



Daily Newswatch

Market Review

The FBM KLCI closed lower on Friday at 1,575.1, dragged by broad-based losses across Bursa Malaysia amid persistent selling pressure. All sectoral indices, apart from the Transportation & Logistics Index, ended in the red. On the currency front, the ringgit weakened to 4.42 against the US dollar, reflecting cautious risk appetite and continued foreign outflows. Foreign investors were net sellers of Malaysian equities for the week, adding further downward pressure on the KLCI. Among index constituents, the top laggards were AXIATA (-6.2%), PETDAG (-2.8%), and PCHEM (-2.0%), while market breadth was negative at 324 gainers versus 704 losers. Sector-wise, Construction (-1.5%) led the losses, followed by Property (-1.0%) and Utilities (-0.9%). Bursa Malaysia was closed on Monday for a public holiday, with trading set to resume on Tuesday.

Asian stocks ended higher on Monday, supported by investor optimism over the country's domestic artificial intelligence progress. The Shanghai Composite rose 0.5% to 3,875.5, as a private survey showed that China's factory activity expanded at the fastest pace in five months in August amid easing U.S.-China trade worries. The figures contrasted with an official reading, which showed a fifth consecutive contraction in August, but nevertheless sparked optimism. Meanwhile, the Hang Seng Index climbed 2.2% to 25,617.4, outperforming regional peers, as investors interpreted the PMI rebound as a potential early signal of reviving Chinese industrial demand.

The EURO STOXX 50 rose on Monday, increasing 0.3% to close at 5,367.1, as stronger-than-expected corporate earnings from major European companies and resilient manufacturing-sector data provided support. However, investor sentiment remained cautious due to rising geopolitical tensions and uncertainty surrounding upcoming central bank meetings.

US stocks retreated from record highs on Friday as Wall Street digested fresh consumer inflation data showing prices remaining above the Federal Reserve's target in July. Government data showed the "core" Personal Consumption Expenditures (PCE) index, the Fed's preferred inflation gauge, rose 0.3% month on month and 2.9% year on year, both in line with economist expectations. The annual pace marked the biggest increase since February, underscoring persistent price pressures. As a result, the Dow slipped 0.2%, the S&P 500 fell 0.6%, and the Nasdaq dropped 1.2%. US markets were closed on Monday for a public holiday and will reopen on Tuesday.

Macro Snapshots

- US:** Reports solid July consumer spending; core inflation firmer
- US:** Goods trade deficit widens sharply in July
- MY:** Anwar says 2Q GDP growth 'impressive' due to Malaysia's centrality approach
- MY:** BNM to maintain OPR at 2.75% on Thursday — Moody's Analytics
- MY:** RM100 Sara rollout sees overwhelming response, over RM50m spent in one day
- CN:** Manufacturing activity shrinks for fifth straight month in August, survey shows
- IN:** Economy unexpectedly picks up steam, but Trump's tariff effect looms

Corporate Snapshots

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,575.1	(0.8)	(4.1)
Dow Jones	45,544.9	(0.2)	7.1
Nasdaq CI	21,455.6	(1.2)	11.1
S&P 500	6,460.3	(0.6)	9.8
SX5E	5,360.5	0.2	9.5
FTSE 100	9,196.5	0.1	12.5
Nikkei 225	42,188.8	(1.2)	5.8
Shanghai CI	3,875.5	0.5	15.6
HSI	25,617.4	2.2	27.7
STI	4,276.1	0.1	12.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,081.5	5.5
Value traded (RM m)	3,164.3	8.3
Gainers	324	
Losers	704	
Unchanged	469	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
GENETEC	0.510	(19.7)	98.7
TANCO	0.705	(2.8)	75.9
SIME	2.070	6.2	44.2
RENEUCO	0.015	(40.0)	39.2
ZETRIX	0.860	(1.1)	38.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.430	(0.3)	246.9
PBBANK	4.270	(0.2)	154.6
MAY	9.900	(0.5)	151.0
TENAGA	13.200	(1.8)	132.1
GAMUDA	5.560	(1.9)	110.4

Currencies	Last Close	% Chg
USD/MYR	4.225	(0.2)
USD/JPY	147.210	(0.1)
EUR/USD	1.171	0.2
USD/CNY	7.135	(0.1)
US Dollar Index	97.688	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.3	1.2
Gold (USD/troy oz)	3,469.9	0.6
CPO (MYR/metric t)	4,308.0	(1.5)
Bitcoin (USD/BTC)	108,987.8	(0.1)



- **FIBRO:** Eyes RM2bn contracts as it scales up to take on flood mitigation, reclamation projects
- **GAMUDA:** Bags RM2.1bn job to build hyperscale data centres for EcoWorld
- **AZRB:** Ahmad Zaki hopes govt will finance half of East Klang Valley Expressway Section 2
- **NEXG:** Bags RM1.7bn Home Ministry contract to supply Malaysian passports until 2032
- **CRESNDO:** Disposing of industrial land in Kota Tinggi for a gain of RM109m
- **HAWK:** Inks RM92.7m cable deal, diversifies beyond O&G and revises IPO use
- **ECONBHD:** Bags RM23m construction job for apartment project in Puchong
- **TM:** Expanded capacities of Cyberjaya, Iskandar Puteri DCs met with strong demand

Macro News

US: Reports solid July consumer spending; core inflation firmer

US consumer spending increased solidly in July while underlying inflation picked up as tariffs on imports raised prices of some goods, but that data will probably not prevent the Federal Reserve from cutting interest rates next month against the backdrop of softening labour market conditions. Consumer spending, which accounts for more than two-thirds of economic activity, rose 0.5% last month after an upwardly revised 0.4% gain in June, the Commerce Department's Bureau of Economic Analysis said on Friday. Economists polled by *Reuters* had forecast spending would rise 0.5% after a previously reported 0.3% advance in June. (*Reuters*)

US: Goods trade deficit widens sharply in July

The US trade deficit in goods widened sharply in July as imports surged, suggesting trade could be a major drag on economic growth in the third quarter. The goods trade gap soared 22.1% to US\$103.6bn (RM437.8bn) last month, the Commerce Department's Census Bureau said on Friday. Economists polled by *Reuters* had forecast the goods trade deficit would rise to US\$89.5bn. Imports of goods jumped US\$18.6 billion to US\$281.5 billion. Goods exports dipped US\$0.1 billion to US\$178.0 billion. (*Reuters*)

MY: Anwar says 2Q GDP growth 'impressive' due to Malaysia's centrality approach

Malaysia's gross domestic product (GDP) growth of 4.4% in the second quarter of 2025 (2Q2025) was achieved through the government's adoption of a centrality approach amid an uncertain geopolitical and economic environment, said Prime Minister Datuk Seri Anwar Ibrahim. He said the government is taking the same approach as Asean countries by adopting centrality in the face of mounting tariffs, and escalating trade tensions between the US and China. "We are on good terms with China, and we are on good terms with the US. Two weeks ago, I received a phone call from US President Donald Trump. Tomorrow (Sunday), after the Independence Day parade, I will visit China at the invitation of President Xi Jinping. (*Bernama*)

MY: BNM to maintain OPR at 2.8% on Thursday — Moody's Analytics

Moody's Analytics expects Bank Negara Malaysia (BNM) to keep its overnight policy rate (OPR) at 2.8% at its next monetary policy meeting on Thursday. In its Asia-Pacific Weekly Highlights and Preview research note last Friday, Moody's Analytics said the central bank made a 25-basis-point OPR cut in July as a pre-emptive move in the face of an increasingly uncertain external environment. "Since then, industrial production and export figures have come in better than expected. "A potential rate cut by the US Federal Reserve in September, together with subdued headline inflation, would create room for BNM to loosen monetary policy if the external situation deteriorates," it said. (*Bernama*)

MY: RM100 Sara rollout sees overwhelming response, over RM50m spent in one day

About 850,000 Malaysians spent more than RM50m on the first day of the RM100 Sumbangan Asas Rahmah (Sara one-off aid rollout as of 9.30pm on Sunday. The Finance Ministry (MOF), in a statement said the overwhelming response from Sara recipients had caused a sudden surge in transactions. As a result, the payment terminal system operated through the MyKasih network experienced significant slowdowns at several locations, the statement read. The ministry added that although the system was running more slowly, transactions were still being received and processed. (*Bernama*)

CN: Manufacturing activity shrinks for fifth straight month in August, survey shows

China's manufacturing activity shrank for a fifth straight month in August, an official survey showed on Sunday, suggesting producers are waiting for further clarity on a trade deal with the US, while domestic demand remains sluggish. The official purchasing managers' index (PMI) rose to 49.4 in August versus 49.3 in July, remaining below the 50-mark, separating growth from contraction and missing a median forecast of 49.5 in a *Reuters* poll. China's economy is confronting weakening exports due to US tariffs, a property sector downturn, rising job



insecurity, heavily indebted local governments, and extreme weather. These pressures threaten to derail Beijing's ambitious 2025 growth target of "around 5%," according to economists. *(Reuters)*

IN: Economy unexpectedly picks up steam, but Trump's tariff effect looms

India's economy unexpectedly gathered steam in the April-June quarter, defying expectations of slower growth even as a sharp rise in US tariffs on Indian imports threatens to weigh on business activity in coming quarters. The US doubled tariffs on Indian goods to as high as 50% on Wednesday over India's continuing imports of Russian oil. That ushered in the most punishing rate among US trading partners alongside Brazil and economists say the move could hurt exports including textiles, leather goods and chemicals. Gross domestic product expanded 7.8% in the latest quarter in Asia's third-largest economy, the fastest in five quarters, from 7.4% in the previous three-month period, government data showed on Friday. *(Reuters)*

Corporate News

FIBRO: Eyes RM2bn contracts as it scales up to take on flood mitigation, reclamation projects

Geotechnical specialist Fibromat (M) Bhd said on Friday it is eyeing up to RM2bn worth of upcoming projects as it scales up its role from a niche subcontractor into a full-fledged design-and-build contractor. The company has been pre-qualified for selective tenders covering major flood mitigation and land reclamation works, according to managing director and chief executive officer Danny Ng Kian Boon. These projects include Projek Lembangan Sungai Bersepadu (PLSB) Golok Phase 2, PLSB Semantan Phase 2, and flood mitigation schemes in Sungai Lipis, Sungai Tanum, and Sungai Merapoh. "Based on our capacity — we have all the necessary plant and machinery, and design capabilities — I would say we are better positioned now. We are contractors that have the three basic ingredients: technical expertise, financial capacity, and design solutions," Ng said at Fibromat's results briefing. *(The Edge)*

GAMUDA: Bags RM2.1bn job to build hyperscale data centres for EcoWorld

Gamuda Bhd on Friday announced that its engineering unit had bagged a RM2.1bn job to build hyperscale data centres in Eco Business Park V, Selangor. The job for Eco World Development Group Bhd unit Quantum Alpha Sdn Bhd will start this quarter (3Q2025) for completion by 3Q2027. The contract covers building the main structure of two data centre blocks, a power substation, a water reservoir, and related infrastructure and facilities, it said in a filing on Friday. *(The Edge)*

AZRB: Ahmad Zaki hopes govt will finance half of East Klang Valley Expressway Section 2

Ahmad Zaki Resources Bhd is seeking government support to cover half of the financing needed to help complete the second section of the East Klang Valley Expressway (EKVE). The construction firm requires an additional RM300m to complete the expressway crucial to the Kuala Lumpur Outer Ring Road system, with Bank Pembangunan Malaysia Bhd having agreed to provide half of the financing, said AZRB's executive vice-chairman Datuk Seri Wan Zakariah Wan Muda. "We hope that the government would be able to provide the other half of the additional financing needed," he said.

NEXG: Bags RM1.7bn Home Ministry contract to supply Malaysian passports until 2032

NexG Bhd, formerly known as Datasonic Group Bhd, has secured a fresh six-year contract worth RM1.7bn from the Ministry of Home Affairs to supply Malaysian passports. The contract was awarded to NexG's wholly owned subsidiary, Datasonic Technologies Sdn Bhd (DTSB), the identity solutions company said in a filing with Bursa Malaysia on Friday. DTSB will supply passports to the Immigration Department starting June 1, 2026 until May 31, 2032. *(The Edge)*

CRESNDO: Disposing of industrial land in Kota Tinggi for a gain of RM109m

Crescendo Corporation Bhd said on Friday that it has entered into an agreement with MSFusion Sdn Bhd for the disposal of freehold industrial land in Kota Tinggi, Johor, for RM263.2m. In a bourse filing, Crescendo said it acquired the land measuring 52.5 acres in June 2001. At RM263.2m, the land is valued at RM115 per sq ft. The cost of investment of the land, including land acquisition cost, other development and finance cost capitalised up to Jan 31, 2025 was RM12.2m. This means that Crescendo stands to record a pro forma gain of RM109.0m on the disposal. *(The Edge)*

HAWK: Inks RM92.7m cable deal, diversifies beyond O&G and revises IPO use

Steel Hawk Bhd is diversifying away from the oil and gas (O&G) sector, as it recognises the risk of relying on just one sector, with the bulk of its total revenue derived from orders from Petroliaam Nasional Bhd (Petronas). The group is diversifying its engineering, procurement, construction and commissioning (EPCC) services into other sectors beyond O&G, including utilities and power, industrial manufacturing, healthcare, defence, telecommunications and large-scale commercial projects. In doing so, the group said that it is collaborating with Ibrahim & Sons Engineering Sdn Bhd (IBSE) to jointly undertake power cable installation, testing and commissioning works for Tenaga Nasional Bhd, worth approximately RM92.7m. *(The Edge)*

ECONBHD: Bags RM23m construction job for apartment project in Puchong

Piling and foundation specialist Econpile Holdings Bhd said it has secured a RM23.5m construction contract for a proposed apartment



development in Puchong, Selangor. The job, which involves site clearance, earthworks, piling, pile caps, transfer beams, retaining wall and a sub-basement, was awarded to the company's wholly owned unit Econpile (M) Sdn Bhd, according to the builder's bourse filing on Friday. The project will be completed within 13 months. (*The Edge*)

TM: Expanded capacities of Cyberjaya, Iskandar Puteri DCs met with strong demand

Telekom Malaysia Bhd said its data centre (DC) expansion in Johor and the Klang Valley — on track for operations by early fourth quarter — has received strong demand. The group has faced “no problem” in filling additional capacities to be added to the Klang Valley Data Centre (KVDC) and Iskandar Puteri Data Centre (IPDC), TM group CEO Amar Huzaimi Md Deris said during an earnings brief on Friday. “Let's say we have no problem filling up the DCs. It's full even before it's ready,” Amar said when asked on the take-up rates of the facilities. (*The Edge*)



Upcoming key economic data releases	Date
US ISM Manufacturing PMI	Sep 2
US JOLTs Job Openings	Sep 3
US ISM Services PMI	Sep 4
US Non Farm Payrolls	Sep 5
US Unemployment Rate	Sep 5
<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		
JS Solar Holding Berhad	ACE Market	0.31	78.0	19.5	9 Sep	23 Sep
Express Power Solutions (M) Bhd	ACE Market	0.20	180.0	65.4	8 Sep	24 Sep



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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my