



Daily Newswatch

Market Review

The FBM KLCI added 0.6% on Thursday, to extend its gains to 1,752 points. Broader market was positive, as sectorial gains were led by Industrial Services (+2.1%), Electronic Technology (+2.0%) and Energy Minerals (+1.9%). Similarly, most index constituents closed higher, with YTL Corp (+3.5%), Sime Darby (+2.6%) and YTL Power (+2.3%) emerging as top gainers. Overall market breadth turned positive, as gainers outweighed losers 748 to 288, with 503 counters left unchanged.

Both Japan's Nikkei 225 and South Korea's KOSPI closed higher on Thursday, amid overnight rally in US tech shares as valuation concerns ease. The Nikkei 225 added 0.6% to close at 57,468 points while the KOSPI made an all-time high, surging 3.1% to close at 5,677 points. Real Estate (+2.5%), Energy (+2.1%) and Materials (+2.0%) buoyed the Japanese markets, as Yokohama Rubber rallied 13.2% to emerge as the top gainer. Meanwhile, Health Services (+5.6%), Process Industries (+4.9%) and Producer Manufacturing (+4.0%) led sectorial gains in the South Korean markets. Technology stocks lifted the KOSPI, with Samsung Electronics and SK Hynix climbing 4.3% and 1.7%, respectively. Other significant gainers included Hyundai Motor (3.01%), LG Energy Solution (2.15%), SK Square (1.43%), Kia Corp (3.41%), and HD Hyundai Heavy Industries (5.71%), indicating a broad rally. Sentiment was also boosted by continued worldwide demand for advanced memory chips, emphasizing Korea's importance in the artificial intelligence supply chain. Despite ongoing concerns about exchange rate volatility and trade uncertainties, significant gains among technology heavyweights maintained upward momentum. The Shanghai Composite, TAIEX and Hang Seng will resume trading on 24/2, 23/2, and 20/2 2026 respectively.

European markets closed sharply lower on Thursday, retreating from record highs set the day before, weighed down by dismal earnings data and predictions that the Federal Reserve will keep interest rates high for an extended length of time. The Eurozone STOXX 50 fell 0.8% to 6,054, while the pan-European STOXX 600 sank 0.6% to 624.

Wall Street weakened on Thursday, as the S&P 500 finished down 0.3%, the Nasdaq CI down 0.3%, and the Dow declined 0.5% as investors reduced risk after the FOMC minutes indicated that disinflation may take longer and higher rates may be required. Longer-dated yields rose, as crude surged in response to the Iran standoff and President Trump's warnings about military strikes, boosting energy stocks but putting pressure on banks. Asset managers fell as Blue Owl (-5.9%) reduced investor liquidity and liquidated \$1.4 billion in loan assets, while Blackstone and Apollo fell 5.4% and 5.2%, respectively. Software names such as Salesforce, Intuit, and Cadence fell between 1.3% and 2.8% due to fresh concerns about AI disruption. Bank of America and Wells Fargo fell 1.1% each.

Macro Snapshots

- **US:** Fed minutes downplay impact of Trump mortgage buying on housing
- **CN:** IMF warns economic policies are 'causing damage to others'
- **JP:** Japan Machinery Orders Rise at Record Pace
- **MY:** Headline inflation steady at 1.6% in January 2026

Corporate Snapshots

- **HTPADU:** Hit with RM5m suit over contract dispute
- **MISC:** To deliver and operate Papua New Guinea's first FSO unit
- **FBG:** Bags RM238m contract to build 25-storey hotel
- **BPURI:** To exit Latar with stake sale to partner Mohamed Raffae

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,752.1	0.6	4.3
Dow Jones	49,395.2	(0.5)	2.8
Nasdaq CI	22,682.7	(0.3)	(2.4)
S&P 500	6,861.9	(0.3)	0.2
SX5E	6,059.6	(0.7)	4.6
FTSE 100	10,627.0	(0.6)	7.0
Nikkei 225	57,467.8	0.6	14.2
Shanghai CI	4,082.1	(1.3)	2.9
HSI	26,705.9	0.5	4.2
STI	5,001.6	1.3	7.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,040.9	12.9
Value traded (RM m)	2,518.4	38.8
Gainers	748	
Losers	288	
Unchanged	503	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZETRIX	0.855	0.6	166.7
TANC	1.440	0.7	52.1
99SMART	3.500	(6.2)	38.7
SIME	2.400	2.6	33.3
CAPITALA	0.605	1.7	28.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	12.060	1.0	264.3
CIMB	8.470	1.1	154.4
ZETRIX	0.855	0.6	143.2
99SMART	3.500	(6.2)	137.7
PBK	5.060	0.2	120.2

Currencies	Last Close	% Chg
USD/MYR	3.909	(0.2)
USD/JPY	155.180	(0.1)
EUR/USD	1.177	(0.0)
USD/CNY	6.905	(0.1)
US Dollar Index	97.925	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.7	1.9
Gold (USD/troy oz)	4,997.5	0.0
CPO (MYR/metric t)	4,103.0	0.2
Bitcoin (USD/BTC)	66,941.9	0.1

Source: Bloomberg



Macro News

US: Fed minutes downplay impact of Trump mortgage buying on housing affordability

An effort launched by the Trump administration to improve home borrowing costs is not coming to much so far, meeting minutes from the Federal Reserve's (Fed) Jan 27-28 meeting, released on Wednesday, said. The minutes, describing a briefing by the New York Fed official responsible for implementing monetary policy, noted that plans by the administration to buy mortgage bonds had caused "a notable decline in mortgage-backed securities yields relative to those on comparable-maturity Treasury yields." Despite that move in the market, the official "observed that the decline was unlikely to result in a material increase in mortgage refinancing because current mortgage rates are well above the weighted average rate of outstanding mortgages," the minutes said. *(Reuters)*

US: Weekly jobless claims fall more than expected amid labour market stability

The number of Americans filing new applications for unemployment benefits fell more than expected last week, consistent with a stabilising labour market. Initial claims for state unemployment benefits dropped 23,000 to a seasonally adjusted 206,000 for the week ended Feb 14, the Labor Department said on Thursday. Economists polled by *Reuters* had forecast 225,000 claims for the latest week. Last week's drop marked a significant decline in claims since they jumped to 232,000 at the end of January. Minutes of the Federal Reserve's Jan 27-28 policy meeting published on Wednesday showed the "vast majority of participants judged that labor market conditions had been showing some signs of stabilisation." Still, concerns over downside risks to the labour market remained. *(Reuters)*

US: Trade deficit widens, capping one of biggest since 1960

The US trade deficit widened in December, capping a turbulent year of erratic tariff policy. The goods and services trade gap expanded from the prior month to USD70.3bn (274.2bn), Commerce Department data showed on Thursday. The shortfall culminated in a full-year deficit of USD901.5bn, still one of the largest in data back to 1960. The December deficit reflected a 3.6% increase in the value of imports. Exports of goods and services declined 1.7%. The median estimate in a Bloomberg survey of economists called for a USD55.5bn overall shortfall. *(Bloomberg)*

CN: IMF warns economic policies are 'causing damage to others'

The International Monetary Fund (IMF) faulted China's economic policies for causing waste at home and damage abroad and called for a reorientation by Beijing to embrace a model based on domestic consumer spending. "Transitioning to a consumption-led growth model should be the overarching priority," the IMF's executive directors said in a statement Wednesday released alongside the Washington-based lender's annual review of China's economy, known as an Article IV consultation. In that review, IMF staff highlighted China's large current-account surplus, which has featured "adverse spillovers to trading partners". Some of those excess stems from exports getting a boost from "real depreciation of the RMB", the fund said, referring to the inflation-adjusted weakening of the renminbi, also known as the yuan. *(Bloomberg)*

JP: Japan Machinery Orders Rise at Record Pace

Japan's core machinery orders surged 19.1% month-on-month to ¥1,052.5bn in December 2025, rebounding from an 11% drop in November and marking the strongest growth on record amid solid factory investment. That also bear market expectations for a 4.5% increase, driven by one-off large bookings from refineries and nuclear fuel producers. The rebound was led by a 25.1% jump in manufacturing orders to ¥498.3bn, while non-manufacturing orders advanced 8.2% to ¥533.1bn. By industry, the largest increases were recorded in petroleum & coal products (499.9%), non-ferrous metals (207.1%), other non-manufacturing (83.5%), real estate (67.3%), and business-oriented machinery (67.1%). On a year-on-year basis, private-sector orders climbed 16.8% in December, reversing a 6.4% contraction in November and surpassing forecasts for a 3.9% rise. Core machinery orders are widely regarded as a volatile yet important leading indicator of capital expenditure over the next six to nine months. *(Trading Economics)*

MY: Headline inflation steady at 1.6% in January 2026, lifted by personal care and education costs

Malaysia's headline inflation held steady in January 2026, supported mainly by higher prices for personal care items and education-related costs, official data showed on Thursday. The consumer price index (CPI) — the country's main gauge of inflation — rose 1.6% in January from a year earlier, according to a statement by the Department of Statistics Malaysia. The reading matched the median forecast of 16 economists surveyed by *Bloomberg* and December 2025's pace. The index points increased to 135.7 in January from 133.6 in the same month of the previous year. On a month-on-month basis, the CPI edged up 0.1% in January. *(The Edge)*

MY: First services trade surplus for Malaysia since 2010 as total trade topped RM3tn last year

Malaysia achieved a landmark trade performance in 2025 with total trade (merchandise) breaching the RM3tn milestone for the first time in history, according to Malaysia External Trade Development Corporation (Matrade). Matrade said in a statement on Thursday that the momentum was further solidified by the services sector, which recorded its first trade surplus after 13 years of deficit since 2011, signaling the country's successful transition into a high-value, services-driven economy. "The RM1.2bn trade surplus signals a significant turnaround, propelled by robust performance in travel and manufacturing services. *(Bernama)*



Corporate News

CEB: Returns to profit, taps Johor data centre for growth

Cape EMS Bhd will prioritise consistent profitability and disciplined execution over the next 12 to 24 months under its strategic transformation road map, CEB 2.0. The Main Market-listed electronic manufacturing services (EMS) provider posted a net profit of RM7.0m for the second quarter ended Dec 31, 2025, reversing a net loss of RM48.8m recorded in the same quarter last year. Managing director and group chief executive officer Christina Tee Kim Chin said the turnaround reflects a fundamental upgrade in the group's business model. As part of this shift, the group is positioning itself to capitalise on Johor's rapid emergence as a data centre hub. Cape EMS is expanding into the battery energy storage systems (BESS) and renewable energy infrastructure space through its subsidiary, Cape Renewables Sdn Bhd, in partnership with Shanghai Sermatec Energy Technology Co Ltd. *(Bernama)*

JSB: MD in court to block EGM seeking to oust entire board of directors

Jentayu Sustainables Bhd said its group managing director Datuk Beroz Nilmak Mirdin has brought the company and 15 requisitionists of a proposed extraordinary general meeting (EGM) to court in a bid to block the EGM from being held. Jentayu was served with the EGM notice on Feb 12 by the requisitionists, who sought to replace Beroz and several other directors with new ones. The EGM, which would see a total of 16 resolutions, was called to be held in Petaling Jaya on Feb 27. In his suit, Beroz claims the shares of three of the four requisitionists are pledged and therefore do not constitute a "member" under the Companies Act 2016, according to a bourse filing on Thursday. *(The Edge)*

MISC: To deliver and operate Papua New Guinea's first FSO unit

MISC Bhd has secured a long-term bareboat charter, and operations and maintenance contracts for Papua New Guinea's first floating storage and offloading (FSO) unit. In a statement, MISC said it received the contracts from Exxon Mobil Corporation subsidiary ExxonMobil PNG Ltd, which is the operator of the PNG LNG (liquefied natural gas) project. The contracts comprise a firm 15-year charter with extension options of up to an additional 15 years. The group said the award marks its maiden entry into Papua New Guinea. *(The Edge)*

HM: Buys 40% stake in Kaw Kaw Malaya from Bungkus Kaw Kaw owners

Harvest Miracle Capital Bhd is buying a 40% stake in Kaw Kaw Malaya Sdn Bhd (KKM) for RM4.4m. The deal, formalised by a share subscription agreement with G&T Brand Sdn Bhd, the company behind Bungkus Kaw Kaw and Ah Cheng Laksa, marks the group's entry into the food and beverage sector. KKM's operations have yet to commence, but plans are afoot to open two outlets under its brand of "Malaysian heritage-inspired" restaurants at the newly refurbished Bangunan Sultan Abdul Samad and along Jalan Kemuning, Off Jalan Imbi, in Kuala Lumpur. *(The Edge)*

FBG: Bags RM238m contract to build 25-storey hotel at JB's Mid Valley Southkey

FBG Holdings Bhd has secured a RM238.1m contract for the main building works of a 25-storey hotel above the existing The Mall, Mid Valley Southkey in Johor Bahru. The Tower 6 building would contain 375 rooms. FBG will also build the associated facilities for the property, which is owned by IGB Bhd. According to a statement by FBG on Thursday, the latest win lifts the group's outstanding order book to RM1.23bn, providing positive earnings visibility through 2028. *(The Edge)*

BPURI: To exit Latar with stake sale to partner Mohamed Raffae

Bina Puri Holdings Bhd said it is disposing of its 50% stake in the concessionaire of the KL-Kuala Lumpur Selangor Expressway (Latar) to Latar managing director Datuk Mohamed Raffae Chekku for RM77m. The construction group said it signed the deal with Mohamed Raffae's company, Arena Irama Sdn Bhd, which owns the remaining 50% stake in Kuala Lumpur-Kuala Selangor Expressway Bhd (KLKSE). KLKSE holds the Latar concession till 2048. The move to exit the concession comes as no dividends have been paid out by KLKSE in the nearly three decades since the concession project was awarded in 1997, Bina Puri said in a bourse filing on Thursday. *(The Edge)*

ATLAN: Unit ceases duty-free business at Berjaya Waterfront, terminates tenancy agreement

Atlan Holdings Bhd said its indirect subsidiary, Selasih Eksklusif Sdn Bhd, has ceased its duty-free business operations at Berjaya Waterfront Johor Bahru and is terminating the tenancy agreement with the landlord. Atlan said Selasih decided to cease operations at the duty-free complex after failing to secure a renewal of its business licence from the Johor Bahru City Council despite repeated attempts, and has given notice to terminate the tenancy agreement signed with Berjaya Waterfront Sdn Bhd, a unit of Berjaya Assets Bhd, in March 2013. Selasih is a subsidiary of Singapore-listed Duty Free International Ltd (DFIL), which operates duty-free retail outlets selling alcohol, chocolates, tobacco products, perfumery and cosmetics. DFIL is 75.53%-owned by Atlan. *(The Edge)*

NESTLE: Mulling sale of ice cream business to Froneri

Nestlé (Malaysia) Bhd said on Thursday that it is exploring a potential sale of its ice cream business to UK-based Froneri. In a filing with Bursa Malaysia, the group said the exercise will entail due diligence, engagement with relevant local stakeholders and compliance with all applicable legal and regulatory requirements. It will announce any material development in due course. The initiative follows Nestlé SA's disclosure that it is in advanced negotiations to divest the remainder of its global ice cream operations to Froneri. *(The Edge)*



IHH: Unit moves to block Daiichi Sankyo from obstructing acquisition of Fortis and Malar shares

IHH Healthcare Bhd's Singapore unit has moved to block Daiichi Sankyo Co Ltd from obstructing the acquisition of shares and any other investment and corporate exercises in India-based healthcare group Fortis Healthcare Ltd and its subsidiary Malar Hospitals Ltd by making defamatory statements to India's capital market regulator and the public at large. This comes as IHH's unit, Northern TK Venture (NTK), amends its injunctive claim in an ongoing legal dispute with Daiichi Sankyo following IHH's completion of its mandatory open offer for Fortis and Malar in November last year, according to a bourse filing on Thursday. The injunctive claim previously sought to block Daiichi Sankyo from obstructing the open offer and making defamatory statements against NTK. Its near ¥200bn (RM5.7bn) claim for loss against Daiichi Sankyo remains unchanged. *(The Edge)*

Upcoming key economic data releases	Date
US Crude Oil Inventories	Feb 20
US Core PCE Price Index (MoM) (Dec)	Feb 20
US GDP (QoQ) (Q4)	Feb 20
US Core PCE Price Index (YoY) (Dec)	Feb 20
US S&P Global Manufacturing PMI (Feb)	Feb 20
US S&P Global Services PMI (Feb)	Feb 20
US New Home Sales (Dec)	Feb 20
<i>Source: Bloomberg</i>	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bonia Corporation	Consumer	0.90	0.11	12.74
British American Tobacco (M)	Consumer	6.47	0.60	9.27
Sentral REIT	REIT	0.79	0.06	8.10
Paramount Corporation	Property	1.09	0.08	7.80
MBM Resources	Consumer	5.32	0.41	7.69
Ta Ann Holdings	Plantation	4.60	0.35	7.61
KIP REIT	REIT	0.94	0.07	7.38
MAG Holdings	Consumer	1.34	0.09	7.09
Magnum	Consumer	1.34	0.09	7.09
CapitaLand Malaysia Trust	REIT	0.70	0.05	7.00
Kim Loong Resources	Plantation	2.37	0.15	6.33
Sports Toto	Consumer	1.36	0.08	6.10
Wellcall Holdings	Ind. Prod.	1.36	0.08	6.03
UOA Development	Property	1.92	0.11	5.94
SLP Resources	Ind. Prod.	0.76	0.04	5.66

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		
Teamstar Berhad	ACE Market	0.26	132.0	72.0	09 Feb	25 Feb
OGX Group Berhad	ACE Market	0.35	150.0	75.0	02 Mar	12 Mar

Source: Bursa Malaysia

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