



Daily Newswatch

Market Review

The FBM KLCI closed higher on Monday at 1,602.5, as investors expect the US rate-cutting cycle to begin in September and give more fuel to the stock rally. Among index constituents, the top gainers were MAXIS (+2.2%), NESTLE (+2.0%), and PMETAL (+1.8%), with market breadth at 519 gainers versus 580 losers. Sector-wise, Technology (+2.1%) led the gains, followed by Telecommunications & Media (+1.2%) and Industrial Products & Services (+1.0%).

Asian stocks ended higher on Monday, noting that the index continues to consolidate above key support levels while sustaining a bullish structure. The Shanghai Composite rose 1.5% to 3,883.6, as Beijing pledged new measures to stabilize jobs and spending. Meanwhile, the Hang Seng Index rose 1.9% to 25,829.9.

The EURO STOXX 50 slipped on Monday, as investor caution over rising geopolitical tensions and uncertainty surrounding upcoming central bank meetings outweighed stronger-than-expected corporate earnings from major European companies and resilient manufacturing-sector data. The index fell 0.8% to close at 5,443.9.

US equities ended lower on Monday as investors adopted a cautious stance ahead of this week's highly anticipated earnings results from Nvidia, which is seen as a key barometer for the strength of the AI-driven rally, and fresh data on the Federal Reserve's preferred inflation gauge, the PCE index. Concerns that strong earnings could reignite valuations in an already stretched market, combined with uncertainty over whether inflation progress will be sufficient to support near-term rate cuts, weighed on sentiment. Geopolitical tensions and higher Treasury yields also added pressure to equities, leading the Dow to slip 0.8%, the S&P 500 to decline 0.4%, and the Nasdaq to edge 0.2% lower.

Macro Snapshots

- US:** Consumers with prime credit are starting to slip on payments
- US:** Dollar basis hints at weakening appetite for Treasuries
- MY:** Govt has reduced new debt, fiscal deficit reduction to continue
- CN:** Adviser calls for lifting consumption close to half of GDP
- SG:** Core inflation rate cools to four-month low
- DE:** Business outlook unexpectedly hits highest since 2022

Corporate Snapshots

- HAILY:** Secures RM50m subcontract for Johor housing project
- GAMUDA:** JV bags RM1.1bn Northern Coastal Highway job in Sarawak
- PESTEC:** Settles suit with ex-group CEO, ex-deputy chairman over alleged unpaid advances
- IVORY:** Under receivership after default
- AVI:** Indonesian coal tycoon's son buys 9% of Avillion at premium post-private placement
- XIN:** Lodges police report against ex-directors over alleged irregularities in

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,602.5	0.3	(2.4)
Dow Jones	45,282.5	(0.8)	6.4
Nasdaq CI	21,449.3	(0.2)	11.1
S&P 500	6,439.3	(0.4)	9.5
SX5E	5,444.0	(0.8)	11.2
FTSE 100	9,321.4	0.1	14.1
Nikkei 225	42,807.8	0.4	7.3
Shanghai CI	3,883.6	1.5	15.9
HSI	25,829.9	1.9	28.8
STI	4,256.5	0.1	12.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,903.6	10.2
Value traded (RM m)	3,167.7	17.1
Gainers	519	
Losers	580	
Unchanged	464	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MAGMA	0.215	(30.6)	124.2
MTUCHE	0.040	(11.1)	82.8
ZETRIX	0.885	(1.1)	73.1
PERMAJU	0.010	0.0	55.7
TANCO	0.730	(0.7)	48.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.500	0.5	197.0
GAMUDA	5.650	(0.9)	189.8
MAYBANK	9.850	0.5	174.7
PBBANK	4.510	0.9	115.0
AMBank	5.500	0.2	114.5

Currencies	Last Close	% Chg
USD/MYR	4.208	0.5
USD/JPY	147.850	(0.0)
EUR/USD	1.161	(0.0)
USD/CNY	7.154	0.2
US Dollar Index	98.430	0.7

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.8	1.6
Gold (USD/troy oz)	3,354.7	(0.3)
CPO (MYR/metric t)	4,405.0	(0.2)
Bitcoin (USD/BTC)	110,221.2	0.6



moneylending ops

Macro News

US: Consumers with prime credit are starting to slip on payments

US consumers with the highest credit scores are starting to fall behind in debt repayments, credit scoring company VantageScore said in a report published on Monday, in a sign that Americans' financial health may be deteriorating more broadly. Late repayments over 90 days were up 109% year-over-year in the VantageScore superprime segment, while the prime segment posted a 47% increase year-over-year. In relative terms the sharpest increase in delinquencies was seen in superprime and prime customers who are typically considered the most financially secure, Rikard Bando, chief economist at VantageScore, said. *(Reuters)*

US: Dollar basis hints at weakening appetite for Treasuries

The premium the dollar commands in currency derivatives is nearly gone, an indication that foreign demand for US debt is weakening. The dollar's weighted-average three-month basis against five major peers, which reflects the premium or discount investors accept to borrow one currency against another, is just below three basis points, according to data compiled by *Bloomberg*. It is now on track to turn negative for the first time since August 2020. The cross-currency basis market gauges how much it costs to exchange one currency for another beyond what is implied by borrowing costs in the cash markets. The basis effectively sets the price of foreign-exchange hedging for global investors; it's also an indication of flows between economies and asset classes. *(Bloomberg)*

MY: Govt has reduced new debt, fiscal deficit reduction to continue

The country's new debt has gradually reduced despite continuing polemics on the national debt position, said Prime Minister Datuk Seri Anwar Ibrahim. Anwar, who is also the finance minister, said that this reduction is important because as long as a fiscal deficit exists, the total amount of debt will continue to rise. "The fiscal deficit indeed poses a challenge. The first government is trying to reduce the fiscal deficit and new debt even though it remains a never-ending political polemic. Why do we need to reduce the deficit? If we don't, the debt will balloon. *(Bernama)*

CN: Adviser calls for lifting consumption close to half of GDP

China needs to spend more heavily on public welfare in the coming decade to expand consumption to the point where it accounts for around half the economy, a policy adviser said, joining a chorus of experts in favour of a shift in resources from investment and production. Lu Feng, who's also an economics professor at Peking University, said the country could aim for an increase in consumption of five to 10 percentage points as a share of gross domestic product (GDP) over the next five to 10 years, from its current level of about 40%. "We have seen in the past few years that insufficient demand can cause serious troubles even with fast productivity growth," Lu said during an event held by the university in Beijing on Saturday. "If left unaddressed, it can lead to a host of problems, such as sluggish consumer prices, weak business activity, structural unemployment pressure and low confidence." *(Bloomberg)*

SG: Core inflation rate cools to four-month low

Singapore's key inflation gauge in July cooled to the slowest pace of gains in four months. The core inflation rate, which excludes housing and private transportation costs, stood at 0.5% in July from a year earlier, the lowest since March, according to a statement by the Department of Statistics Singapore on Monday. That's lower than the 0.6% for both June and the median estimate in a Bloomberg News survey. The overall inflation rate last month came in at 0.6% from a year ago, lower than the 0.8% survey median estimate. Recreation prices fell 1.2%, after a 2.6% drop in June. The food inflation rate was 1.1% in July, while healthcare costs rose 2.4%. *(Bloomberg)*

DE: Business outlook unexpectedly hits highest since 2022

Confidence among German firms unexpectedly improved to the highest since 2022 after the European Union (EU) struck a trade deal with the US, despite some criticising higher tariffs. An expectations index by the Ifo institute rose to 91.6 in August from a revised 90.8 in July. Economists in a *Bloomberg* survey had expected a decline. A measure of current conditions worsened slightly. "Companies are mostly hoping for things to get better," Ifo president Clemens Fuest told Bloomberg TV on Monday. "But if we look at order intake and other current indicators, hard facts, we are not there yet." *(Bloomberg)*



Corporate News

HAILY: Secures RM50m subcontract for Johor housing project

Johor-based construction outfit Haily Group Bhd said on Monday that it has secured a RM50.08 million subcontract for the construction and completion of a residential development in Gelang Patah, Johor. The project, known as Laman Citra Phase 3, involves the construction of 136 double-storey terrace houses — comprising 91 units and 45 units — along with a Tenaga Nasional Bhd double-chamber substation at Jalan Ulu Choh, Gelang Patah. The contract was awarded to Haily's wholly owned subsidiary Haily Construction Sdn Bhd from Mandy Corp Sdn Bhd, the main contractor appointed by the developer of the project Splendid Pavilion Sdn Bhd. (*The Edge*)

GAMUDA: JV bags RM1.1bn Northern Coastal Highway job in Sarawak

A joint venture between Gamuda Bhd and Sarawak property developer Naim Holdings Bhd has clinched a RM1.13 billion contract to develop the Limbang section of the Northern Coastal Highway in Sarawak. In a filing with Bursa Malaysia on Friday, Gamuda said the project was awarded to its 30%-owned associate company, Naim Gamuda (NAGA) JV Sdn Bhd, by the Regional Corridor Development Authority (Recoda), a Sarawak state government agency. Naim Holdings holds the remaining 70% in Naim Gamuda. The project entails the construction of a four-lane dual carriageway measuring 14.7km in Limbang, including bridges, a flyover, earthworks and other associated works. It will be executed over a period of four years. (*The Edge*)

PESTEC: Settles suit with ex-group CEO, ex-deputy chairman over alleged unpaid advances

Pestec International Bhd said it has settled a lawsuit filed by its former group chief executive officer Paul Lim Pay Chuan and his uncle, former deputy chairman Lim Ah Hock, over RM17.52 million in alleged unpaid advances. The parties reached an amicable settlement following discussions, the power grid and rail network engineering firm said in a bourse filing on Monday. Details of the settlement were not disclosed. Under the suit, Ah Hock was seeking RM11.29 million in outstanding debt plus interest, while Pay Chuan was claiming RM6.23 million. (*The Edge*)

IVORY: Under receivership after default

Practice Note 17 company Ivory Properties Group Bhd said its wholly owned unit Ivory Indah Sdn Bhd has been placed under receivership after it defaulted on loans with CIMB Islamic Bank Bhd. Ivory Properties said Ivory Indah is not a major subsidiary, with its assets making up 15% of the group. As of end-March, Ivory Indah's net book value was RM20.57 million. CIMB Islamic appointed a receiver and manager for Ivory Indah on Aug 22, according to the property developer in an exchange filing on Monday. (*The Edge*)

AVI: Indonesian coal tycoon's son buys 9% of Avillion at premium post-private placement

David Low Yi Ngo, son of Indonesian coal billionaire Low Tuck Kwong of PT Bayan Resources Tbk, has bought a 9% stake in cash-strapped Avillion Bhd for an estimated RM9.25 million at 7 sen per share — higher than the recent private placement price of 4 sen per share. The purchase came less than two weeks after a Bayan Resources executive also joined as the company's second-largest shareholder through the placement. Yi Ngo bought 132.13 million Avillion shares on Aug 20 through the open market, according to a filing with the bourse, shortly after the company raised RM11.32 million via a private placement at four sen per share. The stock closed at 7 sen per share on Aug 20. (*The Edge*)

XIN: Lodges police report against ex-directors over alleged irregularities in moneylending ops

Xin Synergy Group Bhd, formerly Jade Marvel Group Bhd, has lodged a police report against several former directors, including its ex-managing director Chong Wei Chuan, after uncovering alleged irregularities in its moneylending operations during their tenure. The report was filed by Xin Synergy's wholly-owned Total IPCO Sdn Bhd — which undertakes investment holding, management services and moneylending, the group said in a bourse filing Monday. Besides moneylending, Xin Synergy is also involved in property development, the manufacturing and trading of quarry and construction materials, and the provision of management services. It also named Wei Chuan's brother and former business operations director Chong Wei Liang, as well as former joint managing director Datuk Khoo Yik Chou in the report. (*The Edge*)



Upcoming key economic data releases	Date
US Durable Goods Orders MoM	Aug 26
US GDP Growth Rate QoQ	Aug 28
US Core PCE Price Index MoM	Aug 29
US Personal Income MoM	Aug 29
US Personal Spending MoM	Aug 29
<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		
Express Powerr Solutions (M) Bhd	ACE Market	0.20	180.0	65.4	8 Sep	24 Sep



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