

# The Trump–Xi meeting: Opportunities amid the new normal

The recent meeting between US President Donald Trump and China's Xi Jinping was less a diplomatic reset than a carefully staged exercise in maintaining a strategic balance of power. There was little negotiation as expected of a relationship structurally conditioned by economic nationalism and state-directed industrial policy, within the backdrop of systemic competition. The core issue is no longer whether the two powers can restore the cooperative equilibrium that characterised earlier decades, but whether they can construct a sufficiently stable adversarial equilibrium in which technological dominance, supply-chain security, industrial policy and financial leverage become enduring instruments of statecraft rather than temporary bargaining tools.

The present backdrop of the international system provides opportunities for relative positioning within Asean, where supply chain diversification is supported by strategic industrial policy and the need for geopolitical hedging. The situation at the Strait of Hormuz supports Malaysia's case for expanding its role as an energy exporter during the global green transition. Growth opportunities in the energy sector are being optimised as Malaysia invests in the Pengerang Integrated Petroleum Complex (PIPC) to raise its petroleum refining capacity while it takes steps to diversify



## CAPITAL CONTOURS

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into biorefining. From a strategic perspective, biorefining changes Malaysia's position from a traditional fossil-fuel exporter into a diversified manager of renewable hydrocarbons, helping the country establish an early, dominant position in the regional low-carbon economy. By adopting global ESG standards developed by the Global North while actively pursuing development opportunities and exports to high-growth emerging economies, Malaysia actively pursues diversified options necessary for geopolitical hedging.

Malaysia's government recently established the MyCCUS Agency and issued its first offshore assessment carbon storage permit for the Duyong field. By repurposing depleted offshore gas fields into large-scale carbon repositories, Malaysia is creating a new business model. The country aims to capture and permanently store industrial emissions from regional economic hubs that lack their own storage options, such as Singapore, Japan and South Korea. Additionally, the durability of Malaysia's green economy is supported by the relatively swift enactment of the Carbon Capture, Utilization and Storage (CCUS) Act

in October 2023, signalling efficient institutional coordination across the state apparatus. This demonstrates that industrial policy in Malaysia goes beyond administrative planning, to an intersection between geopolitical positioning and economic strategy.

Given the importance of diversifying energy security within the heightened awareness of geopolitical and maritime risks, another growth thrust is related to the continued development of related production and transport infrastructure. The Strait of Malacca has long been recognised as a geopolitical chokepoint, with the response being the development of Malaysia's 666km East Coast Rail Link (ECRL), which connects Port Klang on the Strait of Malacca (West Coast of Peninsular Malaysia) directly to Kuantan Port on the South China Sea (East Coast). The ECRL, targeted for operations by January 2027, transforms Malaysia from a simple maritime transit point into a hybrid maritime-land logistics hub that can partially bypass the vulnerabilities of the Strait. Additionally, Malaysia's government is also advocating to extend the ECRL northward, which would connect the country's logistics network to the broader Pan-Asian Railway Network, through Thailand, Laos and China. While the ECRL provides a land-based alternative, Malaysia further mitigates supply chain risk within the Strait itself through the planned Maharani Energy Gateway in Johor,

a parallel energy and logistics ecosystem with deep-water access.

The theme of opportunity through diversification is not limited to the presently more salient issue of physical geopolitical chokepoints at maritime straits, but also the necessity of reducing dependencies on the US dollar and system of payments. The US maintains its ability to weaponise international payment systems (for example, sanctions on Russia through SWIFT), amid debatable geopolitical legitimacies. At present, there remains no genuinely viable substitute for the US dollar, given unparalleled liquidity of the currency supported by legal infrastructure and the country's geopolitical power. However, increasing geo-politicisation of US financial infrastructure also serves to raise mistrust towards the currency and accelerate aversion by sovereign countries globally, while raising interest in alternatives such as gold, cryptocurrencies and local currency bilateral trade. The rising trend of central bank purchases of gold, renminbi settlement expansion and BRICS local currency trade settlement initiatives are already occurring. As fintech advances, issues with convertibility and daily accessibility will cease to be barriers to alternative currency adoption. A post-dollar system will see monetary architectures increasingly aligned to currencies that provide geopolitical trust and, in its absence, the preference and development of a neutral common denominator of exchange.

While that future may remain distant, the present phase of reconfiguration, be it tangible supply chains in commodities or intangible supply chains in monetary systems, all present themselves as costs of geopolitical insecurities. Taking a shorter-term view, the immediate impact of present global risks will continue to emanate in the conventional tail risks of commodities markets and related logistics costs, translating to higher producer prices. No country can escape from these costs, although Malaysia is well ranked compared to other Asian countries, such as energy importers or those with a higher manufacturing exposure, with Taiwan, China and South Korea being particularly exposed and being highly energy-dependent. Meanwhile, as import costs rise, economies with twin deficits on both the current and fiscal balances remain more vulnerable to balance of payments and exchange rate risks, namely the Philippines, Indonesia, India and other South Asian economies.

For now, the translation of the US-Israel-Iran conflict into economic and market risks has been quite mild, partly on the expectation that oil prices will eventually moderate after Middle East tensions subside, due to expectations of a broader structural supply surplus. However, this assumption may underestimate the persistence of geopolitical risk premia embedded within energy markets. The full impact of the war will be more clearly distinguished as it cascades through to second-quarter data this year where its full impact will be felt; hence, financial markets are, for now, enjoying a certain degree of blissful ignorance, characterised by the oft-mentioned disconnect between tech valuations and the rest of the market.

While US administrations typically demand quick results to achieve annual goals, stable bureaucracies in Asia with cohesive and centralised governments can operate on a multi-decade timeline. By avoiding direct confrontation and building parallel economic networks, developing economies can practise strategic patience. This approach allows them to build their own structural advantages while the US deals with internal divisions and costly foreign commitments.

## IPO performance on Bursa Malaysia in the past six months

COMPANY	LISTING DATE	IPO PRICE (RM)	FIRST-DAY CLOSING PRICE (RM)	FIRST-DAY SHARE PRICE PERFORMANCE (%)	CLOSING PRICE AS AT MAY 21 (RM)	PRICE CHANGE SINCE IPO (%)	P/E AT IPO (TIMES)	MARKET CAPITALISATION (RM MIL)
<b>MAIN MARKET</b>								
Geohan Co	Dec 5, 2025	0.55	0.540	-1.82	0.280	-49.09	15.11	123.20
Orkim	Dec 9, 2025	0.92	0.930	1.09	0.900	-2.17	9.90	900.00
Lac Med	Dec 10, 2025	0.75	0.755	2.00	0.800	6.67	14.70	320.00
Wisco Greenery	Dec 11, 2025	1.00	0.880	-12.00	0.500	-50.00	12.80	250.00
Hock Soon Capital	Feb 13, 2026	0.60	0.560	-6.67	0.345	-42.50	7.10	172.50
Sunway Healthcare Holdings	March 18, 2026	1.45	1.850	27.59	1.820	25.52	64.80	20,930.30
Empire Premium Food	April 17, 2026	0.70	1.040	48.57	0.990	41.43	20.30	1,089.00
MTT Shipping and Logistics	April 21, 2026	1.03	1.000	-2.91	0.945	-8.25	10.30	2,362.50
SkyeChip	May 20, 2026	0.88	2.210	151.14	2.330	164.77	44.00	4,184.68
<b>ACE MARKET</b>								
Farmiera	Nov 12, 2025	0.25	0.255	2.00	0.225	-10.00	16.07	101.25
PMW International	Nov 18, 2025	0.34	0.345	1.47	0.255	-25.00	19.00	227.47
Aquawalk Group	Nov 19, 2025	0.31	0.380	22.58	0.155	-50.00	15.70	285.67
Polymer Link Holdings	Nov 25, 2025	0.25	0.250	0.00	0.130	-48.00	12.70	72.80
Foodie Media	Nov 28, 2025	0.30	0.400	33.33	0.330	10.00	35.70	293.04
PSP Energy	Dec 4, 2025	0.16	0.145	-9.38	0.125	-21.88	12.00	133.60
BMS Holdings	Dec 8, 2025	0.22	0.175	-20.45	0.145	-34.09	15.83	223.30
Semico Capital	Jan 13, 2026	0.25	0.375	50.00	0.545	118.00	14.88	196.20
SBS Nexus	Jan 20, 2026	0.25	0.240	-4.00	0.120	-52.00	16.10	58.80
Guan Huat Seng Holdings	Jan 22, 2026	0.25	0.245	-2.00	0.190	-24.00	13.02	89.97
One Gasmaster Holdings	Jan 27, 2026	0.25	0.200	-20.00	0.130	-48.00	13.93	40.30
ISF Group	Jan 28, 2026	0.33	0.480	45.45	0.525	59.09	12.69	525.00
Arnbest Group	Feb 6, 2026	0.25	0.345	38.00	0.695	178.00	18.38	354.45
Kee Ming Group	Feb 12, 2026	0.38	0.870	128.95	0.915	140.79	15.20	297.38
Teamstar	Feb 25, 2026	0.26	0.235	-9.62	0.265	1.92	13.00	212.00
OGX Group	March 12, 2026	0.35	0.345	-1.43	0.325	-7.14	17.16	243.75
Adnex Group	March 17, 2026	0.20	0.250	25.00	0.285	42.50	11.56	142.50
SE Resources Holdings	April 15, 2026	0.26	0.270	3.85	0.250	-3.85	18.44	385.00
Golden Destinations Group	April 16, 2026	0.45	0.400	-11.11	0.335	-25.56	15.85	335.00
AMS Advanced Material	April 23, 2026	0.29	0.305	5.17	0.340	17.24	20.71	208.08
Manforce Group	May 6, 2026	0.38	0.375	-1.32	0.280	-26.32	14.91	89.60
Inspace Creation	May 8, 2026	0.25	0.255	2.00	0.225	-10	11.36	83.09
Gold LI Holdings	May 18, 2026	0.13	0.105	-19.23	0.120	-7.69	10.00	72.00

Dr Ray Choy is chief economist of MARC Ratings. The views in this article are his own and may not necessarily represent the views of the company.