



# Daily Newswatch

## Market Review

The FBM KLCI fell 0.5% to 1,720.4 points on Wednesday as investor sentiment soured following the UAE's surprise announcement to exit OPEC and OPEC+ effective May 1, raising fresh uncertainty over global oil supply dynamics and dragging oil-linked and financial services counters lower, with Brent crude surging above US\$111 per barrel. Financial Services (-0.9%), REIT (-0.9%) and Technology (-0.8%) led sectoral losses, dragged by Maybank (-1.6%), Petronas Dagangan (-1.3%) and CIMB Group (-1.2%). Market breadth was bearish, with losers outnumbering gainers at 617 to 485, and 619 counters closing unchanged.

Asian markets closed mixed on Wednesday, as investors assessed the UAE's shock decision to exit OPEC effective May 1, raising fresh oil supply uncertainty, alongside a Wall Street Journal report flagging weakness in OpenAI's revenue and user growth, dampening tech sentiment ahead of US megacap earnings. The Shanghai Composite rose 0.7% to 4,107.5 points, Taiwan's TAIEX dropped 0.6% to 39,303.5 points, Japan's Nikkei 225 edged lower by 1.0% to 59,917.5 points, the Hang Seng Index downed 1.7% to 26,111.8 points, while South Korea's KOSPI upped 0.8% to 6,690.9 points. In China, gains were led by Materials (+2.6%), Real Estate (+1.8%) and Industrials (+1.1%), driven by Unicomp Technology (+20%), Zhuzhou Huarui (+17.2%) and Motorcomm Electronic (+16.9%). South Korea saw power infrastructure and electrical equipment industries led the gains, with Seondo Electric (+116.7%), Daewon Cable (+30%) and LS Eco Energy (+25%) among the top performers.

European stocks fell for an eighth consecutive session, with the STOXX 50 dropping 0.3% to 5,816 and the STOXX 600 declining 0.7% to 602, as the US signalled it would maintain its Iranian tanker blockade, pushing energy prices higher and weighing on financials and industrials. Munich Re, Allianz, and Siemens each fell between 2% and 3%, while Deutsche Bank dropped nearly 3% despite beating Q1 estimates on higher credit provisions. Mercedes-Benz and Iberdrola also closed lower, while Airbus surged 5.1% and Adidas soared 8.3% on optimistic guidance.

US equities closed mixed on Wednesday as the Fed held rates unchanged with regional presidents dissenting against an easing bias, underscoring inflation concerns, while markets digested a wave of hyperscaler earnings. The S&P 500 closed flat, the Dow fell 0.6% on pressure from traditional sectors, and the Nasdaq 100 gained 0.5% on tech strength. Visa gained 8% and AbbVie jumped 3% on strong quarterly results. Post-market, Microsoft surged 4% before reversing despite beating AI and cloud estimates, Alphabet jumped over 3% on strong cloud and Gemini AI figures, Amazon was flat despite significantly beating earnings consensus, while Meta plunged 7% amid skepticism over its surging AI capex outlook.

## Macro Snapshots

- **US:** Fed Holds Rates Steady for Third Straight Meeting
- **US:** Home-purchase applications jump, driven lower financing costs
- **CN:** Approves higher May fuel exports though down from a year ago
- **MY:** Timber industry warns of 'triple burden' from tax, fuel and labour pressures

## Corporate Snapshots

- **GAMUDA:** JV gets Ulu Padas water supply project contract worth RM6.0bn
- **MTRONIC:** Buys freehold serviced apartments in Melaka
- **SALUTE:** Loss-making Salutica to cut half of workforce in major restructuring
- **AXREIT:** 1Q income up 8.3% on derivative fair value gains

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,720.4	(0.5)	2.4
Dow Jones	48,861.8	(0.6)	1.7
Nasdaq CI	24,673.2	0.0	6.2
S&P 500	7,136.0	(0.0)	4.2
SX5E	5,816.5	(0.3)	0.4
FTSE 100	10,213.1	(1.2)	2.8
Nikkei 225	59,917.5	(1.0)	19.0
Shanghai CI	4,107.5	0.7	3.5
HSI	26,111.8	1.7	1.9
STI	4,861.0	(0.5)	4.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,638.5	(5.6)
Value traded (RM m)	3,133.5	(7.5)
Gainers	485	
Losers	617	
Unchanged	619	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
BORNO	0.005	0.0	261.9
UEMS	0.685	5.3	103.8
MRC	0.365	9.0	97.8
ZETRIX	0.855	(0.6)	91.6
VEB	0.345	7.8	70.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
IHH	8.810	0.0	140.5
SDG	6.050	(0.2)	124.4
MAY	11.040	(1.6)	108.0
TNB	14.600	0.6	86.9
PCHEM	5.660	0.0	95.2

Currencies	Last Close	Daily chg %
USD/MYR	3.952	0.0
USD/JPY	160.270	0.1
EUR/USD	1.168	0.0
USD/CNY	6.840	(0.0)
US Dollar Index	98.961	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	118.0	6.1
Gold (USD/troy oz)	4,552.5	0.1
CPO (MYR/metric t)	4,506.0	0.0
Bitcoin (USD/BTC)	75,708.7	0.1

Source: Bloomberg



## Macro News

### US: Fed Holds Rates Steady for Third Straight Meeting

The Fed kept the federal funds rate unchanged at the 3.5%–3.75% target range for a third consecutive meeting in April 2026, in line with expectations. The decision was not unanimous, with Governor Miran voting to lower interest rates by 25bps and three other members objecting the language in the statement that suggested the central bank would eventually resume cutting rates. The 8-4 vote marked the first time since October 1992 that four officials dissented against a FOMC decision. The central bank reiterated that it will carefully assess incoming data, the evolving outlook, and the balance of risks in determining the appropriate stance of monetary policy, and stands ready to adjust policy as needed if risks emerge that could hinder the achievement of its objectives. In addition, the Fed noted that developments in the Middle East are contributing to a high level of uncertainty about the economic outlook. Meanwhile, Powell said he will remain Fed governor after his Chair term ends. (*Federal Reserve*)

### US: Home-purchase applications jump, driven lower financing costs

US mortgage applications for home purchases increased last week by the most since early January as financing costs continued to ease, a tentative sign that the housing market is grinding forward. The Mortgage Bankers Association's (MBA) index of home-purchase applications rose 10.1% in the week ended April 17, data from the group showed on Wednesday. The contract rate on a 30-year mortgage dropped for a third week to 6.35%, the lowest since mid-March. Rates on five-year adjustable mortgages tumbled 15 basis points, the most since January, to 5.48%. Cheaper home-financing costs also helped drive up MBA's refinancing index by nearly 6%. (*Bloomberg*)

### US: Core capital goods orders surge by most since 2020

US orders for business equipment increased in March by the most since mid-2020, extending a year-long stretch of solid capital investment fuelled by spending on artificial intelligence (AI). The value of core capital goods orders, a proxy for investment in equipment that excludes aircraft and military hardware, jumped 3.3% after an upwardly revised 1.6% advance in February, Commerce Department figures showed on Wednesday. Bookings for all durable goods — items meant to last at least three years and including orders for commercial aircraft and military equipment — rose 0.8% in a largely broad advance. Economists expect business investment will remain solid this year as companies keep spending on AI and take advantage of more favourable tax provisions. (*Bloomberg*)

### US: Goods trade deficit widens to US\$87.9bn in March as imports rise sharply

The US trade deficit in goods widened more than expected in March as a rise in imports outpaced exports, suggesting that trade was likely a drag on economic growth in the first quarter. The goods trade gap increased 5.3% to US\$87.9 billion (RM347.14 billion) last month, the Commerce Department's Census Bureau said on Wednesday. Economists polled by *Reuters* had forecast the goods trade deficit at US\$86.95 billion. It totalled US\$83.5 billion in February. The Census Bureau has resumed publication of the so-called advance indicators report, which includes the goods trade deficit and wholesale and retail inventories, having suspended the releases following last year's government shutdown. (*Reuters*)

### US: Housing starts surge to highest level since December 2024

New residential construction in the US rose in March to the highest level in more than a year as homebuilders boosted production despite ongoing affordability concerns. Housing starts increased 10.8% to an annual pace of 1.5 million homes in March, the highest since December 2024, according to figures released on Wednesday by the Census Bureau. That topped all estimates in a *Bloomberg* survey. New single-family home starts rose 9.7% to a 1.03 million annualised rate, while multi-family groundbreakings also advanced. Wednesday's report suggests residential construction is beginning to stabilise as builders continue to offer sales incentives to lure potential buyers into the market. But the war in Iran has added to economic uncertainty, pushing up not only materials costs but also mortgage rates. (*Bloomberg*)

### US: Trump tells aides to prep for lengthy Hormuz blockade — report

President Donald Trump told his aides to prepare for an extended US Naval blockade of the Strait of Hormuz, the *Wall Street Journal* reported, as the US looks to intensify economic pressure on Iran as the war enters its third month. The president, in meetings with top aides, decided to continue putting pressure on Iran's ability to export oil by stopping any vessel heading to or from the Islamic Republic's ports, the newspaper reported on Tuesday night. Trump determined that was a less risky option than resuming bombing or extracting the US from the conflict entirely, the outlet said. The decision suggests that the US could be moving into a lengthy period with the fighting largely halted, but no durable resolution to the conflict, and the status of traffic through the Strait of Hormuz still uncertain. (*Bloomberg*)

### US: Trump nominates ex-Bessent hedge fund executive to Treasury post

US President Donald Trump has nominated G Hunter McMaster II to be assistant Treasury secretary for financial markets, though he has been performing the duties of that post since last July. Before joining the Treasury Department, McMaster was the trading chief at Key Square Group, a macro hedge fund, run by Scott Bessent, now the Treasury secretary. Bessent announced the nomination, which requires Senate confirmation, on Tuesday evening. McMaster joined the Treasury in the first month of the second Trump administration as director of policy and planning. He is now a counselor to the secretary. (*Bloomberg*)



**CN: Xi has US\$1.2tn rare earths leverage ahead of Trump visit**

China's dominance of rare earths supply chains gives President Xi Jinping economic leverage worth US\$1.2 trillion (RM4.7 trillion) in his planned summit meeting with US President Donald Trump in Beijing next month. Fresh analysis from *Bloomberg Economics* finds that around 4% of US GDP — totalling some US\$1.2 trillion — is derived from industries that use rare earths. While some US industries may be able to work around any supply disruption, most don't have good substitutes and some would need to shut down in the event of any cut-off. "In some cases, rare earth inputs are 'golden screws': In the event of a disruption, manufacturers would be hard-pressed to substitute away or would need many months, if not years, to do so," BE's Nicole Gorton-Caratelli and Chris Kennedy wrote in the note. (*Bloomberg*)

**CN: Approves higher May fuel exports though down from a year ago — Reuters**

China has approved an increase in refined fuel exports for May to regions other than Hong Kong, two trading sources said on Wednesday, though levels remain below last year's average. The world's largest oil importer will allow 500,000 metric tonnes of refined fuel exports next month, said the sources, who have direct knowledge of the matter. That is up from estimates from ship-tracking company Vortexa of April exports of about 320,000 tonnes. Beijing has clamped down on its fuel exports since March to safeguard the domestic market from crude and fuel supply disruptions caused by closure of the Strait of Hormuz because of the US-Israeli war with Iran. (*Reuters*)

**HK: Has widest trade deficit since 1952 in echo of AI boom**

Hong Kong ran its widest trade deficit in at least 74 years as imports surged, a likely spillover from the disruptions caused by the war in the Middle East and a global investment boom in artificial intelligence that's driving demand for tech products. Government data this week showed a surge in exports and purchases from abroad in March, with imports up more than 41% from the same period in 2025 — their biggest increase in over three decades. That left a deficit of HK\$89.1 billion (US\$11.4 billion or RM45 billion), the highest in records dating back to 1952, when Hong Kong was a British colony. The transshipment hub is a gateway for many goods headed to mainland China, which saw a surge in imports of high-tech products in March as companies stockpiled semiconductors and other supplies. Hong Kong also imports nearly all of its energy and relies on fossil fuels for power generation, making it vulnerable to the oil shock triggered by the Iran war. (*Bloomberg*)

**MY: Fahmi says all ministries have been ordered to trim operating spending amid rising subsidy burden**

Malaysia has instructed government ministries to cut their operating expenditures as the country continues to grapple with the impact of the Middle East conflict. All ministries have received notification from the Ministry of Finance (MOF) on adjustments to operating expenditure, government spokesperson Datuk Fahmi Fadzil told the media at a weekly news conference on Wednesday. This is in line with the government's efforts to streamline programmes and activities as Malaysia faces global economic challenges stemming from tensions in the Middle East, Fahmi said. Further details will be coordinated by each ministry's secretary-general together with Chief Secretary to the Government Tan Sri Shamsul Azri Abu Bakar and Treasury secretary-general Datuk Johan Mahmood Merican. (*The Edge*)

**MY: Malaysians begin earning surplus income from age 29, peak at 44 — DOSM**

Malaysians typically begin earning more than they spend from age 29, with their income surplus peaking at 44 at about RM14,523 per person annually, according to the Department of Statistics Malaysia (DOSM). The surplus then gradually declines, with individuals returning to a deficit by around age 56 as income falls and expenses, particularly healthcare, increase. The findings are based on Malaysia's National Transfer Accounts (NTA) 2022, which examine how income and spending change over a person's lifetime. The data shows that younger and older age groups tend to spend more than they earn, while working-age individuals generate a surplus that supports the broader economy. (*The Edge*)

**MY: Timber industry warns of 'triple burden' from tax, fuel and labour pressures**

The Malaysian Timber Association (MTA) has called for urgent government intervention, warning that the wood-based sector is facing a "triple burden" of higher taxes, rising diesel costs and foreign labour shortages, which have eroded its competitiveness in the global timber and furniture market. In a statement on Wednesday, the association also said the combined pressures are driving up costs, constraining production for the sector. MTA warned that the combined impact of these challenges is placing the timber industry under severe and unsustainable strain with direct implications for Malaysia's export performance, industrial base and employment ecosystem. (*The Edge*)



## Corporate News

### **GAMUDA: JV gets Ulu Padas water supply project contract worth RM6.0bn**

Gamuda Bhd said on Wednesday its joint venture has been appointed as the contractor for the first phase of the Ulu Padas water supply project valued at RM5.98 billion. The contract was awarded by the Sabah State Water Department to Upper Padas Power Sdn Bhd (UPPSB), a wholly-owned subsidiary of UPP Holdings Sdn Bhd. Gamuda holds a 45% stake in UPP Holdings, while Sabah Energy Corporation Sdn Bhd owns 40% and Kerjaya Kagum Hitech JV Sdn Bhd holds the remaining 15%. The first phase involves the construction of a water treatment plant in Beaufort with a capacity of 350 million litres per day, along with approximately 200km of pipelines spanning Sabah's west coast from Sipitang to Kota Kinabalu, Gamuda said in an exchange filing. *(The Edge)*

### **SALUTE: Loss-making Salutica to cut half of workforce in major restructuring move**

Salutica Bhd will slash about 53% of its workforce beginning April 30, in a sweeping rationalisation exercise aimed at streamlining operations and shoring up long-term financial sustainability. The retrenchment, involving roughly 250 employees, will be carried out at its wholly owned subsidiary, Salutica Allied Solutions Sdn Bhd, according to the group's bourse filing. The company said the decision followed a comprehensive review of staffing needs, market conditions and operational efficiency. Affected employees will be offered support measures including career counselling and job placement assistance, it added. *(The Edge)*

### **CDB: CelcomDigi, Maxis and YTL inject additional RM202 mil each into DNB for spectrum acquisition**

CelcomDigi Bhd, Maxis Bhd and YTL Communications Sdn Bhd have each injected an additional RM202 million shareholder advance into Digital Nasional Bhd (DNB) to support its operations, including spectrum acquisition. YTL Communications is a 60%-owned unit of YTL Power International Bhd. According to bourse filings by CelcomDigi and Maxis on Wednesday, the latest injection was made at the request of the state-owned 5G wholesale network operator. With this latest injection, each of the three telcos' total shareholder advances and additional shareholder advances to DNB now stands at RM551.9 million, representing a 22.94% interest based on DNB's issued share capital and shareholder advances. *(The Edge)*

### **MYNEWS: Appoints Johari Ghani's son as director after family vehicle emerged as major shareholder**

MyNews Holdings Bhd on Wednesday announced the appointment of Amir Nashrin Johari as a non-independent and non-executive director effective May 1. Amir Nashrin, 32, is the son of Investment, Trade and Industry Minister Datuk Seri Johari Abdul Ghani, whose investment vehicle JAG Capital Holdings Sdn Bhd is the convenience store operator's major shareholder. JAG Capital emerged as a substantial shareholder of MyNews in December last year after raising its stake to about 20.3% through off-market purchases totalling 48.3 million shares. This resulted in MyNews' public shareholding spread falling below Bursa Malaysia's 25% minimum requirement to 24.925%. *(The Edge)*

### **MTRONIC: Buys freehold serviced apartments in Melaka**

Metronic Global Bhd has proposed to acquire 81 units of freehold serviced apartments in Melaka for RM33.24 million, saying the purchase will contribute positively towards future earnings. The building and security management systems company said it entered into a deal on Wednesday to buy the apartments, located at Marina Point, Klebang, from the developer and registered owner, Sanichi Precision Mould Sdn Bhd, a wholly-owned subsidiary of Sanichi Technology Bhd. "The proposed acquisition would enable the company and its subsidiaries to source alternative recurring income (as the company is) currently dependent on an engineering services contract that is cyclical in nature," said Metronic in a bourse filing. *(The Edge)*

### **UOAREIT: Scraps acquisition of business park assets from UOA Development after unitholders reject proposal**

UOA Real Estate Investment Trust said its plan to acquire three commercial properties from a unit of related-party UOA Development Bhd for RM200 million will not proceed after unitholders voted down the deal. The trust said the resolution for the acquisitions was not carried at an adjourned unitholders' meeting on Wednesday, causing a key condition precedent under the sale and purchase agreements to remain unmet. "The SPAs shall cease to have any effect and become null and void," UOA REIT said in a Bursa Malaysia filing. The trust also clarified that the issuance of 107.83 million new consideration units, which was meant to part-settle the RM89.5 million purchase of the car park component, would not proceed following the rescission. *(The Edge)*

### **AXREIT: 1Q income up 8.3% on derivative fair value gains**

Axis Real Estate Investment Trust reported an 8.3% rise in net income to RM53.2 million for the first quarter from RM49.1 million a year earlier, driven by fair value gain on derivatives amid stable recurring rental income from its property portfolio. Earnings per unit for the quarter ended March 2026 (1QFY2026) increased to 2.63 sen from 2.44 sen in 1QFY2025, according to a bourse filing on Wednesday. The industrial-focused REIT declared an interim dividend of 2.5 sen per unit, unchanged from last year. Net property income remained steady at RM77.8 million versus RM78.24 million previously while total trust income edged up 0.8% to RM89.87 million. The REIT recorded a fair value gain of RM3.27 million on derivatives, reversing a loss of RM1.43 million in the same quarter last year. *(The Edge)*



**IGBREIT: IGB REIT, IGB Commercial REIT post higher 1Q NPI on stronger rental income**

IGB Real Estate Investment Trust and IGB Commercial REIT reported higher net property income (NPI) for the first quarter of 2026 on the back of stronger rental income. IGB REIT, which focuses on retail assets including Mid Valley Megamall and The Gardens Mall, saw NPI jump 55.5% to RM207.0 million for the quarter ended March 31, 2026 (1QFY2026), from RM133.1 million a year earlier, according to its filing on Wednesday. Revenue rose 52.4% year-on-year to RM261.3 million from RM171.4 million, supported by contributions from the newly acquired The Mall, Mid Valley Southkey, as well as higher rental income from its existing malls. (*The Edge*)

**DPS: Explores tie-up with Alibaba Group-linked firm for US\$1.1bn AI data centre in Melaka**

DPS Resources Bhd is exploring a partnership with an affiliate of Alibaba Group Holding Limited to develop artificial general intelligence (AGI) data centre infrastructure in Melaka. The project remains at a preliminary stage, with definitive agreements yet to be finalised. The first phase is expected to have a capacity of 150MW to 180MW, with an estimated development cost of US\$7.5 million (RM29.7 million) per megawatt. At 150MW, this implies an indicative project value of about US\$1.1 billion (RM4.36 billion), said DPS in its statement on Wednesday. Its wholly-owned unit DPS Energy Sdn Bhd (DPSE) has signed a memorandum of understanding with Hangzhou Xinfengwei Network Technology Co Ltd, an associate of Dingding (China) Information Technology Co Ltd. (*The Edge*)

**DXN: 4Q net profit drops 25% on higher production costs, forex losses**

DXN Holdings Bhd's net profit fell 25.3% in its fourth quarter as higher production costs and foreign exchange losses squeezed profit margins despite a slightly increase in sales. Net profit for the quarter ended Feb 28, 2026 (4QFY2026) declined to RM62.59 million from RM83.75 million a year ago. Earnings per share dropped to 1.26 sen from 1.68 sen, according to the wellness products distributor's bourse filing on Wednesday. Earnings dropped as production costs and marketing expenses increased, and due to forex losses arising from the strengthening of the ringgit against other currencies, the group said. Quarterly revenue rose 3.5% to RM474.9 million from RM459.9 million in 4QFY2025, driven by stronger health and wellness consumer products sales in Latin America and India, partially offset by a weaker performance in Morocco. (*The Edge*)

Upcoming key economic data releases	Date
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
<i>Source: Investing.com</i>	



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
<b>Bonia Corporation</b>	Consumer	0.86	0.12	13.95
<b>British American Tobacco (M)</b>	Consumer	6.20	0.60	9.68
<b>MBM Resources</b>	Consumer	5.00	0.44	8.88
<b>Sentral REIT</b>	REIT	0.70	0.06	8.29
<b>CapitaLand Malaysia Trust</b>	REIT	0.63	0.05	8.10
<b>KIP REIT</b>	REIT	0.86	0.07	8.02
<b>MAG Holdings</b>	Consumer	1.28	0.10	7.42
<b>Magnum</b>	Consumer	1.28	0.10	7.42
<b>Paramount Corporation</b>	Property	1.02	0.07	7.16
<b>Sports Toto</b>	Consumer	1.29	0.09	7.13
<b>Ta Ann Holdings</b>	Plantation	5.41	0.38	7.08
<b>TIME dotCom</b>	Telco	5.99	0.38	6.38
<b>AI-Salam REIT</b>	REIT	0.44	0.03	6.36
<b>RHB Bank</b>	Finance	8.21	0.51	6.19
<b>AI-Aqar Healthcare REIT</b>	REIT	1.23	0.08	6.10

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 Apr	06 May
Inspace Creation Berhad	ACE Market	0.25	68.5	29.3	22 Apr	08 May
Gold Li Holdings Berhad	ACE Market	0.13	117.0	36.0	05 May	18 May
Skyechip Berhad	MAIN Market	0.88	400.0	-	06 May	20 May
EI Power Berhad	ACE Market	0.48	129.5	70.0	06 May	21 May

Source: Bursa Malaysia

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## Published & Printed By:

MERCURY SECURITIES SDN BHD  
Registration No. 198401000672 (113193-W)  
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