



# Daily Newswatch

## Market Review

The FBM KLCI closed lower on Tuesday at 1,581.6, as late selling in blue chips dragged the FBM KLCI below the 1,600 level, a day after it touched the mark, mirroring weakness across regional markets. Among index constituents, the top losers were PPB (-6.6%), YTLPOWER (-4.0%), and PETDAG (-3.5%), with market breadth at 635 losers versus 407 gainers. Sector-wise, Utilities (-1.3%) led the loss, followed by Financial Services (-1.2%) and Consumer Products & Services (-1.1%).

Asian stocks ended lower on Tuesday, following Wall Street's negative close and escalating U.S.-China trade tensions, including threats of steep tariffs on Chinese raw materials and semiconductor sectors by the U.S. president. The Shanghai Composite slipped 0.4% to 3,868.4, as Beijing pledged new measures to stabilize jobs and spending. Meanwhile, the Hang Seng Index dropped 1.2% to 25,524.9.

The EURO STOXX 50 slipped on Tuesday, 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 1.1% to close at 5,383.7.

US equities ended higher on Tuesday as Wall Street looked beyond President Donald Trump's removal of Federal Reserve Governor Lisa Cook from the central bank's board and awaited quarterly figures from chip giant Nvidia. Consequently, the Dow to increased 0.3%, the S&P 500 to rise 0.4%, and the Nasdaq to edge 0.4% higher.

## Macro Snapshots

- US:** Core capital goods orders rise, exceeding all forecasts
- US:** Consumer confidence falls slightly on job, income concerns
- MY:** MOF projects impact of SST implementation on households to be low, manageable
- MY:** Plantation Ministry submitting SST exemption request for crude palm kernel oil, palm kernel olein to MOF, Parliament hears
- IN:** Says US agrees tariff exemption for its palm oil, cocoa and rubber
- KR:** Consumer sentiment rises to seven-year high ahead of BOK rate decision

## Corporate Snapshots

- MKHOP:** To buy East Kalimantan plantation to expand landbank in Indonesia
- HARTA:** Gets court's nod to challenge additional tax bills
- WCEHB:** Targets completion of West Coast Expressway by FY2027
- OCK:** Plans to list 52%-owned power unit on ACE Market
- WESTRVR:** Bags RM16.7m sub-contract for apartment project in KL
- PERTAMA:** Former CJ Zaki Azmi returns as Pertama Digital chairman

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,581.6	(1.3)	(3.7)
Dow Jones	45,418.1	0.3	6.8
Nasdaq CI	21,544.3	0.4	11.6
S&P 500	6,465.9	0.4	9.9
SX5E	5,383.7	(1.1)	10.0
FTSE 100	9,265.8	(0.6)	13.4
Nikkei 225	42,394.4	(1.0)	6.3
Shanghai CI	3,868.4	(0.4)	15.4
HSI	25,524.9	(1.2)	27.2
STI	4,243.7	(0.3)	12.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,309.0	48.4
Value traded (RM m)	6,461.4	104.0
Gainers	407	
Losers	635	
Unchanged	521	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
SIME	1.620	(2.4)	326.4
GENTING	2.800	(2.8)	161.3
MAGMA	0.305	41.9	106.1
MAYBANK	9.750	(1.0)	81.8
PPB	8.230	(6.6)	65.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	9.750	(1.0)	799.3
PPB	8.230	(6.6)	546.1
SIME	1.620	(2.4)	529.7
GENTING	2.800	(2.8)	452.5
CIMB	7.400	(1.3)	288.6

Currencies	Last Close	% Chg
USD/MYR	4.219	(0.3)
USD/JPY	147.470	(0.0)
EUR/USD	1.164	(0.0)
USD/CNY	7.153	0.0
US Dollar Index	98.225	(0.2)

Commodities	Last Close	% Chg
Brent (USD/barrel)	67.2	(2.3)
Gold (USD/troy oz)	3,391.2	(0.1)
CPO (MYR/metric t)	4,381.0	(0.4)
Bitcoin (USD/BTC)	112,100.5	0.7



## Macro News

### US: Core capital goods orders rise, exceeding all forecasts

US orders for business equipment increased in July by more than projected, suggesting companies are moving forward on investment plans as uncertainty around trade and tax policy gradually diminishes. The value of core capital goods orders, a proxy for investment in equipment that excludes aircraft and military hardware, increased 1.1% last month after a revised 0.6% decrease in June, Commerce Department figures showed Tuesday. The gain exceeded all forecasts in a *Bloomberg* survey of economists. Bookings for all durable goods — items meant to last at least three years and including orders for commercial aircraft and military equipment — fell 2.8%. Earlier this month, Boeing Co reported fewer orders in July than in June. (*Bloomberg*)

### US: Consumer confidence falls slightly on job, income concerns

US consumer confidence fell slightly in August as Americans worried more about their prospects of finding a job. The Conference Board's gauge of sentiment decreased 1.3 points to 97.4 after an upward revision to the prior month, data out Tuesday showed. The median estimate in a *Bloomberg* survey of economists called for a reading of 96.5. A measure of expectations for the next six months declined in August, while present conditions decreased to the lowest since April. (*Bloomberg*)

### MY: MOF projects impact of SST implementation on households to be low, manageable

The overall impact of sales and service tax (SST) implementation on households is estimated to be low and manageable, based on early Ministry of Finance (MOF) projections, said Deputy Finance Minister Lim Hui Ying. Lim elaborated that this is due to various relief measures and exemptions introduced as mitigation steps to ensure the tax burden is fairly distributed and borne by those with the ability. "It is still too early to assess the full impact of SST implementation on the public, given that the expanded scope of the SST only began on July 1. (*Bernama*)

### MY: Plantation Ministry submitting SST exemption request for crude palm kernel oil, palm kernel olein to MOF, Parliament hears

The Ministry of Plantation and Commodities is submitting a request to the Ministry of Finance (MOF) for crude palm kernel oil (CPKO) and palm kernel olein to be exempted from the sales and service tax (SST), both of which are currently taxed at a rate of 5%. Deputy Plantation and Commodities Minister Datuk Chan Foong Hin said the ministry had reviewed feedback from its engagement sessions with industry players on the impact of SST implementation. "The exemption is reasonable as both are raw materials in the production of oleochemical products and not finished goods, which are subject to government tax. (*Bernama*)

### IN: Says US agrees tariff exemption for its palm oil, cocoa and rubber

The United States has agreed in principle to exempt Indonesian exports of cocoa, palm oil and rubber from the 19% tariff imposed by President Donald Trump since Aug 7, Indonesia's top trade negotiator said on Tuesday. The exemption will take effect once both sides reach a final agreement, but no timeline has been set because the US is busy in tariff talks with other countries, Airlangga Hartarto, who is also the chief economic minister, told *Reuters*. The two countries also discussed potential US investment in fuel storage in Indonesia in partnership with the Southeast Asian nation's sovereign wealth fund Danantara and state energy firm Pertamina, Airlangga said in an interview. (*Reuters*)

### KR: Consumer sentiment rises to seven-year high ahead of BOK rate decision

South Korea's consumer confidence rose to the highest in seven years as surging stock prices and resilient exports offset uncertainties surrounding US tariffs, giving the central bank added incentive to hold policy steady this week. The composite consumer sentiment index climbed 0.6 point to 111.4 in August, the highest reading since January 2018, according to a Bank of Korea report released Tuesday. The survey-based index remains well above the neutral threshold of 100, signalling continued optimism. Confidence has now increased for a fifth consecutive month as the nation continues to recover from political turmoil at the start of the year. While the return to stability has helped fuel the gains in equities, expectations that the US Federal Reserve is inching toward a rate cut have added to the momentum, with the Kospi Index hitting a four-year high on July 31. (*Bloomberg*)



## Corporate News

### **MKHOP: To buy East Kalimantan plantation to expand landbank in Indonesia**

MKH Oil Palm (East Kalimantan) Bhd, the plantation arm of property developer MKH Bhd, has proposed to acquire an oil palm plantation company in Indonesia to expand its landbank in the country. MKH said it has entered into a deal with PT Sinar Reka Murni to take full ownership of PT Tunas Tani Tutus, which owns 3,097 hectares of land in East Kalimantan province, for 34.97 billion rupiah (RM9.1 million). MKH chairman Tan Sri Alex Chen Kooi Chiew said the acquisition is consistent with the group's long-term strategy of expanding its plantation business through selective acquisitions of greenfield plantation land, particularly those near its existing estates. (*The Edge*)

### **HARTA: Gets court's nod to challenge additional tax bills**

Hartalega Holdings Bhd said it has secured the court's permission to challenge additional tax bills totalling more than RM100 million issued by the Inland Revenue Board. The High Court has granted the group leave to commence the judicial review and fixed the hearing for Sept 18, the glovemaker said in a bourse filing on Tuesday. In the meantime, an ad interim stay of enforcement of the additional assessments was also granted. The additional assessments issued against Hartalega's wholly owned unit Hartalega NGC Sdn Bhd comprised RM13.92 million for 2017, RM36.35 million for 2018, RM10,695 for 2019, RM32.89 million for 2020, RM18.10 million for 2021 and RM90,624 for 2022. (*The Edge*)

### **WCEHB: Targets completion of West Coast Expressway by FY2027**

WCE Holdings Bhd is aiming to complete the West Coast Expressway by the financial year ending March 31, 2027 (FY2027), according to its chief executive officer Lyndon Alfred Felix. To date, eight out of the expressway's 11 sections are already operational, including the entire Perak alignment. Lydon said the remaining works involve Section 3 (SKVE–NKVE/FHR2) and Section 7 (Assam Jawa–Tanjong Karang), as well as the construction of the remaining Rest and Service Areas (RSAs) along the highway. (*The Edge*)

### **OCK: Plans to list 52%-owned power unit on ACE Market**

Telecommunications infrastructure company OCK Group Bhd said it intends to list its 52%-owned energy solutions unit, EI Power Technologies Sdn Bhd (EIPT), on the ACE Market of Bursa Malaysia. In a bourse filing on Tuesday, OCK said that the proposed listing will be done through a new company, EI Power Bhd (EIP), which will take over as the parent firm of EIPT and its two subsidiaries — EI Power Nexus Sdn Bhd and EI Power (Thailand) Co Ltd. The company has appointed M&A Securities Sdn Bhd as the adviser and sponsor for the proposed flotation exercise. (*The Edge*)

### **WESTRVR: Bags RM16.7m sub-contract for apartment project in KL**

Engineering firm West River Bhd has secured a RM16.66 million subcontract to undertake electrical low-voltage and lighting services for an apartment project. In a bourse filing, West River said the job was awarded by Goodwood Builders Sdn Bhd, the main contractor for the project comprising two blocks of 44-storey suite apartments in Taman Setiawangsa, Kuala Lumpur. The construction period for main contract works is 20 months, which includes all subcontract works. (*The Edge*)

### **PERTAMA: Former CJ Zaki Azmi returns as Pertama Digital chairman**

Pertama Digital Bhd said former chief justice Tun Zaki Azmi has been redesignated as the digital services firm's non-executive chairman, effective immediately. The announcement comes as Datuk Ahmad Nazri Abdullah resigned "due to other work commitment", having held the chairman's post for over two years, a bourse filing on Tuesday showed. Zaki, who has been on Pertama Digital's board since April 2020, previously chaired the board from May 2022 to June 2023. He was then redesignated as a director to make way for Ahmad Nazri's appointment. (*The Edge*)



Upcoming key economic data releases	Date
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
Source: Bloomberg	

## 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 Power Solutions (M) Bhd	ACE Market	0.20	180.0	65.4	8 Sep	24 Sep



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## Published & Printed By:

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