contract shall be effective from May 27, 2025 and shall be completed within 540 days from the commencement date of the contract which will be determined later." Jati Tinggi said the letter of acceptance is expected to contribute positively to the future earnings, earnings per share and net assets per share of the company over the duration of the contract. (*The Star*)

**Samaiden: Signs long-term lease for Kelantan solar project**

Samaiden Group Bhd's (Samaiden) wholly-owned unit, Samaiden Legasi Timur Sdn Bhd, has signed a long-term lease agreement with

Perbadanan Kemajuan Iktisad Negeri Kelantan for the development of a large-scale solar photovoltaic (LSS) power plant under Malaysia's LSS5 programme. The renewable energy company said the lease agreement covers approximately 400 acres of land in Pasir Mas, Kelantan, marking a major milestone for Samaiden. "The land will be utilised to construct and operate a solar energy facility with a maximum export capacity of 99.99 megawatts of alternating current, to supply clean electricity to Tenaga Nasional Bhd under a Power Purchase Agreement. "The lease is for 23 years, inclusive of a two-year construction period, and will commence upon fulfilment of several conditions precedent, including the successful award of the LSS5 project by the Energy Commission," it said in a statement. *(The Edge)*

### Bursa Malaysia: In partnership to facilitate foreign-underlying ETF listings

Bursa Malaysia Bhd has signed a memorandum of understanding (MOU) with Shanghai-based Fullgoal Asset Management (HK) Ltd and financial service provider CGS International Securities Malaysia Sdn Bhd to facilitate the listing of foreign-underlying exchange-traded funds (ETFs) on Bursa Malaysia. The tripartite collaboration, unveiled at the Asean Business Forum 2025, is set to broaden the investment options available to Malaysian investors and enhancing access to global markets. In a statement issued on Thursday, Bursa Malaysia noted that the collaboration forms part of its broader efforts to strengthen the local ETF ecosystem. *(The Edge)*

Upcoming key economic data releases	Date
US – April's Core PCE Price Index	May 30
<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		
ICT Zone Asia Berhad	ACE Market	0.20	133.0	21.0	20 May	3 Jun
Signature Alliance Group Berhad	ACE Market	0.62	260.0	0.0	21 May	5 Jun
<a href="#">Hartanah Kenyalang Berhad</a>	ACE Market	0.16	120.9	77.5	27 May	09 Jun
Paradigm REIT	Main Market	1.00	865.3	0.0	23 May	10 Jun
<a href="#">Cuckoo International (Mal) Bhd</a>	Main Market	1.29	143.3	222.1	5 Jun	24 Jun

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