

NIKKEI MARKETS

Singapore, Malaysia shares fall amid Asian retreat

Upcoming US-China trade talks in focus, rising U.S. treasury yield weighs

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SINGAPORE (Nikkei Markets) -- Singapore and Malaysia shares retreated Tuesday in line with most Asian markets as investors await fresh developments in U.S.-China trade issues.

The Straits Times Index edged 0.6% lower to 3,540.23 dragged down by shares of property companies and shipbuilders. The FBM KLCI slipped 0.1% to 1848.20, weighed by losses of [YTL](#) and [Astro Malaysia Holdings](#).

"While Wall Street continued to find gains, the slowing pace failed to inspire Asian markets," said Jingyi Pan, a market strategist at IG Asia. "Furthermore, yields in U.S. 10-year Treasuries surged past the 3.0% level, inducing concerns of rising borrowing costs once again."

U.S. officials are readying for talks in Washington this week with Chinese Vice Premier Liu He that are expected to help diffuse an escalating trade row between the two economies.

On Monday, the Wall Street Journal reported both countries were closing in on a deal that would give China's [ZTE](#) a reprieve from U.S. sanctions in exchange for Beijing removing tariffs on U.S. agricultural products.

Earlier the same day, President Donald Trump had pledged to help ZTE "get back into business, fast" after a U.S. ban forbidding American companies from supplying the Chinese company crippled business.

Still, there's a "renewed sense of optimism" in Malaysia following Mahathir Mohamad's election win, said Apex Investment Services Chief Executive Clement Chew.

"Mahathir's pledge to implement institutional reforms and return to rule of law is very powerful because it gives a sense of confidence to businesses to invest," Chew said. "If executed well, this could translate to investment in much bigger way than what we have seen in previous years."

In Malaysia, investors also picked some of the stocks that were battered in knee-jerk reaction on Monday after the Alliance of Hope coalition swept to power to end a 61-year uninterrupted rule of the National Front.

[CIMB Group Holdings](#), the nation's second-largest bank by assets added 3.1%, while smaller peer AMMB Holdings added 1.7%. Construction major Gamuda gained 6.9%.

Malaysian hotel-to-utility firm YTL was the index' biggest loser, shedding nearly 7.0% followed by Astro Malaysia Holdings that fell 6%.

Felda Global Ventures Holdings added 4% after announcing plans to sell its entire 30% stake in Taiko Clay Chemicals for 145 million ringgit (\$36.66 million).

In Singapore lenders eased, with [DBS Group Holdings](#) shedding 1.2%, while [Oversea-Chinese Banking Corp.](#) gave up 0.8%. Telecommunications shares edged lower, led by a 2.6% drop in [Singapore Telecommunications](#) and a 0.6% fall by M1 0.6%.

[Banyan Tree Holdings](#) slipped 2.5% despite Monday's reporting of a first quarter net profit of S\$20.2 million (\$15.1 million), more than 16 times what it was a year earlier.

Meanwhile, agri-business company Golden Agri-Resources lost 2.8% after reporting a 68% fall in net profit to \$11.9 million for its first quarter.

--Joannah Perez and Alexander Winifred