



# Daily Newswatch

## Market Review

The FBM KLCI slipped 0.3% to close at 1,743 points on Wednesday, as investors switch to risk-off mode following overnight losses in the US amid uncertainty in AI valuations. Technology (-1.4%) led the declines, followed by Telecommunications & Media (-0.9%) and Utilities (-0.8%) as the broader market were mostly in red. Among index constituents, Petronas Chemicals, YTL Power and YTL Corp were the underperformers, dropping 2.7%, 2.4% and 1.9% respectively. Overall market breadth remain bearish, as losers outnumbered gainers 602 to 461, with 559 counters remain unchanged.

Major Asian markets extended their gains on Wednesday, as bargain hunting prevailed amid sector rotation. The Shanghai Composite added 0.9% to 4,102 points, the Hang Seng Index inched 0.1% higher to 26,847 points, Taiwan's TAIEX rose 0.3% to 32,290 points, and South Korea's KOSPI reached record high, adding 1.6% to 5,371 points. The Chinese markets saw Energy (+3.6%), Real Estate (+2.6%) and Consumer Staples (+2.4%) leading sectorial gains as Changzhou Shicuang Energy (+20%), Jinko Solar (+20%) and Beijing Sinohytec (+10.9%) emerged as top gainers in the composite. Meanwhile, the KOSPI was boosted by strength in autos, batteries and industrial names as Hyundai Motor (+2.5%), LG Energy Solution (+2.9%), SK Square (+4.2%), Hanwha Aerospace (+1.9%), and Doosan Enerbility (+5.8%) advanced.

European stock indices were mixed on Wednesday, with divergent outcomes from the continent's major corporations. The Eurozone's STOXX 50 fell 0.4% to 5,971, while the pan-European STOXX 600 jumped 0.2% to a new record high of 619.

Wall Street extended their losses on Wednesday as the S&P 500 closed 0.3% lower, while the Nasdaq lost 1.6%, extending their losses from Wednesday as continued weakness in technology prompted a broader risk-off tone. Selling accelerated across semiconductors when AMD fell 17.3% on a dismal outlook, pulling the overall chip complex down alongside significant drops in Micron (-9.5%), Broadcom (-3.8%), Lam Research (-8.8%), and Applied Materials (-6.6%). Software stocks were under pressure as investors reassessed the competitive and pricing issues associated with accelerated AI deployment. Meanwhile, softer macroeconomic indications provided no relief, as the ADP data revealed that private payroll growth fell drastically to just 22K in January, underscoring concerns of cooling labor demand amid an ongoing shift away from high-growth technology stocks.

## Macro Snapshots

- **US:** Private payrolls increase modestly in January, ADP says
- **CN:** Services gauge expands at faster rate despite frail demand
- **EU:** To offer US critical minerals partnership to check China
- **MY:** Exploring trading opportunities with new countries while keeping ties with US, China

## Corporate Snapshots

- **MAHSING:** To revive two stalled RMKU projects in Penang
- **SCGBHD:** Tenaga contract rises to RM524m with RM121m variation order
- **AMEREIT:** Extends record quarterly net property income, declares 2.06 sen distribution
- **IOIPG:** Selling industrial land in Banting to data centre developer for RM741m

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,742.8	(0.3)	3.7
Dow Jones	49,501.3	0.5	3.0
Nasdaq CI	22,904.6	(1.5)	(1.5)
S&P 500	6,882.7	(0.5)	0.5
SX5E	5,970.5	(0.4)	3.1
FTSE 100	10,402.3	0.9	4.7
Nikkei 225	54,293.4	(0.8)	7.9
Shanghai CI	4,102.2	0.8	3.4
HSI	26,847.3	0.0	4.7
STI	4,965.5	0.4	6.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,594.5	(20.1)
Value traded (RM m)	2,860.0	(14.3)
Gainers	461	
Losers	662	
Unchanged	559	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PHRM	0.325	0.0	151.0
ZETRIX	0.800	(1.8)	59.7
NETX	0.055	22.2	56.8
TANC	1.340	0.8	56.3
CAPITALA	0.595	0.0	42.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	11.940	0.0	326.3
PBK	4.910	(0.8)	140.1
CIMB	8.500	(0.7)	125.9
PMAH	7.660	(0.8)	116.5
PBK	4.910	(0.8)	140.1

Currencies	Last Close	% Chg
USD/MYR	3.933	0.0
USD/JPY	156.820	0.0
EUR/USD	1.181	(0.0)
USD/CNY	6.944	(0.1)
US Dollar Index	97.646	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.7	2.0
Gold (USD/troy oz)	4,964.9	0.4
CPO (MYR/metric t)	4,141.0	0.0
Bitcoin (USD/BTC)	73,288.4	0.9

Source: Bloomberg



## Macro News

### US: Private payrolls increase modestly in January, ADP says

US private payrolls increased less than expected in January, the ADP's national employment report showed on Wednesday. Private employment rose by 22,000 jobs last month after a downwardly revised 37,000 increase in December. Economists polled by *Reuters* had forecast private employment advancing by 48,000 jobs after a previously reported 41,000 gain in December. The ADP report is jointly developed with the Stanford Digital Economy Lab. It has been a poor predictor of the Bureau of Labor Statistics' private payrolls estimate. The BLS' more comprehensive and closely watched employment report for January, which was due for release on Friday, has been delayed by the partial shutdown of the federal government. (*Reuters*)

### US: Hosts countries for talks to weaken China's grip on critical minerals

The United States will host more than 50 countries on Wednesday for talks aimed at boosting their access to critical minerals, in a bid to loosen China's grip over vital industrial inputs that has allowed it to control global supply chains. The gathering comes after President Donald Trump on Monday launched a strategic stockpile of critical minerals, called Project Vault, backed by USD10bn (RM39.3bn) in seed funding from the US Export-Import Bank and USD2bn in private funding. China has wielded its chokehold on the processing of many minerals as geo-economic leverage, at times curbing exports and suppressing prices and undercutting other countries' ability to diversify sources of the materials used to make semiconductors, electric vehicles and advanced weapons. (*Reuters*)

### US: US Mortgage Rates Edge Down: MBA

The average contract rate on 30-year fixed-rate mortgages for conforming loans of USD806,500 or less in the US fell to 6.21% in the week ended January 30, compared to a four-week high of 6.24% in the previous period, according to the Mortgage Bankers Association. Still, mortgage applications declined 8.9%, extending an 8.5% drop in the previous week, with the winter storm taking a toll. Refinancing applications went down 4.7%, after a 15.7% drop and the purchase index tumbled 14.4% after decreasing 0.4%. "Winter Storm Fern likely had an impact as much of the country was snowed in, hampering homebuying activity. The annual increase in purchase applications was the weakest since April 2025," said Joel Kan, MBA's VP. (*Trading Economics*)

### US: US 10-Year Yield Approaches 5-Month High

The yield on the 10-year US Treasury note rose to the 4.29% mark, near the five-month high of 4.3% on January 20th after the US Treasury maintained its guidance on Treasuries issuance for the upcoming quarters. The Treasury maintained a larger portion of borrowing in short term bills instead of longer-maturity bonds in an attempt to ease the debt burden of elevated interest rates. The announcement also contrasted with some expectations that the Treasury could reduce the supply of duration to tame long-term yields in President Trump's effort to reign in mortgage rates. Recently, Treasuries were also pressured by Trump's nomination of Kevin Warsh as the next Fed Chairman, who had previously advocated for a small balance sheet by the central bank. Yields also increased on a strong manufacturing sector reflected by the ISM PMI. However, data from the ADP, which is under higher scrutiny due to the delay of the January BLS jobs report, maintained a slow hiring labor market. (*Trading Economics*)

### CN: Services gauge expands at faster rate despite frail demand

China's services activity picked up after growing at a slower rate for four straight months, a private survey showed, suggesting that pockets of the economy are seeing renewed momentum despite a rocky start to the year. The RatingDog China services purchasing managers' index rose to 52.3 in January from 52 in the prior month, according to a statement published Wednesday. The median forecast of economists surveyed by *Bloomberg* was for no change from December, with any reading above 50 indicating an expansion. The data contrasts with a picture of an economy that got off to a wobbly start to 2026, with official PMI gauges of manufacturing, construction and services all signalling a contraction in January. With trade tensions still rife, China is looking to build up its consumer sector into a key engine of growth by bolstering incomes and domestic demand. (*Bloomberg*)

### EU: To offer US critical minerals partnership to check China

The European Union (EU) will pitch the US on a critical minerals partnership to curb China's influence, looking to shape the Trump administration's push to strike global agreements this week. The EU is prepared to sign a memorandum of understanding with the US to develop a "strategic partnership road map" within three months, according to people familiar with the matter. The partnership aims to jointly find ways to source critical minerals, which are needed for most modern technologies, without relying on China. Both the US and EU have become tethered to abundant, cheap Chinese minerals, giving Beijing leverage over their supply chains. (*Bloomberg*)

### MY: Exploring trading opportunities with new countries while keeping ties with US, China — PM

Guided by national interests, Malaysia will continue to aggressively explore market and trade opportunities with new countries while maintaining existing good relations with the US and China, said Prime Minister Datuk Seri Anwar Ibrahim. The prime minister said this is to create more new jobs for Malaysians and to boost the country's economic momentum. "In recent years, we have been active in South Africa and Brazil, and we have gained new opportunities. For example, there are large oil investments in Brazil and Peru. (*Bernama*)



**MY: Govt mulling expansion of Sara to include frozen food items — Amir Hamzah**

The government will review improvements to the implementation of the *Sumbangan Asas Rahmah* (Sara) aid, including a proposal to expand the scope of permitted goods to include frozen food products, says Finance Minister II Datuk Seri Amir Hamzah Azizan. He said the matter would be discussed with the Sara implementation team to assess the suitability of the proposal before any decision was made. “*Insyallah*, in the future, we will announce the expansion to frozen goods that will be permitted under SARA,” he said when winding up the debate on the motion of thanks for the royal address for the Ministry of Finance in the Dewan Rakyat on Wednesday. (*Bernama*)

**MY: Malaysia My Second Home: 744 participants bought homes in country, says minister**

A total of 744 Malaysia My Second Home (MM2H) participants have purchased homes in the country under the programme as of Dec 31, 2025, said Tourism, Arts and Culture Minister Datuk Seri Tiong King Sing. He said participants from the top 10 countries who have purchased homes in Malaysia under the MM2H programme comprised 304 Chinese nationals, followed by Taiwan (91), Singapore (63), the US (41), the UK (40), Hong Kong (34), Australia (29), Bangladesh (19), South Korea (15), as well as Indonesia and Japan with 14 each. “A further 2,637 MM2H participants are still in the process of purchasing homes, including finalising sale and purchase agreements and identifying suitable home locations,” he said during a question-and-answer session in the Dewan Rakyat on Wednesday. (*Bernama*)

## Corporate News

**MAHSING: To revive two stalled RMKU projects in Penang**

Mah Sing Group Bhd has been appointed as financier for the revival and completion of two *Rumah Mutiaraku* (RMKU) affordable housing projects in Balik Pulau, Penang. According to a press statement issued on Monday, the two projects — Pangsapuri Sri Bayu and RMKU Pangsapuri Quinton — comprise a total of 625 units and were launched in 2017 but left incomplete. Baker Tilly Insolvency PLT has been appointed as liquidator to manage the process. (*The Edge*)

**SCGBHD: Tenaga contract rises to RM524m with RM121m variation order**

Southern Cable Group Bhd has secured an additional RM121.1m in variation orders from Tenaga Nasional Bhd (TNB) for the supply of underground power cables and conductors, raising the total value of its ongoing contract to RM524.6m. The new orders follow Tenaga’s decision to increase procurement under an existing contract awarded in February 2025, the cables and wires manufacturer said in a press statement on Wednesday. The original RM403.6m contract — undertaken by wholly-owned unit Southern Cable Sdn Bhd for Tenaga’s distribution network division — allows the utility company to request up to 30% of the contract price in additional orders before expiry. (*The Edge*)

**AMEREIT: Extends record quarterly net property income, declares 2.06 sen distribution**

AME Real Estate Investment Trust reported on Wednesday a 23% year-on-year increase in net property income (NPI) for the latest quarter, thanks to higher rental income from newly acquired properties and positive rental reversions. NPI for the third quarter ended Dec 31, 2025 (3QFY2026) rose to RM14.4m from RM11.7m, according to the REIT in a filing with Bursa Malaysia. Revenue climbed 25% to RM16.0m, while net profit increased 4.5% to RM9.6m. “Our 3QFY2026 performance marks a second consecutive quarter of record NPI, underscoring the sustained growth momentum of our industrial portfolio and validating our yield-accretive acquisition strategy,” said Chan Wai Leo, the CEO and executive director of AME REIT’s manager I REIT Managers Sdn Bhd. (*The Edge*)

**IOIPG: Selling industrial land in Banting to data centre developer for RM741m**

IOI Properties Group Bhd said it has signed a deal to sell 136 acres of land at its industrial park in Banting, Selangor to a data centre developer for RM740.7m. The acquisition of the land by Bridge Data Centres Malaysia VII Sdn Bhd (BDC) reflects continued demand for the group’s industrial park offerings, said IOI Properties group CEO Datuk Lee Yeow Seng in a statement on Wednesday. “The strategic location of our 322-acre industrial park with major highways and the near connectivity to Kuala Lumpur International Airport and Port Klang provides a strong factor of choice,” said Lee. “And by having a complete and ready infrastructure at our IOI Industrial Park @ Banting, the burden of setting up has eased.” (*The Edge*)

**BNASTRA: Bags RM503m data centre job in KL**

Binastra Corp Bhd has secured a RM503m contract for the proposed development of a data centre in Jalan Sri Permaisuri, Kuala Lumpur. The contract involves the design, construction, testing and commissioning, as well as maintenance and guarantee works on a turnkey basis, a Bursa Malaysia filing on Wednesday showed. The scope also includes foundation, sub-structure, main building and infrastructure works. The award “marks the continuity of the data centre job flow from our clients”, said Binastra managing director Datuk Jackson Tan Kak Seng. (*The Edge*)



Upcoming key economic data releases	Date
US Initial Jobless Claims	Feb 05
US Average Hourly Earnings (MoM) (Jan)	Feb 06
US Nonfarm Payrolls (Jan)	Feb 06
US Unemployment Rate (Jan)	Feb 06
<i>Source: Bloomberg</i>	

## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	4.59	0.65	14.16
Bonia Corporation	Consumer	0.90	0.11	12.67
Taliworks Corporation	Utilities	0.46	0.05	10.87
Sentral REIT	REIT	0.80	0.06	8.00
MBM Resources	Consumer	5.24	0.41	7.81
Paramount Corporation	Property	1.05	0.08	7.62
Ta Ann Holdings	Plantation	4.63	0.35	7.56
KIP REIT	REIT	0.95	0.07	7.26
MAG Holdings	Consumer	1.31	0.09	7.25
Magnum	Consumer	1.31	0.09	7.25
CapitaLand Malaysia Trust	REIT	0.68	0.05	7.21
Sports Toto	Consumer	1.31	0.08	6.34
Kim Loong Resources	Plantation	2.40	0.15	6.25
Wellcall Holdings	Ind. Prod.	1.35	0.08	6.07
UOA Development	Property	1.89	0.11	5.82

*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		
Ambest Group Berhad	ACE Market	0.25	110.0	41.0	27 Jan	06 Feb
Kee Ming Group Berhad	ACE Market	0.38	66.6	16.3	27 Jan	12 Feb
Hock Soon Capital Berhad	Main Market	0.60	100.0	50.0	30 Jan	13 Feb
Teamstar Berhad	ACE Market	0.26	132.0	72.0	09 Feb	25 Feb

*Source: Bursa Malaysia*

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