



# Daily Newswatch

## Market Review

The FBM KLCI extended its upward momentum to close higher on Wednesday at 1,586.6, lifted by improved market sentiment following the United States' decision to extend its 90-day tariff truce with China until Nov 10. Sentiment was further supported by optimism over potential easing of geopolitical tensions, as US President Donald Trump and Russian President Vladimir Putin are scheduled to meet in Alaska on Friday to discuss the war in Ukraine. Among the index constituents, the top three gainers were AMMB (+4.2%), TELEKOM (+3.3%) and SIME (+3.1%). Sector-wise, Technology (+1.2%) led the gains, while Plantation (+0.9%) and Consumer Products & Services (+0.8%) also recorded gains. Overall, market breadth turned positive with 637 gainers versus 308 losers.

Asian stocks rose on Wednesday as the extension of the tariff truce between the U.S. and China boosted sentiment, while investors also looked ahead to a key U.S. inflation report to gauge the future policy-rate path. The Shanghai Composite rose 0.5% to 3,683.5, supported by gains in lithium producers after CATL halted production at a major mine, which drove lithium carbonate prices higher. Hong Kong's Hang Seng climbed 2.6% to 25,613.7, led by advances in technology and consumer stocks.

The Euro Stoxx 50 rose on Wednesday as better-than-expected corporate earnings from major European companies and resilient service-sector data lifted investor sentiment. Easing energy prices and expectations that upcoming central bank meetings could hint at a more accommodative policy stance further boosted confidence, with the index climbing 1.0% to close at 5,388.3.

US equities climbed on Wednesday as optimism over progress in US-China trade talks lifted sentiment, after President Trump signed a last-minute executive order extending the tariff pause on Chinese goods by 90 days, easing near-term trade tensions. Additional support came from gains in technology and industrial shares, while anticipation of stable inflation data later in the week added to the positive tone. The Dow rose 1.0%, the S&P 500 gained 0.3%, and the Nasdaq edged up 0.1%.

## Macro Snapshots

- US:** Deficit grows to US\$291bn in July despite tariff revenue surge
- MY:** Household debt at RM1.6tn as at end-March 2025 — deputy finance minister
- JP:** Wholesale inflation slows for 4th month in July 2025
- JP:** Starts anti-dumping probe into Chinese, South Korean steel goods
- IN:** Modi likely to meet Trump in US next month, Indian newspaper reports
- TH:** Cuts key rate, braces for protracted growth slowdown

## Corporate Snapshots

- RCECAP:** Capital's 1Q net profit down 14% on higher impairment loss
- IRIS:** Fails in appeal against ex-directors over investment loss
- CEKD:** Ventures into label printing via RM3m acquisition
- AVANGAAD:** To book RM29m gain from FSO vessel sale
- VSTECs:** Expects 'exceptional momentum' for FY2025 as 2Q profit jumps 32% on robust sales
- YINSON:** Agogo FPSO begins 15-year charter worth RM21bn

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,586.6	1.2	(3.4)
Dow Jones	44,922.3	1.0	5.6
Nasdaq CI	21,713.1	0.1	12.4
S&P 500	6,466.6	0.3	9.9
SX5E	5,388.3	1.0	10.1
FTSE 100	9,165.2	0.2	12.1
Nikkei 225	43,274.7	1.3	8.5
Shanghai CI	3,683.5	0.5	9.9
HSI	25,613.7	2.6	27.7
STI	4,272.8	1.2	12.8

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,706.5	7.2
Value traded (RM m)	3,068.5	42.5
Gainers	637	
Losers	308	
Unchanged	466	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
CLASSITA	0.090	(5.3)	99.8
TANCO	0.705	(2.8)	65.3
SERSOL	0.025	66.7	50.4
PHARMA	0.185	0.0	33.7
TM	7.230	3.3	29.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	7.230	3.3	209.6
IHH	6.910	1.3	183.2
CIMB	7.190	2.6	176.4
MAYBANK	9.860	1.5	118.2
MISC	7.740	(0.1)	113.8

Currencies	Last Close	% Chg
USD/MYR	4.209	(0.1)
USD/JPY	146.830	0.4
EUR/USD	1.171	0.1
USD/CNY	7.177	0.1
US Dollar Index	97.710	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	65.9	0.3
Gold (USD/troy oz)	3,368.7	0.4
CPO (MYR/metric t)	4,367.0	0.6
Bitcoin (USD/BTC)	123,996.3	0.8



## Macro News

### US: Deficit grows to US\$291bn in July despite tariff revenue surge

The US government's budget deficit grew nearly 20% in July to US\$291bn despite a nearly US\$21bn jump in customs duty collections from President Donald Trump's tariffs, with outlays growing faster than receipts, the Treasury Department said on Tuesday. The deficit for July was up 19%, or US\$47bn, from July 2024. Receipts for the month grew 2%, or US\$8bn, to US\$338bn, while outlays jumped 10%, or US\$56bn, to US\$630bn, a record high for the month. The month of July this year had fewer business days than last year, so the Treasury Department said that adjusting for the difference would have increased receipts by about US\$20bn, resulting in a deficit of about US\$271bn. *(Reuters)*

### MY: Household debt at RM1.6tn as at end-March 2025 — deputy finance minister

Malaysia's household debt stood at RM1.6tn, or 84.3% of gross domestic product (GDP) as at end-March 2025. Of this, 61.1% comprised loans for the purchase of residential properties, said Deputy Finance Minister Lim Hui Ying. Nevertheless, Lim noted that household financial assets, amounting to RM3.4tn as at end-March 2025, were more than double total debt, providing a strong financial buffer. "As at end-2024, the median debt service ratio for household loans stood at a prudent 34%," Lim told the Dewan Rakyat during the oral question-and-answer session on Wednesday. *(The Edge)*

### JP: Wholesale inflation slows for 4th month in July 2025

Japan's annual wholesale inflation slowed for the fourth straight month in July, data showed on Wednesday, underscoring the central bank's view that upward price pressure from raw material costs will dissipate. But the wholesale prices of food and agriculture goods continued to rise, in a sign of broadening price pressure that will likely keep alive market expectations of an interest rate hike by the Bank of Japan (BOJ). The corporate goods price index (CGPI), which measures the price companies charge each other for their goods and services, rose 2.6% in July from a year earlier, data showed, slowing from the previous month's 2.9% increase. It compared with a median market forecast for a 2.5% rise. *(Reuters)*

### JP: Starts anti-dumping probe into Chinese, South Korean steel goods

Japan will begin an anti-dumping probe into some Chinese and South Korean steel goods, the latest effort by the nation to protect local producers against a wave of imports of the alloy. The investigation, which is expected to be complete within a year, will probe flows of hot-dipped galvanised coil, sheet and strip, the trade and finance ministries said in a statement on Wednesday. The decision follows an application in April by four firms, including Nippon Steel Corp and Kobe Steel Ltd. Steel exports from China, the world's largest producer, have surged this year as a downturn in its property market hurt domestic demand. That's weighed on prices and put pressure on producers around the world, while tariffs imposed by the US government have also complicated the business environment. *(Bloomberg)*

### IN: Modi likely to meet Trump in US next month, Indian newspaper reports

Indian Prime Minister Narendra Modi is likely to meet President Donald Trump during a visit to the US next month to attend the United Nations (UN) General Assembly meeting, the *Indian Express* newspaper reported on Wednesday, citing sources. India's Foreign Ministry did not immediately respond to a request for comment. An Indian official familiar with the matter said a decision had not yet been taken, and that countries usually reserve slots for the General Debate at the assembly, which is why India's "head of government" features in a provisional list of speakers on Sept 26. "The list will go through revisions," the official said, adding that it had not yet been decided if Modi would be going to the assembly. *(Reuters)*

### TH: Cuts key rate, braces for protracted growth slowdown

The Bank of Thailand cut its key interest rate and signalled it will remain accommodative as higher US tariffs risk setting off a prolonged period of economic weakness. The central bank's Monetary Policy Committee voted unanimously Wednesday to cut the one-day repurchase rate by 25 basis points to 1.5%, as predicted by 14 of 23 economists surveyed by *Bloomberg*. The rest forecast no change. The BOT has now delivered a total of 100 basis points in rate cuts in an easing cycle that began in October. US tariffs are the latest of a series of challenges for the Southeast Asian nation this year, including violent border clashes with Cambodia and political uncertainty after the suspension of the prime minister. *(Bloomberg)*



## Corporate News

### **RCECAP: 1Q net profit down 14% on higher impairment loss**

RCE Capital Bhd, a financing solution provider for civil servants, saw its net profit drop 14.3% in the first quarter due to higher allowances for impairment losses on receivables. In a filing with Bursa Malaysia, RCE Capital reported a net profit of RM25.9m for the three months ended June 30, 2025 (1QFY2026), down from RM30.3m a year earlier. Earnings per share fell to 1.77 sen from 2.07 sen last year. For the period under review, the group saw RM11.3m in impairment loss on receivables, higher than RM7.7m in the same quarter a year earlier. (*The Edge*)

### **IRIS: Fails in appeal against ex-directors over investment loss**

Iris Corporation Bhd has failed in its appeal against a High Court decision to throw out the company's lawsuit against nine former board members over losses arising from the subscription of shares in a UK-based firm. In its decision on Wednesday, the Court of Appeal also ordered Iris to pay RM40,000 in legal costs to each of the five set of solicitors representing the nine defendants, according to the company's bourse filing. The defendants include former chairmen Tan Sri Razali Ismail and Datuk Nik Azman Mohd Zain, and former group managing director and chief executive officer Datuk Tan Say Jim. (*The Edge*)

### **CEKD: Ventures into label printing via RM3 mil acquisition**

Die-cutting solutions provider CEKD Bhd is venturing into the label printing industry with the acquisition of Shin Fuji Labels Sdn Bhd for RM3m in cash. The group signed a conditional share sale agreement on Wednesday with Shin Fuji's major shareholders — Yap Sing with a 80.7% interest and Yap Teng Wui with a 19.3% stake — to acquire the entire equity interest in the company, according to its filing with Bursa Malaysia. Shin Fuji, incorporated in June 2006, is principally involved in the printing and trading of printing materials. Its operations are based in Shah Alam, Selangor, and it currently employs about 28 staff. (*The Edge*)

### **AVANGAAD: To book RM29 mil gain from FSO vessel sale**

Avangaad Bhd, formerly known as EA Technique (M) Bhd, said it is disposing of a floating storage and offloading (FSO) vessel for US\$10.5m (RM44.5m) cash. The vessel *FOIS Nautica Tembikai* has a net book value of RM15.0m and the disposal will result in an immediate gain of RM29.4m, said the marine services group in a filing with Bursa Malaysia on Wednesday. The buyer MTC Energy Sdn Bhd is a wholly owned subsidiary of MTC Engineering Sdn Bhd and is involved in hydrocarbon mining and crude oil production, said Avangaad. (*The Edge*)

### **VSTECs: Expects 'exceptional momentum' for FY2025 as 2Q profit jumps 32% on robust sales**

Information and communication technology (ICT) products distributor VSTECs Bhd is expecting "exceptional momentum" for the rest of FY2025, said its CEO J H Soong, as the group reported a 32.3% jump in its second-quarter net profit. The group said its portfolio of products and solutions continues to be in strong demand across both consumer and enterprise segments. It also sees minimal disruption to the ICT sector despite global headwinds such as the US tariffs and the sales and services tax expansion at home. It is now well-positioned for further growth in the third quarter, with the planned launches of major endpoint devices that are expected to drive consumer sales, it said in its quarterly results filing on Wednesday. (*The Edge*)

### **YINSON: Agogo FPSO begins 15-year charter worth RM21bn**

Yinson Holdings Bhd has commenced operations of its largest floating production storage and offloading (FPSO) vessel *Agogo FPSO* under a 15-year charter agreement valued at over US\$5 billion (RM21.0bn). In a filing with Bursa Malaysia on Wednesday, the oil and gas (O&G) company said it received the provisional operational readiness certificate (PORC) for *Agogo FPSO* on Aug 12. The charter agreement is under a lease-and-operate contract with Azule Energy, Angola's largest independent oil and gas producer — a 50:50 joint venture between BP and Eni. Yinson said with *Agogo FPSO* now operational, approximately 97% of Yinson Production's total contracted revenue backlog of US\$19 billion is derived from assets in operation. The completion also frees up the company to pursue new projects. (*The Edge*)



Upcoming key economic data releases	Date
US – Core Retail Sales (Jul)	Aug 15
EU – CPI (Jul)	Aug 20
<i>Source: Bloomberg</i>	

## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.11	0.15	13.78
Amway (M)	Consumer	5.07	0.47	9.27
British American Tobacco (M)	Consumer	6.21	0.54	8.70
Sentral REIT	REIT	0.78	0.06	8.26
YTL Hospital REIT	REIT	1.04	0.08	7.98
REXIT	Technology	0.63	0.05	7.94
KIP REIT	REIT	0.87	0.07	7.75
Hektar REITS	REIT	0.49	0.04	7.63
CapitaLand Malaysia Trust	REIT	0.64	0.05	7.56
Paramount Corporation	Property	1.03	0.07	7.28
MBM Resources	Consumer	5.43	0.39	7.24
Taliworks Corporation	Utilities	0.70	0.05	7.14
MAG Holdings	Consumer	1.23	0.08	6.67
Magnum	Consumer	1.23	0.08	6.67
Ta Ann Holdings	Plantation	3.92	0.26	6.58

*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		

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