



Daily Newswatch

Market Review

The FBM KLCI slipped 0.2% on Tuesday to close at 1,754.0 points, mainly due to profit-taking after recent gains, which snapped its multi-day winning streak as investors locked in earlier profits. The pullback came amid broader cautious sentiment and selling pressure across the market. Sectoral losses were led by Utilities (-1.5%), Plantation (-1.1%) and Industrial Products & Services (-1.1%), dragged by Petronas Chemicals (-5.8%), YTL Corp (-4.9%) and YTL Power (-3.0%). Overall market breadth turned negative from previous sessions, with losers outpacing gainers at 672 to 438, while 552 counters ended unchanged.

Asian markets closed mixed on Tuesday as sentiment diverged across the region, with Japan benefiting from renewed foreign investor interest following the holiday period, supported by recent Bank of Japan policy statements, while China faced headwinds from lingering property-sector concerns and uncertainty surrounding export data. The Shanghai Composite edged up 0.9% to 4,117.4 points, while the Hang Seng Index fell 1.8% to 26,590.3 points; Japan's Nikkei 225 rose 0.9% to 57,321.1 points, Taiwan's TAIEX surged 2.8% to 34,700.8 points and South Korea's KOSPI advanced 2.1% to 5,969.6 points. In China, gains were led by Energy (+4.6%), Materials (+3.1%) and Industrials (+1.6%), driven by Suzhou Gyz Electronic Technology (+20.0%), Beijing Worldia Diamond Tools (+19.2%) and Shanghai Aladdin Biochemical (+18.9%). Meanwhile, South Korea's rally was underpinned by Non-Energy Minerals (+4.1%), Energy Minerals (+4.1%) and Electronic Technology (+4.0%), led by Aprogen (+30.0%), KEC Corp (+30.0%) and KEC Holdings (+29.9%).

European stocks edged higher on Tuesday, paring prior-session losses as investors reassessed AI disruption risks, with the STOXX 50 up 0.1% to 6,122 and the STOXX 600 rising 0.3% to 630, near last week's record. AI-linked names gained ahead of Nvidia's earnings and the Meta-AMD deal (ASML +1.1%, Infineon +1.8%), autos rebounded after the US set 10% tariffs versus a threatened 15% (BMW, Volkswagen and Mercedes-Benz +1%+), while SAP and Adyen extended declines and banks fell, led by Santander (-2.5%), Intesa Sanpaolo (-1.7%) and Deutsche Bank (-1.7%).

US stocks rebounded on Tuesday as investors positioned ahead of Nvidia's earnings, which are expected to shed light on the durability of artificial intelligence demand. In regular trading, the Dow rose 0.8%, the S&P 500 gained 0.8%, and the Nasdaq Composite advanced 1.0%, recovering from Monday's selloff as fears of rapid AI-driven disruption across industries eased. AMD outperformed, surging 8.8% after Meta announced a multiyear agreement to deploy 6 gigawatts of AMD's GPUs across its AI-focused data centers. Software stocks also participated in the rally, with Salesforce and IBM climbing 4.1% and 2.7%, respectively, as analysts pushed back against concerns over legacy service models. Meanwhile, DocuSign added 2.6% after Anthropic's Claude Cowork was integrated into its platform, supporting the view that AI is enhancing established enterprise tools.

Macro Snapshots

- **US:** Trump's 10% levy takes effect as US rebuilds tariff wall
- **CN:** Hits Takaichi with tougher export curbs on Japan firms
- **EU:** Expects US to ease impact of metals tariffs in coming weeks
- **MY:** International reserves climb to USD127.9bn as of mid-February

Corporate Snapshots

- **IOICORP:** Flags tough downstream outlook despite earnings jump
- **MRDIY:** To pay out 120% of FY2025 earnings as dividend
- **ORKIM:** Signs RM32 mil time charter contract with PETRONAS unit
- **SLVEST:** Set for record year as large-scale jobs lift profit

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,754.0	(0.2)	4.4
Dow Jones	49,174.5	0.8	2.3
Nasdaq CI	22,863.7	1.0	(1.6)
S&P 500	6,890.1	0.8	0.7
SX5E	6,116.6	0.0	5.6
FTSE 100	10,680.6	(0.0)	7.5
Nikkei 225	57,321.1	0.9	13.9
Shanghai CI	4,117.4	0.9	3.7
HSI	26,590.3	(1.8)	3.7
STI	5,020.8	(0.4)	8.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,225.3	(9.9)
Value traded (RM m)	2,824.5	6.6
Gainers	438	
Losers	672	
Unchanged	552	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PHRM	0.300	(4.8)	67.6
TANC	1.500	1.4	59.9
ZETRIX	0.810	(2.4)	57.4
ONC	0.045	0.0	31.7
VSI	0.385	0.0	25.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	12.380	1.5	218.9
PMAH	7.410	(1.6)	128.2
PBK	5.090	0.2	123.9
CIMB	8.440	(0.7)	113.1
GAM	4.150	(1.4)	105.7

Currencies	Last Close	% Chg
USD/MYR	3.895	(0.1)
USD/JPY	155.880	(0.0)
EUR/USD	1.177	0.0
USD/CNY	6.882	0.3
US Dollar Index	97.843	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	70.8	(1.0)
Gold (USD/troy oz)	5,131.8	(0.2)
CPO (MYR/metric t)	4,023.0	0.1
Bitcoin (USD/BTC)	64,094.6	0.1

Source: Bloomberg



Macro News

US: Trump's 10% levy takes effect as US rebuilds tariff wall

Donald Trump's new 10% global tariffs went into effect on Tuesday, kicking off a White House effort to preserve the president's trade agenda after the Supreme Court struck down his original sweeping duties. The president signed an executive order last Friday authorising the 10% import tax just hours after the ruling. He subsequently threatened to raise the number to 15%, but Trump did not officially issue a directive to increase the rate by Tuesday at 12.01am Washington time when the 10% levy went into effect. The White House is working on a formal order that will increase the global tariff rate to 15%, according to an administration official. The timeline for implementing that higher levy has not been finalised, said the official, who spoke on the condition of anonymity to discuss private matters. *(Bloomberg)*

US: Trump eyes Pentagon AI program for trade block's minerals pricing

The Trump administration plans to use a Pentagon-created artificial intelligence program to help set reference prices for critical minerals as it works to build a global metals trading zone, three sources with direct knowledge of the effort told *Reuters*. Vice President JD Vance earlier this month proposed that the US and more than 50 other countries impose "reference prices for critical minerals at each stage of production" that would be backed by "adjustable tariffs to uphold pricing integrity." Those reference prices will be set by the US Department of Defense's Open Price Exploration for National Security (Open) AI metals program, according to the sources, who were not authorized to speak publicly. *(Reuters)*

CN: Hits Takaichi with tougher export curbs on Japan firms

China blacklisted 20 Japanese entities and tightened scrutiny on a raft of other firms, signalling Beijing won't drop its pressure campaign against Tokyo even after Prime Minister Sanae Takaichi's recent landslide victory. The Ministry of Commerce added top Japanese military suppliers including the shipbuilding and aerospace affiliates of Mitsubishi Heavy Industries to an export control list, according to a Tuesday statement. The move marks the first time Japanese firms were added to the list since its January 2025 debut. In another measure, Beijing placed an additional 20 entities, including automakers Subaru and Hino Motors, on a monitor list. While not an outright ban, this status subjects Chinese exporters to stricter checks when they apply for a licence to provide the Japanese companies with goods that have both civilian and military applications. *(Bloomberg)*

EU: Expects US to ease impact of metals tariffs in coming weeks

European Union officials believe the US will soon streamline its broad tariffs on products containing steel and aluminium, a topic that's been an irritant in transatlantic relations and a key sticking point in trade negotiations. A move by President Donald Trump's administration to reduce the amount of goods subject to the 50% tariff rate applied to so-called derivative products that contain the metals may be weeks away, according to people familiar with the bloc's thinking. The EU has long been seeking relief from the broad metals tariff, which officials in the bloc argue runs afoul of the trade deal struck last year that put a 15% tariff ceiling on most European products. The US regularly revises the list of derivative products, increasing the amount of goods subject to the 50% rate — that list currently surpasses 400 items. *(Bloomberg)*

EU: Warns that Trump's new tariff policy breaks trade agreement

A European Union assessment found that US President Donald Trump's new tariff policy will increase levies on some of the bloc's exports, including cheese and some agricultural products, above the level permitted in their trade agreement. After the US Supreme Court struck down Trump's use of an emergency-powers law to impose his so-called reciprocal tariffs around the world, he announced a new 10% global levy, which he then threatened to increase to 15%. The European Commission, which handles trade matters for the bloc, told lawmakers Monday that the new global tariff will be added to levies that are already in place, according to Bernd Lange, chair of the European Parliament's trade committee. The new cumulative rate means some goods would be above the 15% ceiling the EU and US agreed to in their trade deal. Under Trump's new tariff programme, some products including butter, plastics, textiles and chemicals would have levies above that 15% ceiling, according to people familiar with the commission's assessment. The new global tariffs can stay in place for as many as 150 days. *(Bloomberg)*

MY: Monitoring US developments, won't rush decision after tariff reversal

Prime Minister Datuk Seri Anwar Ibrahim said on Tuesday that Malaysia will not rush into any decisions after Washington's emergency tariffs were overturned, stressing that the government is committed to safeguarding the country's trade interests. Anwar said the government is closely monitoring developments in the US, including any follow-up actions by US President Donald Trump and whether there are further provisions to circumvent the court's interpretation. In addition, he said Malaysia is observing how other countries are responding to the situation, as well as developments in US domestic policy, including what decision Congress will ultimately take. *(The Edge)*

MY: International reserves climb to USD127.9bn as of mid-February

Bank Negara Malaysia's (BNM) international reserves rose by US\$1bn to US\$127.9bn as of Feb 13, 2026, according to the central bank's latest fortnightly update released on Tuesday. This latest reserve level surpasses the previous high of US\$126.9bn recorded on Jan 30, 2026, marking the country's strongest reserves position since 2014. According to BNM, the current reserve level is sufficient to finance 4.7 months of imports and goods and services and cover 0.9 times the nation's short-term external debt, BNM said. *(The Edge)*



Corporate News

PETGAS: 4Q profit slides 13% on tariff cuts; pays 22 sen dividend

PETRONAS Gas Bhd reported a 12.7% decline in its fourth-quarter net profit compared with the year-ago quarter, hit by lower earnings in its gas transportation segment and the absence of a major one-off tax benefit. Net profit for the quarter ended Dec 31, 2025 (4QFY2025) dropped to RM363.9m from RM417.0m a year earlier, while revenue eased 2.8% to RM1.7bn from RM1.6bn, primarily due to softer product prices after tariff revisions, according to PetGas' bourse filing. The group attributed the weaker performance to reduced revenue from tariff adjustments, higher operating costs from stepped-up maintenance activities, and increased depreciation tied to capital expenditure. *(The Edge)*

PETDAG: Profit up 4% in 4Q, declares 46 sen dividends

PETRONAS Dagangan Bhd posted a 3.9% rise in net profit for the fourth quarter ended Dec 31, 2025 (4QFY2025), driven by stronger results from its commercial segment which offset a weaker performance in retail. Quarterly net profit came in at RM258.9m or 26.10 sen per share, up from RM249.1m or 25.10 sen per share a year earlier. Revenue surged 17.6% to a record RM10.6bn from RM9.0bn during the quarter, according to a bourse filing with Bursa Malaysia. The retail segment recorded a 23% increase in revenue to RM6.0bn, supported by higher average selling prices and sales volume. *(The Edge)*

IOICORP: Flags tough downstream outlook despite earnings jump

IOI Corporation Bhd, one of the world's largest palm oil producers, flagged a tough downstream outlook even as earnings jumped in the recently-ended quarter. The outlook for its mainstay plantation business, however, is positive as output rises with a larger proportion of its trees reaching prime producing age, IOI Corporation said. Crude palm oil is expected to be supported above RM4,000 per tonne over the next three months, the company said. "We remain positive on the outlook of the plantation segment and expect it to deliver resilient financial performance in FY2026," IOI Corporation said. *(The Edge)*

MRDIY: To pay out 120% of FY2025 earnings as dividend

Mr DIY Group (M) Bhd is distributing more than its entire net profit of RM632.7m for the financial year ended Dec 31, 2025 (FY2025) as dividends to shareholders. The RM758m payout represents 119.8% of its FY2025 earnings, which was up 11.2% from RM568.9m a year earlier. This was on revenue that increased 6.5% to RM5.0bn from RM4.7bn, as it increased its number of outlets by 8.4% during the year to 1,556 outlets. "We achieved double-digit profit growth while returning a record RM758m to shareholders — a 60.3% increase y-o-y. This reflects our confidence in the business and our commitment to sustainable value creation," chief executive officer Adrian Ong said in a statement on Tuesday following the release of the group's financial results. *(The Edge)*

ORKIM: Signs RM32 mil time charter contract with PETRONAS unit

Orkim Bhd has secured a time charter contract from PETCO Trading Labuan Company Ltd, an indirect wholly-owned subsidiary of Petroleum Nasional Bhd (PETRONAS), for the provision of marine transportation services. The duration of the contract is six months, with an option to renew for another six months. Assuming the extension option is exercised, the value of the contract is RM32m, Orkim said in a bourse filing on Tuesday (Feb 24). The marine transportation group said it entered into the agreement via its wholly-owned subsidiary Orkim Marine Sdn Bhd. Further details on the group's role under the contract were not disclosed in the filing but Orkim said the contract would have a positive contribution to its earnings and net assets. *(The Edge)*

FRONTKN: Posts record FY2025 on Taiwan business boost, plans further capacity expansion

Semiconductor services firm Frontken Corporation Bhd reported a record net profit of RM154.2m for the financial year ended Dec 31, 2025 (FY2025), driven mainly by sales improvements in its Taiwan operations. The Taiwan operations account for over 70% of annual revenue. In its filing with Bursa Malaysia, the company said it plans to expand capacity in Taiwan to meet growing demand from AI and high-performance computing (HPC) clients. No further details were provided. For the fourth quarter (4QFY2025), net profit rose 15.1% to RM43.8m, supported by a 20% increase in Taiwan revenue, while quarterly revenue grew 5% to RM156.9m. Full-year revenue increased 6.8% to RM607m from RM569.2m. *(The Edge)*

GASMSIA: Reports 23% drop in 4Q profit on lower margins, declares 8.5 sen dividend

Gas Malaysia Bhd reported a 22.5% decline in its fourth-quarter net profit from a year earlier, mainly due to lower average natural gas contribution margin and higher operational costs. Net profit for the quarter ended Dec 31, 2025 (4QFY2025) fell to RM87.4m from RM112.7m in 4QFY2024, its bourse filing showed. Revenue dropped 11.7% to RM1.8bn from RM2.1bn, amid lower average natural gas selling prices and reduced sales volume. The group declared a second interim dividend of 8.5 sen per share totalling RM109.1m, payable on April 24. This is lower than the 9.6 sen it declared in the corresponding quarter last year. *(The Edge)*

UNISEM: 4Q net profit jumps sixfold on one-off gains, higher sales volume

Unisem (M) Bhd posted a sixfold increase in net profit for its fourth quarter, lifted by a one-off RM23.8m gain from the dissolution of foreign subsidiaries and higher sales volume. Net profit for the three months ended Dec 31, 2025 (4QFY2025) rose to RM52.1m from RM8.7m a year earlier, as revenue increased 16.7% to RM480.6m from RM411.8m, a bourse filing showed. The group declared a fourth interim dividend of one sen per share, payable on April 3, bringing total dividends declared for FY2025 to seven sen per share, slightly lower than the eight sen paid in the previous two financial years. Looking ahead, Unisem said it expects to perform satisfactorily in the next financial year, supported by sustained demand for AI-related semiconductors and data centre applications, despite ongoing economic uncertainty, rising costs and a weaker US dollar. *(The Edge)*

KOPI: 1Q net profit up 30% amid continued expansion of chain

Oriental Kopi Holdings Bhd on Tuesday reported a 30.2% jump in its first quarter net profit to RM17.1m, from RM13.1m a year earlier, as revenue surged to another record high. Revenue for the quarter ended Dec 31, 2025 (1QFY2026) rose 42.3% to RM139.2m from RM97.8m, driven by continued expansion of its café chain and stronger distribution of packaged foods, the group said in an exchange filing. Café operations contributed 90.17% of revenue, while retail packaged goods accounted for 8.86% and other segments less than 1%. Operating margins eased to 17.1% from 18.6% a year ago, as operating expenses climbed 40.1% to RM10.7m from RM7.6m, reflecting aggressive outlet openings. *(The Edge)*

SLVEST: Set for record year as large-scale jobs lift profit

Solarvest Holdings Bhd is set to achieve its best full-year performance since listing, boosted by utility scale solar farm jobs that supported net profit in its third quarter ended Dec 31, 2025 (3QFY2026). The latest quarterly net profit rose 46.27% to RM21.0m, from RM14.4m, Solarvest's filing showed on Tuesday. Earnings per share however came in at 2.33 sen for the quarter, from 2.01 sen, a 15.09% jump. Quarterly revenue rose 33.84% to RM181.2m, from RM135.4m, Solarvest said. No dividend was announced for the quarter. Net profit for the nine months ended December (9MFY2026) consequently rose 77.12% to RM55.6m or 6.8 sen per share, from RM31.4m or 4.49 per share. *(The Edge)*

Upcoming key economic data releases	Date
US PPI (Jan)	Feb 27
US Chicago PMI (Feb)	Feb 27
<i>Source: Bloomberg</i>	



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	6.50	0.60	9.23
MBM Resources	Consumer	5.13	0.41	7.97
Ta Ann Holdings	Plantation	4.61	0.35	7.59
KIP REIT	REIT	0.93	0.07	7.42
Sentral REIT	REIT	0.80	0.06	7.30
Paramount Corporation	Property	1.10	0.08	7.27
CapitaLand Malaysia Trust	REIT	0.68	0.05	7.26
MAG Holdings	Consumer	1.36	0.09	6.99
Magnum	Consumer	1.36	0.09	6.99
Sports Toto	Consumer	1.38	0.09	6.45
Kim Loong Resources	Plantation	2.38	0.15	6.30
Wellcall Holdings	Ind. Prod.	1.36	0.08	6.03
UOA Development	Property	1.92	0.11	5.94
SLP Resources	Ind. Prod.	0.79	0.04	5.73
Al-Aqar Healthcare REIT	REIT	1.28	0.07	5.63

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

Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. ("Mercury Securities") and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities' website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Published & Printed By:

MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my