



# Daily Newswatch

## Market Review

FBM KLCI closed higher at 1,590.8 on Wednesday, marking its third consecutive day of gains in line with other major Asian bourses. The regional markets closed higher on optimism that signs of softness in the US labour market could prompt the US Federal Reserve to deliver at least a quarter-point rate cut next week. Telecommunications & Media led sector gains with a 1.7% increase, followed by Utilities up 1.5% and Health Care up 0.8%. While among individual stocks, AXIATA advanced 4.8%, YTL rose 2.8% and IHH gained 2.3%. Market breadth was positive, with 517 advancers outnumbering 487 decliners.

Asian stock markets ended higher on Wednesday, supported by optimism over an imminent US Federal Reserve interest rate cut following softer US economic data. The Shanghai Composite Index rose 0.1% to close at 3,812.2, with gains capped by domestic headwinds including regulatory concerns and profit-taking after recent rallies. In contrast, the Hang Seng Index advanced 1.0% to 26,200.3, outperforming as its tech- and financial-heavy composition benefited more directly from improved global liquidity expectations and stronger investor sentiment.

On Wednesday, European stocks ended the day largely lower, with losses from mining, electronics, and consumer defense firms as markets continued to evaluate the outlook for global rates and geopolitical risk. The STOXX 600 for edged below the flatline at 552, while the STOXX 50 finished down 0.2% to 5,378. The European Central Bank is anticipated to leave borrowing costs unchanged tomorrow. Despite Oracle's positive guidance in the US, tech stocks led the losses, with Adyen and SAP both down by around 3%. After announcing robust sales for the month, Inditex then saw a 6.5% increase.

Wall Street closed higher on Wednesday, as it continues its momentum this week, with the S&P 500 and Nasdaq 100 hitting record highs to 6,532 (+0.3%) and 21,886 (+3 bp) while the Dow Jones inched down to 45,490 (-0.5%). Tech companies had the biggest gains, with Oracle's stock rising 35.9% after the firm revealed a huge increase in cloud bookings due to AI demand, lifting AMD (2.4%) and Nvidia (3.8%). Meanwhile, Apple's stock fell 3.2% after the debut of its new iPhone 17 was less than expected. Bets that the Fed would lower rates by 50 basis points next week rather than the anticipated quarter-point decrease were spurred by the inflation surprise and weak job market statistics.

## Macro Snapshots

- US:** Producer prices slip in August on cheaper services
- MY:** SST expanded, low-value goods tax retained to ensure stable revenue, fair competition, Dewan Negara hears
- MY:** Jobless rate stays at decade-low, official July data show

## Corporate Snapshots

- SUNWAY:** Secure second land plot in Chuan Grove with RM2.1bn winning bid with partner
- TEXCHEM:** Yamae Group takes up 34% stake in Texchem's Sea Master Food
- GENTING:** Sluggish ops weigh on Genting, watch out for New York licence bid

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,590.8	0.2	(3.1)
Dow Jones	45,490.9	(0.5)	6.9
Nasdaq CI	21,886.1	0.0	13.3
S&P 500	6,532.0	0.3	11.1
SX5E	5,361.5	(0.1)	9.5
FTSE 100	9,225.4	(0.2)	12.9
Nikkei 225	43,837.7	0.9	9.9
Shanghai CI	3,812.2	0.1	13.7
HSI	26,200.3	1.0	30.6
STI	4,346.5	1.1	14.8

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,658.7	(11.7)
Value traded (RM m)	2,289.4	(12.2)
Gainers	517	
Losers	487	
Unchanged	507	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VS	0.540	(15.6)	148.1
CLASSITA	0.095	11.8	67.5
PHARMA	0.220	2.3	58.5
ZETRIX	0.865	1.2	52.4
TANCO	0.800	1.9	49.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	9.970	(0.7)	136.1
CIMB	7.210	0.7	113.1
PBBANK	4.300	0.2	84.9
VS	0.540	(15.6)	83.3
99SMART	2.490	(1.2)	65.0

Currencies	Last Close	% Chg
USD/MYR	4.220	(0.4)
USD/JPY	147.360	0.1
EUR/USD	1.170	0.1
USD/CNY	7.121	0.0
US Dollar Index	97.780	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	67.5	1.7
Gold (USD/troy oz)	3,640.2	(0.0)
CPO (MYR/metric t)	4,340.0	(1.1)
Bitcoin (USD/BTC)	113,857.1	0.2



## Macro News

### **US: Judge blocks Trump from cutting migrants off from Head Start, other programs**

A federal judge on Wednesday blocked U.S. President Donald Trump's administration from barring migrants living in the U.S. illegally from accessing numerous federally funded services, including Head Start preschools, health clinics, and food banks. U.S. District Judge Mary McElroy in Providence, Rhode Island, at the behest of 21 Democratic-led states and the District of Columbia, issued a preliminary injunction preventing rules from taking effect that imposed new immigration-related restrictions on a variety of programs. Those new policies were adopted as part of Trump's aggressive immigration agenda beginning on July 10 by the U.S. Departments of Health and Human Services, Education, Labor, and Justice and marked a shift in how the government interpreted a 1996 law that limited migrants' access to government benefit programs. Head Start is a government program run by HHS that provides early childhood education, health, and nutrition to low-income children and families. *(Reuters)*

### **US: Producer prices slip in August on cheaper services**

US producer prices unexpectedly fell in August, pulled down by a decline in the costs of services. The producer price index (PPI) for final demand dipped 0.1% after a downwardly revised 0.7% jump in July, the Labor Department's Bureau of Labor Statistics said on Wednesday. Economists polled by Reuters had forecast the PPI would advance 0.3% after a previously reported 0.9% surge in July. Services prices fell 0.2% after rebounding 0.7% in July. Goods prices edged up 0.1% after increasing 0.6% in the prior month. In the 12 months through August, the PPI increased 2.6% after climbing 3.1% in July. *(Reuters)*

### **MY: SST expanded, low-value goods tax retained to ensure stable revenue, fair competition, Dewan Negara hears**

The government has taken steps to ensure national revenue remains stable by expanding the scope of the sales and service tax (SST) and retaining the low-value goods tax (LVGT) to ensure fair competition, according to Deputy Finance Minister Lim Hui Ying. Lim said the moves strengthen the tax base by broadly targeting non-essential goods and certain services, while also ensuring that revenue from high-income groups is not affected. "The government has decided to include the implementation of the HVGT in the review of sales tax rates and the expansion of the SST. *(Bernama)*

### **MY: Jobless rate stays at decade-low, official July data show**

Malaysia's jobless rate remained at decade-low level in July, as the number of employed persons rose amid an expanding labour force, official data showed. Unemployment rate in July was 3.0%, the Department of Statistics Malaysia (DOSM) said in a statement on Wednesday. Economists generally consider a 3% unemployment rate as the economy having full employment. "The labour market sustained its positive trajectory, underpinned by continued improvements in domestic economics despite global economic uncertainty," said chief statistician Datuk Seri Mohd Uzir Mahidin. *(The Edge)*

### **MY: Palm oil stocks hit near two-year high in August on strong output**

Malaysia's palm oil stocks rose for the sixth consecutive month in August, reaching their highest level in 20 months, as production increased while exports slipped slightly, data from the industry regulator showed on Wednesday. Rising inventories in the world's second-biggest producer of the tropical oil could weigh on benchmark Malaysian futures. Malaysia's palm oil stocks rose 4.2% in August from July to 2.2m metric tonnes, the highest since December 2023, data from the Malaysian Palm Oil Board (MPOB) showed. Crude palm oil production rose 2.4% last month to 1.9m tonnes, a second straight monthly increase, while palm oil exports fell 0.3% to 1.3m tonnes, the MPOB said. The regulator revised up its July figures for both exports and stocks. *(Reuters)*

### **JP: PM hopeful Motegi endorses Bank of Japan's plan to gradually normalise monetary policy**

Former Japanese foreign minister Toshimitsu Motegi, a prime ministerial hopeful running in the ruling party's leadership race, on Wednesday endorsed the Bank of Japan's (BOJ) policy of gradually normalising monetary policy. "I believe the basic policy direction is to normalise the ultra-easy monetary policy gradually," Motegi told reporters, saying that Japan's economy is nearing an exit to deflation. "But it's up the BOJ decide on specific monetary policies," he added. *(Reuters)*

## Corporate News

### **SUNWAY: Secure second land plot in Chuan Grove with RM2.1bn winning bid with partner**

Sunway Bhd and its local partner have secured another residential site in Chuan Grove, Singapore after submitting the best bid at S\$623.9m (RM2.1bn). The price, equivalent to S\$1,331 per square foot per plot ratio, edged out the next highest bid by 2.9% at the Sept 4 tender close. The land, measuring over 156,000 square feet or 3.6 acres, could accommodate about 505 homes. The Urban Redevelopment Authority of Singapore on Wednesday awarded the land, with a 99-year lease term, to Sunway and its Singapore-listed partner Sing Holdings Ltd. *(The Edge)*

### **TEXCHEM: Japanese conglomerate Yamae Group takes up 34% stake in Texchem's Sea Master Food**

Texchem Resources Bhd is disposing of a 34% stake in its indirect wholly-owned Sea Master Food Sdn Bhd (SMF) to Japan's Yamae Global Co Ltd for RM14.9m, cash. Post-disposal, SMF will remain a sub-subsidiary of Texchem with a 66% equity interest, held via Wilpack Food Services Sdn Bhd. In a filing with Bursa Malaysia on Wednesday, Texchem said the move will allow SMF to tap into the technical know-how and expertise of the Yamae Group, a Japanese conglomerate engaged in the food business spanning fresh produce, processed food, confectionery and alcoholic beverages. *(The Edge)*

### **GENTING: Sluggish ops weigh on Genting, watch out for New York licence bid, S&P flags**

Genting Bhd's sluggish operations are narrowing its rating buffer, while its bid for New York gaming license is an event risk for the conglomerate, S&P Global Ratings flagged. The ratio of funds from operations to debt is expected to be 22%-24% through 2026 from 23.5% in 2024, following weaker-than-expected first half dragged by its Singapore and Las Vegas operations, the ratings agency said in a report on Wednesday. "Key to the resort and casino operator's credit quality will be operational recovery at its Singapore and Las Vegas assets, along with the pace and level of investments," S&P said. "We expect a gradual pickup in earnings from 2026." *(The Edge)*

### **PARAGON: To dispose of automotive carpet making business to Oceancash**

Automotive and commercial carpet maker Paragon Union Bhd is set to sell its automotive carpet manufacturing business to Oceancash Pacific Bhd for RM13.4m. The two companies have signed an agreement for the disposal of the entire equity interest in Paragon Car Carpets & Components Sdn Bhd (PCCCSB), after the unit is stripped of its commercial carpet business and factory land, said Paragon Union in a bourse filing on Wednesday. *(The Edge)*

### **PANSAR: Secures second highway job in Sarawak worth RM217m**

Pansar Bhd has clinched another contract from the Sarawak Public Works Department (JKR Sarawak), this time valued at RM216.9m, for design and upgrading works under the Serian-Gedong-Samarahan dual carriageway highway project in the state. In a filing Wednesday, the Sarawak-based group said the job involves upgrading a 4km stretch of the existing JKR two-lane road between Simpang Gedong Isthmus and Simpang Lubok Teranggas into a four-lane dual carriageway. The 36-month contract, for Section 2 of Package 1 of the highway project, was awarded to its wholly-owned Perbena Emas Sdn Bhd. Work is scheduled to start this month. *(The Edge)*

### **SSF: Furniture retailer SSF Home to invest another RM10m in venture capital fund**

Furniture retailer SSF Home Group Bhd said on Wednesday it plans to make a fresh RM10m investment in a venture capital fund. The move enables SSF to earn returns from the subscription of limited partnership interest, which is expected to generate an income stream over a 12-month period, the company said in a filing with Bursa Malaysia. This latest investment raises its total commitment in the venture capital fund, Spartan Hybrid, to RM15m, after an earlier RM5m subscription in January. *(The Edge)*

Upcoming key economic data releases	Date
US Inflation Rate	Sep 11
Source: Bloomberg	



## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	0.69	0.08	11.74
British American Tobacco (M)	Consumer	4.75	0.53	11.16
REXIT	Technology	0.51	0.05	9.80
Taliworks Corporation	Utilities	0.54	0.05	9.26
KIP REIT	REIT	0.84	0.07	8.33
Sentral REIT	REIT	0.78	0.06	7.87
MBM Resources	Consumer	5.35	0.42	7.81
UOA REITS	REIT	0.84	0.06	7.38
CapitaLand Malaysia Trust	REIT	0.63	0.05	7.36
Ta Ann Holdings	Plantation	4.16	0.31	7.33
Paramount Corporation	Property	1.04	0.07	7.21
RHB Bank	Finance	6.61	0.45	6.75
YTL Hospital REIT	REIT	1.09	0.07	6.79
Kim Loong Resources	Plantation	2.27	0.15	6.61
Sports Toto	Consumer	1.42	0.09	6.41

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 Powerr Solutions (M) Bhd	ACE Market	0.20	180.0	65.4	8 Sep	24 Sep
Camaroe Berhad	ACE Market	0.14	99.0	49.5	12 Sep	2 Oct



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