



Daily Newswatch

Market Review

The FBM KLCI closed lower on Wednesday at 1,588.2, as profit-taking was offset by selective buying in heavyweights amid cautious sentiment in regional markets. This was supported by buying interest from local funds in blue-chip heavyweights, even as broader market sentiment stayed guarded ahead of policy signals from the Federal Reserve's Jackson Hole Economic Policy Symposium later this week. Sector rotation was evident, with industrials outperforming on a double-digit petrochemical rally, alongside strength in plantations and consumer cyclicals, underscoring underlying domestic demand resilience amid external policy uncertainty. Among index constituents, the top losers were PPB (-3.0%), AXIATA (-3.0%), and PETDAG (-1.9%), with market breadth at 647 laggards versus 376 gainers. Sector-wise, Utilities (-1.2%) led the laggards, followed by Construction (-0.9%) and Transportation & Logistics (-0.6%).

Asian stocks ended higher on Wednesday, spurred by comments from China's foreign ministry that traders interpreted as a sign of potential progress in the US-China trade talks. Market sentiment was also buoyed by a rebound in technology and consumer-related shares, while energy counters tracked firmer oil prices. The Shanghai Composite rose 1.0% to 3,766.2, led by gains in new-energy vehicle makers and financials, as investors bet on policy support to stabilize growth. Meanwhile, the Hang Seng Index increased 0.2% to 25,165.9, supported by property developers and Chinese tech heavyweights, although gains were capped by weakness in utilities.

The EURO STOXX 50 slipped on Wednesday, despite stronger-than-expected corporate earnings from major European companies and resilient manufacturing-sector data. Investor caution over rising geopolitical tensions and the uncertainty surrounding upcoming central bank meetings outweighed optimism, leading the index to drop 0.2% to close at 5,472.3.

US equities ended mixed on Wednesday, pressured by a broad decline in tech. Investors also weighed mixed retail earnings and the release of the Federal Reserve's latest meeting minutes. Profit-taking in several heavyweight technology and semiconductor names fanned concerns about high valuations and the longer-term strength of the artificial intelligence trade. As a result, the Dow ended flat, while the Nasdaq dropped 0.7% and the S&P 500 declined 0.2%.

Macro Snapshots

- US:** Budget deficit forecast US\$1tn higher over next decade, watchdog says
- US:** Bessent says China tariff status quo 'working pretty well'
- CN:** Leaves benchmark lending rates unchanged, matching forecast
- CN:** Ratchets up budget spending at fastest pace since 2022
- IN:** Central bank surprises with rate cut, raises GDP outlook
- UK:** Inflation hits 18-month high as food and transport costs soar

Corporate Snapshots

- KTI:** To build RM107m cultural complex in exchange for 65-acre land in Sabah
- PARKSON:** Signs 20-year lease in China's Sichuan province
- ECOWLD:** Establishes RM2bn rated perpetual sukuk wakalah programme

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,588.2	(0.1)	(3.3)
Dow Jones	44,938.3	0.0	5.6
Nasdaq CI	21,172.9	(0.7)	9.6
S&P 500	6,395.8	(0.2)	8.7
SX5E	5,472.3	(0.2)	11.8
FTSE 100	9,288.1	1.1	13.6
Nikkei 225	42,888.6	(1.5)	7.5
Shanghai CI	3,766.2	1.0	12.4
HSI	25,165.9	0.2	25.5
STI	4,219.5	0.1	11.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,554.4	(1.7)
Value traded (RM m)	2,500.9	(8.9)
Gainers	647	
Losers	376	
Unchanged	301	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VANTNRG	0.035	(12.5)	79.9
ZETRIX	0.875	1.2	68.0
TANCO	0.730	0.0	59.8
SIME	1.750	(0.6)	39.0
TWL	0.025	0.0	35.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	5.620	(1.4)	152.8
MAYBANK	9.800	0.0	150.0
CIMB	7.360	(0.4)	132.7
TM	7.100	(1.5)	113.6
PCHEM	4.180	12.4	80.5

Currencies	Last Close	% Chg
USD/MYR	4.227	(0.1)
USD/JPY	147.320	0.0
EUR/USD	1.165	(0.0)
USD/CNY	7.176	0.1
US Dollar Index	98.233	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	67.0	1.8
Gold (USD/troy oz)	3,348.4	1.0
CPO (MYR/metric t)	4,451.0	0.6
Bitcoin (USD/BTC)	114,435.7	0.0



- **LFG:** To acquire vessel for US\$13m
- **SPSETIA:** Teams up with Taiwan's ALP to develop smart warehouse campus in Klang
- **SDG:** To jointly develop solar assets

Macro News

US: Budget deficit forecast US\$1tn higher over next decade, watchdog says

US federal budget deficits will be nearly US\$1tn (RM4.2tn) higher over the next decade than projected in January by the Congressional Budget Office as a result of tax and spending legislation and tariffs, a budget watchdog said on Wednesday. The Committee for a Responsible Federal Budget's latest forecasts show a cumulative deficit of US\$22.7 trillion from fiscal 2026 to 2035, compared to the CBO's January forecast of US\$21.8tn, which was based on laws and policies that were in place before US President Donald Trump took office in January. The CBO, Congress' non-partisan budget referee agency, said on Monday that it will not issue its customary mid-year budget update this year and will issue its next 10-year budget and economic outlook in early 2026, offering no explanation for the move. *(Reuters)*

US: Bessent says China tariff status quo 'working pretty well'

Treasury Secretary Scott Bessent indicated the US is satisfied with the current tariff set up with China, a signal the Trump administration is looking to maintain calm with its economic rival before a trade truce expires in November. When asked in a *Fox News* interview when progress in negotiations would be seen and if the US needed a trade agreement because of how tariffs were going, Bessent said that "we're very happy" with the situation with China. "I think right now the status quo is working pretty well," he said. "China is the biggest revenue line in the tariff income — so if it's not broke, don't fix it," he said in the interview on Tuesday. "We have had very good talks with China. I imagine we'll be seeing them again before November." *(Bloomberg)*

CN: Leaves benchmark lending rates unchanged, matching forecast

China kept benchmark lending rates unchanged for the third consecutive month on Wednesday, meeting market expectations, as authorities signalled they are in no rush to deliver monetary stimulus despite a string of recent disappointing economic data. The steady LPR fixings highlighted the central bank's preference for targeted structural policies to support specific sectors of the economy, rather than resorting to broad-based monetary easing. A de-escalation in trade tensions between Washington and Beijing also reduced urgency for more stimulus, as the world's two largest economies agreed to extend a tariff truce for another 90 days. *(Reuters)*

CN: Ratchets up budget spending at fastest pace since 2022

China's broad fiscal spending expanded at the fastest pace in almost three years, pushing the deficit to another record as the government steers an economy grappling with weakening demand and higher tariffs. Total expenditure rose 9.3% to 21.5tn yuan (US\$3tn or RM12.6tn) in the first seven months of 2025 from a year ago, according to *Bloomberg* calculations based on data released by the Finance Ministry on Tuesday. That's the fastest increase since August 2022. As a result, the broad fiscal gap reached 5.6tn yuan in the January-July period, with the shortfall widening 49% from a year ago. *(Bloomberg)*

IN: Central bank surprises with rate cut, raises GDP outlook

Indonesia's central bank cut interest rates again in a surprise move on Wednesday and flagged it could cut some more, as it stepped up support for Southeast Asia's largest economy against the backdrop of global uncertainties. Bank Indonesia (BI) trimmed the benchmark seven-day reverse repurchase rate by 25 basis points to 5.0%, its fifth rate cut since September, taking it to its lowest level since late 2022. Only five of 29 economists polled by *Reuters* had expected a cut. The rest expected rates to be kept steady. *(Reuters)*

UK: Inflation hits 18-month high as food and transport costs soar

UK inflation climbed to an 18-month high on the back of surging fuel, food and transport prices, putting the Bank of England under pressure to reconsider the pace of interest-rate cuts. Consumer prices rose 3.8% from a year earlier, up from 3.6% in June and the fastest pace since January 2024, the Office for National Statistics said Wednesday. The pickup was forecast by the BOE but exceeded the 3.7% economists expected. Services inflation, a closely watched gauge of underlying price pressures, climbed to 5%, above the 4.9% forecast by the central bank. The pound erased a drop after the report to trade little changed at US\$1.3 (RM5.7). *(Bloomberg)*



Corporate News

KTI: To build RM107m cultural complex in exchange for 65-acre land in Sabah

Sabah-based property developer KTI Landmark Bhd will build a RM107m cultural complex on 58 acres of land in Kinarut, Sabah through a land swap with the state government. Under the arrangement, KTI's unit, K.T.I Sdn Bhd (KTISB), will receive 65 acres of land from the state to develop residential projects. In a filing with Bursa Malaysia, the company said KTISB entered into a development agreement with the state government on Wednesday. This follows a letter of intent it received from the Ministry of Tourism, Cultural and Environment Sabah in October 2024. (*The Edge*)

PARKSON: Signs 20-year lease in China's Sichuan province

Parkson Holdings Bhd said that its 54.9%-owned Hong Kong-listed subsidiary Parkson Retail Group Ltd (PRG) has inked a 20-year agreement to lease 4,801 sq m of commercial space in Mianyang City in China's Sichuan province. The space will be used for commercial operations and under International Financial Reporting standards, with the tenancy agreement treated as the acquisition of a right-of-use assets, which Parkson booked at about 14.3m yuan (RM8.4m), it said on Wednesday. The base rental will start at 120,031.3 yuan per month, with a 5% escalation after five years and every three years thereafter. (*The Edge*)

ECOWLD Establishes RM2bn rated perpetual sukuk wakalah programme

Eco World Development Group Bhd's wholly owned subsidiary, Eco World Perpetual Capital Bhd, has established a rated perpetual sukuk wakalah programme with a nominal value of RM2.0bn. The entire RM2.0bn programme is guaranteed by EcoWorld and has been assigned a final credit rating of A IS(CG) with a stable outlook by MARC Ratings Bhd. The company noted that the subsidiary had also successfully completed the first issuance under the programme, raising RM800.0m, according to a filing with Bursa Malaysia on Wednesday. (*Bernama*)

LFG: To acquire vessel for US\$13m

Lianson Fleet Group Bhd's indirect wholly owned subsidiary Kangsar Corporation Pte Ltd has entered into a memorandum of agreement to acquire a vessel, *MV Moana BAQ*, for a cash consideration of US\$13.3m (RM55.9m). The group told Bursa Malaysia on Wednesday that it had proposed to fund the acquisition with internal funds and bank borrowings. The vessel is a Panama-flagged *Supramax* bulk carrier built in 2012 with a deadweight tonnage of 56,625 metric tons, gross tonnage of 32,964, and net tonnage of 19,142, LFG said. (*Bernama*)

SPSETIA: Teams up with Taiwan's ALP to develop smart warehouse campus in Klang

S P Setia Bhd is collaborating with Taiwan's Ally Logistic Property Co Ltd (ALP) to develop a smart warehouse campus at Setia Alaman Industrial Park in Klang. It forms part of the property developer's eco-industrial site masterplan with an estimated gross development value (GDV) of up to RM4bn. The 42-acre development will feature two build-to-lease warehouses equipped with automated storage and retrieval systems (AS/RS), one dedicated to cold chain logistics and the other to ambient storage. Together, the facilities will provide about 1.5m sq ft of floor space with capacity for 150,000 pallet locations. (*The Edge*)

SDG, GAMUDA: To jointly develop solar assets

SD Guthrie Bhd and Gamuda Bhd have signed an agreement to develop solar energy assets targeting up to 1.2 gigawatt of accumulated capacity. In the first phase, the partners will identify SD Guthrie's unproductive or under-utilised land nationwide to assess their potential for solar power development, according to a joint statement on Wednesday. The parties also aim to own and operate the assets, including energy storage systems. The tie-up aims to capture surging demand for renewable energy from industrial users and data centre operators seeking to meet their sustainability objectives, the companies said. (*The Edge*)



Upcoming key economic data releases	Date
Initial Jobless Claims	Aug 21
Fed Chair Powell Speech	Aug 23
<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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