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Daily Newswatch

Market Review

The FBM KLCI rebounded on Thursday, advancing 0.7% to close at 1,721.7 points, successfully recouping the previous session's losses. Market sentiment was bolstered by positive geopolitical developments in the Middle East and a record-breaking performance on Wall Street, leading to broad-based buying interest in heavyweights. Sectoral strength was most concentrated in Industrial Products & Services (+2.2%), Healthcare (+1.2%), and Energy (+0.7%) as Petronas Chemicals (+6.3%), Mr D.I.Y. (+4.4%), and Press Metal (+2.7%) emerged as top gainers among index constituents. Overall market breadth was positive with 704 gainers against 477 losers, as 572 counters remained unchanged.

Major Asian markets closed mostly lower on Thursday as initial optimism over ceasefire talks gave way to risk aversion following a ship seizure in the Strait of Hormuz, which reignited geopolitical concerns and pushed Brent crude back above the US$103 mark. The Hang Seng Index shed 1.0% to 25,903.0 points, followed by the Nikkei 225 which dropped 0.8% to 59,140.2 points, the Shanghai Composite which slipped 0.3% to 4,093.3 points, and the TAIEX which fell 0.4% to 37,714.2 points. Bucking the regional retreat, the KOSPI advanced 0.9% to 6,475.8 points, extending its record-breaking run to a third consecutive session of all-time highs. South Korea's rally was spearheaded by Samsung Electronics (+3.5%), HD Hyundai Heavy Industries (+2.1%), and Doosan Enerbility (+5.7%) as the Machinery (+3.2%), Distribution (+3.1%), and Construction (+2.2%) sectors outperformed. Meanwhile, the Chinese market faced headwinds as Inner Mongolia Baotou Steel (-4.5%) and Zijin Mining (-3.1%) led declines, with sectoral weakness most concentrated in Materials (-1.8%), Information Technology (-1.2%), and Health Care (-1.2%).

European stocks ended Thursday's session with a mixed performance as investors navigated geopolitical uncertainty in the Middle East and a wave of divergent corporate earnings. The STOXX 50 slipped 0.2% to 5,894, marking its fourth consecutive day of losses, whereas the STOXX 600 managed a slight uptick to 614. Macro pressures particularly impacted the banking sector, with Santander, Deutsche Bank, and BBVA all retreating by more than 2.0%.

Wall Street's recent rally stalled on Thursday as US equities closed lower, pressured by escalating Middle East tensions and a wave of inconsistent corporate earnings. The Nasdaq CI fell 0.9%, while both the S&P 500 and the Dow slipped 0.4%, as WTI crude futures surged beyond USD106.0 per barrel following reports of activated air defense systems in Tehran and ongoing blockades in the Strait of Hormuz. Technology stocks were the primary laggards, reversing yesterday's gains as investors weighed mixed results from speculative AI-related firms; notable decliners included ServiceNow, which tumbled 17.0%, IBM, which dropped 8.0%, and Tesla, which finished 3.5% lower.

Macro Snapshots

- **US:** Jobless Claims Inch Higher as Expected
- **EU:** Eurozone private sector shrinks unexpectedly in April as services slump
- **SK:** 1Q GDP growth roars past market on booming AI-driven chip demand
- **MY:** Asian Development Bank commits USD9bn to Southeast Asia in 2025

Corporate Snapshots

- **SLVEST:** Wins RM1.1bn EPCC contract for 470MW Perak solar farm
- **DENGKIL:** PKNS awards with RM22.7m job to build residential units in Sepang
- **VTC:** Gets RM40m job to provide Salesforce cloud software to utility company
- **TANCO:** Restructures RM3.5bn Port Dickson AI port deal

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,721.7	0.7	2.5
Dow Jones	49,310.3	(0.4)	2.6
Nasdaq CI	24,438.5	(0.9)	5.1
S&P 500	7,108.4	(0.4)	3.8
SX5E	5,894.7	(0.2)	1.8
FTSE 100	10,457.0	(0.2)	5.3
Nikkei 225	59,140.2	(0.7)	17.5
Shanghai CI	4,093.3	(0.3)	3.1
HSI	25,915.2	(0.9)	1.1
STI	4,944.1	(1.2)	6.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,485.4	8.9
Value traded (RM m)	3,107.4	15.1
Gainers	704	
Losers	477	
Unchanged	572	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZETRIX	0.865	0.6	131.7
AMS	0.305	5.2	105.8
VEB	0.320	(3.8)	81.2
AAX	1.230	(5.4)	74.0
BAB	0.415	7.8	49.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	11.220	0.0	181.3
SDG	5.970	(0.3)	135.2
PBK	4.840	1.7	131.7
PMAH	8.070	2.7	127.9
ZETRIX	0.865	0.6	113.6

Currencies	Last Close	Daily chg %
USD/MYR	3.965	(0.3)
USD/JPY	159.730	(0.0)
EUR/USD	1.168	0.0
USD/CNY	6.831	(0.0)
US Dollar Index	98.770	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	105.1	3.1
Gold (USD/troy oz)	4,694.6	0.0
CPO (MYR/metric t)	4,513.0	0.2
Bitcoin (USD/BTC)	78,177.0	0.3

Source: Bloomberg

Macro News

US: Jobless Claims Inch Higher as Expected

The number of people claiming for unemployment benefits in the US rose by 6,000 to 214,000 on the week ending April 18th, not too far from median market expectations of 212,000. In the meantime, continuing unemployment claims, which are seen as a proxy for outstanding unemployment in the US, inched higher by 12,000 to 1,821,000 in the earlier week. Both counts were firmly below the average from the previous year, consolidating the ongoing trend of low firing activity that is repeatedly stated by the Federal Reserve. Initial claims filed by federal employees, which have been under scrutiny as markets measure the impact of government shutdowns, fell by 60 to 452. (*U.S. Department of Labor*)

US: Business activity recovers in April, war with Iran boosting prices, S&P Global survey shows

US business activity picked up in April after nearly stalling in the prior month, but supplier delivery times at factories worsened as the war with Iran disrupted supply chains, pushing a measure of output prices to a near four-year high. S&P Global said its flash US Composite PMI Output Index, which tracks the manufacturing and services sectors, increased to 52.0 this month. That followed a 50.3 reading in March, which was the lowest level since Sept 2023. A reading above 50.0 indicates expansion in the private sector. Economists polled by Reuters had forecast the PMI little changed at 50.6. The improvement came mostly from the manufacturing sector, and was driven by what S&P Global said was "stock building in the face of concerns over supply availability and price hikes." (*Reuters*)

US: Firms voice 'concern' over China's new supply chain rules

China's new supply chain regulations could be a "concern" for US firms, the American Chamber of Commerce in China warned on Thursday. The regulations, released on April 7, allow Chinese authorities to take measures against foreign companies or individuals that "harm China's industrial and supply chain security". The rules appeared aimed at stopping companies from removing China from their supply chains, AmCham China's president Michael Hart said on Thursday. Western governments are increasingly concerned about their reliance on Chinese supply chains, particularly in rare earths, which China dominates. (*AFP*)

EU: Eurozone private sector shrinks unexpectedly in April as services slump

Business activity in the euro area unexpectedly shrank for the first time since late 2024 due to a steep drop in the services sector as the Iran war weighs on consumers. The Composite Purchasing Managers' Index (PMI) compiled by S&P Global declined to 48.6 in April from 50.7 the previous month, dropping below the 50 threshold separating growth from contraction. Analysts had predicted a dip to 50.1. The trend was similar in Germany, where industry held up while services plummeted. In France, manufacturing actually surpassed expectations with its strongest performance since 2022 even as services sank. Price pressures continued to build across the region. (*Bloomberg*)

UK: Consumer Confidence Plummets to 2-1/2-Year Low

The UK GfK Consumer Confidence Index dropped four points to -25 in April 2026, its largest decline in a year and the lowest level since October 2023, falling short of market expectations of -24. The sharp downturn reflects deepening concerns over the economic fallout from escalating Middle East tensions, with pessimism spreading across both personal finances and the broader UK economy. Households are increasingly anxious about rising prices, particularly at fuel pumps, which are straining budgets, as well as the prospect of further cost hikes in the months ahead. (*GfK Group*)

SK: 1Q GDP growth roars past market on booming AI-driven chip demand

South Korea's economy delivered its fastest growth in nearly six years last quarter, smashing forecasts as booming chip exports rode a global surge in AI investment, though rising risks from the Middle East war threaten to cut into the record earnings. Gross domestic product expanded 1.7% in the Jan-Mar quarter from the prior three months, the Bank of Korea (BOK) said, blowing through the median Reuters poll estimate of 1.0% by a wide margin. The higher growth was powered by a 5.1% jump in exports, led by shipments of "IT components including semiconductors" used in artificial intelligence infrastructure, the BOK said. (*Reuters*)

MY: Asian Development Bank commits USD9bn to Southeast Asia in 2025

The Asian Development Bank (ADB) committed USD9.0bn (RM35.7bn) to Southeast Asia in 2025, according to its latest annual report, with Malaysia receiving the smallest portion of the funding. Of the USD9.0bn, USD7.3bn was allocated to the public sector and USD1.6bn to the private sector, according to ADB's annual report 2025. Among Southeast Asian nations, the Philippines received the largest share at USD6.8bn, followed by Indonesia (USD4.4bn), and Vietnam (USD2.0bn). Malaysia's allocation amounted to USD60.9m. For the third year in a row, Southeast Asia ranked as the second-largest recipient of the multilateral institution's assistance, accounting for 31.0% of total commitments. South Asia remained the largest, receiving USD9.7bn or 33.0% in 2025. (*The Edge*)

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Corporate News

SLVEST: Wins RM1.1bn EPCC contract for 470MW Perak solar farm

Solarvest Holdings Bhd has secured a RM1.1bn engineering, procurement, construction and commissioning (EPCC) contract for a large-scale solar (LSS5) farm with a capacity of 470.0MW in Larut and Matang, Perak. In a bourse filing, the group said the contract was awarded to its wholly-owned subsidiary, Atlantic Blue Sdn Bhd (ABSB), by Malakoff Silver Solar Sdn Bhd (MSSSB). MSSSB is jointly owned by Solarvest and Malakoff Corp Bhd, with shareholdings of 20.0% and 80.0% respectively. The project is scheduled for completion by Feb 29, 2028. Under the terms, ABSB will provide a performance bond equivalent to 10.0% of the contract sum, effective from the issuance of the notice to proceed until 30.0 days after the facility provisional acceptance certificate. (*The Edge*)

VITROX: Delivers second-highest quarterly profit, eyes sustained growth amid semiconductor expansion

ViTrox Corp Bhd said it anticipates a sustained growth trajectory throughout 2026, as the global semiconductor industry enters a robust expansion phase, after delivering its second-highest quarterly net profit in the first quarter ended March 31, 2026 (1QFY2026). The group said the surge was driven by escalating demand for artificial intelligence (AI), rapid expansion of data centre infrastructure, and a sharp rebound in memory prices, which are projected to lift industry revenues significantly. ViTrox's quarterly net profit more than doubled to RM51.2m from RM24.2m a year earlier — marking the highest since 2QFY2022, when the group posted RM51.4m. (*The Edge*)

DENGKIL: PKNS awards with RM22.7m job to build residential units in Sepang

Wawasan Dengkil Holdings Bhd announced that it has secured a RM22.7m contract to build residential units in Sepang, Selangor. In a bourse filing on Thursday, the group said the letter of acceptance (LOA) was given to its wholly owned subsidiary Wawasan Dengkil Sdn Bhd (WDSB) from the Selangor State Development Corp (PKNS). As per the contract, the construction firm's unit will be responsible for the construction and completion of 56.0 single-storey residential units. Works are scheduled to commence on June 8, and completion is expected on Oct 24, 2027. Wawasan Dengkil is principally involved in construction services, including earthworks and civil engineering, trading of construction materials, as well as the provision of machinery and commercial vehicles for hire. (*The Edge*)

VTC: Gets RM40m job to provide Salesforce cloud software to utility company

Vetece Holdings Bhd, an enterprise IT firm, has secured a contract valued at RM39.6m to provide Salesforce's customer relationship management cloud software to a Malaysian utility company. The job, awarded to its unit Vision Technology Consulting Sdn Bhd on Thursday, covers subscription, maintenance, support services, as well as enhancement services, according to the ACE Market-listed company's bourse filing. The contract's tenure was not disclosed, though Vetece noted it is expected to be delivered over the financial years ending Aug 31, 2026 (FY2026) up to FY2029. It is expected to contribute to its earnings over the period. (*The Edge*)

IAB: Bags RM12.2m substation contract in Sibu

Sarawak-based Insights Analytics Bhd has secured a RM12.2m subcontract for substation work in Sibu, Sarawak. In a Bursa Malaysia filing on Thursday, the ACE Market-listed group said its wholly-owned unit, Insights Analytics Technologies Sdn Bhd, has accepted a letter of award from Tele Kenyalang Engineering Sdn Bhd for the construction, digitalisation and smart systems integration works at the Upper Lanang 33/11kV substation. The contract, which also covers external works for the substation project, is scheduled to commence on May 7 and run for 16.0 months, with completion targeted for Sept 6, 2027. (*The Edge*)

TANCO: Restructures RM3.5bn Port Dickson AI port deal under concession model

Tanco Holdings Bhd has revised the commercial structure of its proposed smart AI container port in Port Dickson, replacing an earlier long-term lease arrangement with a port development concession (PDC) model, which formalises the project under a concession framework while preserving the planned payment structure and tenure of up to 98.0 years. In a Bursa Malaysia filing on Thursday, the property developer said its 79.0%-owned subsidiary Midports Holdings Sdn Bhd (MHSB) and 80.0%-owned unit MBINS Ventures Sdn Bhd (MVSB) have entered into a supplemental heads of agreement with Menteri Besar Negeri Sembilan (Pemerbadanan) (MBINS) to amend the terms of the original agreement signed in November last year. The project involves the development of a smart container port on about 180.0 acres of submerged land in Dickson Bay, Negeri Sembilan. The wider Midport development is planned on a 480.0-acre land bank owned by Tanco, with natural deepwater access exceeding 21.0 metres that can accommodate some of the world's largest container vessels. (*The Edge*)

PGLOBAL: Ends FY2026 with lower earnings on higher expenses

Pantech Global Bhd, a steel pipe and pipe fitting maker, ended the final quarter of its latest financial year with lower earnings, on the absence of a one-off gain, as well as operating expenses weighing on its bottom line. Net profit for the three months ended Feb 28, 2026 (4QFY2026) fell 80.7% to RM11.4m from RM59.0m in 4QFY2025, a high-base quarter boosted by a one-off gain of RM52.3m from a "bargain" acquisition — fair value of net asset exceeded purchase consideration — recognised in January 2025, according to the company's bourse filing on Thursday. Quarterly revenue was up 65.0% year-on-year (y-o-y) to RM136.3m, driven by higher selling prices, as US tariffs were passed through to US-based customers, as well as three full months of operation of Pantech Steel Industries Sdn Bhd and Pantech Stainless & Alloy Industries Sdn Bhd. Operating expenses were up 67.5% to RM120.1m. (*The Edge*)

CHINTEK: Warns of volatile CPO prices ahead after 79% drop in 2Q net profit

Chin Teck Plantations Bhd has warned that crude palm oil (CPO) prices are expected to be volatile amid the uncertainties in Middle East geopolitical conflicts, although stronger global biodiesel demand could lend support to prices. This comes after the group reported a 79.1% fall in net profit for the second quarter ended Feb 28, 2026 (2QFY2026) to RM3.7m from RM17.6m a year earlier, mainly due to heavier losses from associate and joint ventures as well as higher other expenses, according to the group's filing on Bursa Malaysia. Revenue, however, rose 13.4% to RM67.4m from RM59.4m, driven by higher sales volume of CPO and palm kernel (PK), although fresh fruit bunch (FFB) sales volume declined and average selling prices for FFB, CPO and PK were lower. (*The Edge*)

UUE: Sees jump in 4Q sales; annual net profit dragged down by higher administrative costs

UUE Holdings Bhd posted a sharp increase in its fourth-quarter earnings, supported by higher revenue across its core business segments. For the fourth quarter ended Feb 28, 2026 (4QFY2026), the underground utilities engineering services provider booked a net profit of RM7.6m, more than double the RM3.4m registered in the previous year. Quarterly revenue increased by 40.4% to RM58.9m versus RM42.0m previously, mainly driven by stronger contributions from its underground utilities engineering solutions segment, alongside higher sales from its manufacturing and trading of high-density polyethylene (HDPE) pipes business. (*The Edge*)

PRG: Takes 12 condo units as partial repayment of RM37.2m debt from developer

PRG Holdings Bhd — a manufacturing, property development and construction group with a market value of about RM39.2m — will partially recover the debt owed to its construction unit by a developer through the transfer of 12.0 completed condominium units worth RM13.7m. In a Bursa Malaysia filing on Thursday, PRG said its wholly-owned subsidiary Premier Construction (International) Sdn Bhd (PCI) had entered into a settlement agreement with developer Premier De Muara Sdn Bhd (PDM) to facilitate the partial recovery of outstanding debt amounting to RM37.2m. Under the agreement, PDM will transfer 12.0 completed units at Picasso Residence in Kuala Lumpur to PCI or its nominees at an agreed value of RM1,066.0 per sq ft. These units have a combined built-up area of 12,880.0 sq ft. (*The Edge*)

Upcoming key economic data releases	Date
US Initial Jobless Claims	Apr 23
US S&P Global Services PMI (Apr)	Apr 23
US S&P Global Manufacturing PMI (Apr)	Apr 23
US CB Consumer Confidence (Apr)	Apr 28
US Durable Goods Orders (Mom) (Mar)	Apr 29
US Fed Interest Rate Decision	Apr 30
US GDP (QoQ) (Q1)	Apr 30
US Core PCE Price Index	Apr 30
US Initial Jobless Claims	Apr 30
US Chicago PMI	Apr 30
US S&P Global Manufacturing PMI	May 1
US ISM Manufacturing PMI	May 1
US ISM Manufacturing Prices	May 1
Source: Investing.com	

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Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bonia Corporation	Consumer	0.88	0.12	13.64
British American Tobacco (M)	Consumer	6.10	0.60	9.84
MBM Resources	Consumer	5.04	0.44	8.81
Sentral REIT	REIT	0.71	0.06	8.17
CapitaLand Malaysia Trust	REIT	0.63	0.05	8.16
KIP REIT	REIT	0.86	0.07	8.02
MAG Holdings	Consumer	1.28	0.10	7.42
Magnum	Consumer	1.28	0.10	7.42
Paramount Corporation	Property	1.01	0.07	7.23
Sports Toto	Consumer	1.28	0.09	7.19
Ta Ann Holdings	Plantation	5.44	0.38	7.04
TIME dotCom	Telco	6.04	0.38	6.32
Al-Salam REIT	REIT	0.45	0.03	6.22
RHB Bank	Finance	8.23	0.51	6.17
Al-Aqar Healthcare REIT	REIT	1.22	0.08	6.15

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		
Manforce Group Berhad	ACE Market	0.38	78.0	20.0	21 Apri	06 May
Inspace Creation Berhad	ACE Market	0.25	68.5	29.3	22 Apr	08 May
EI Power Berhad	ACE Market	0.48	129.5	70.0	06 May	21 May

Source: Bursa Malaysia

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