



Daily Newswatch

Market Review

The FBM KLCI ended the week higher at 1,600 (+1.1%) as Asian markets hovered around record levels. Over the past month, the index has climbed 0.9%, though it remains 3.2% lower than a year ago. The climb was led by TM by 10.1%, followed by Nestle and CIMB inching higher by 2.5% and 1.8% respectively. Most sectors advanced as communications led by 2.7% with healthcare and consumer non-durables climbed by 1.3% and 1.1% respectively. Market breadth was positive, with 639 advancers against 394 decliners.

The Shanghai Composite recovered from the losses of the previous session on Tuesday, rising 0.04% to 3,862 and the Shenzhen Component by 0.5% to 13,064 after indications of progress in the US-China trade negotiations in Spain. Increasing foreign inflows into mainland markets, driven by hope for China's AI and other tech goals, provided additional assistance. With Victory Giant up 5.3%, Dawning Information up 8.8%, and Hygon Information up 6.3%, technology stocks led the increase. Meanwhile, the Hang Seng closed with little change at 26,438 as strength in tech and consumer stocks offset weakness from the property and financial sector. Meituan (4.4%), Trip.com (4.2%), Shenzhou Intl. (3.6%), and Geely Auto (3.1%) rose.

Tuesday saw a steep decline in European stocks as markets continued to evaluate the forecast for global rates, driven by aggressive losses in the financial sector. The pan-European STOXX 600 fell 1.2% to 551 and the STOXX 50 fell 1.3% to 5,372. Ahead of the Fed and BoE's major monetary policy announcements this week, as well as the US-China trade negotiations, traders became cautious, as US President Trump starts his trip to the UK today. In terms of data, the UK labor figures continued to indicate a slowdown in the job market, while the ZEW Economic Sentiment Index for Germany surprised to the positive. To set the pace for banking equities, Allianz, Santander, Intesa Sanpaolo, Munich Re, and Deutsche Boerse all had losses of about 2.5%.

Ahead of the Federal Reserve's much-awaited September policy meeting, investors booked profits, which caused US markets to modestly decline on Tuesday. The Nasdaq closed just below the flatline, the Dow Jones down 125 points, and the S&P 500 dropped 0.1%. Leaders in technology, such as Nvidia, Microsoft, Alphabet, and Palantir, pulled down, while the market as a whole was also affected by finance and utility sectors. With markets eagerly observing Chair Powell's remarks for hints on potential future actions, traders generally anticipate the Fed will announce a 25bp rate drop on Wednesday, its first since December. Despite sticky inflation and a deteriorating labor market, consumer spending remained strong, according to positive August retail sales figures.

Macro Snapshots

- US:** China reach framework deal on TikTok; Trump and Xi to speak on Friday
- US:** Consumer sentiment saw second consecutive monthly contraction
- CN:** Central bank to better regulate cross-border yuan financing between banks
- MY:** Tourism grows, hits RM291.9b in 2024

Corporate Snapshots

- KLK:** Launches RM3.5b industrial hub in Tanjong Malim
- EIB:** Bags RM40m construction job for palm oils and fats refinery in Johor
- PBA:** Secures site for submarine pipelines with big cut in land premium
- SUNCON:** Divests district cooling JV to Sunway's facilities arm

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,600.1	1.1	(2.6)
Dow Jones	45,757.9	(0.3)	7.6
Nasdaq CI	22,334.0	(0.1)	15.7
S&P 500	6,606.8	(0.1)	12.3
SX5E	5,372.3	(1.3)	9.7
FTSE 100	9,195.7	(0.9)	12.5
Nikkei 225	44,902.3	0.3	12.6
Shanghai CI	3,861.9	0.0	15.2
HSI	26,438.5	(0.0)	31.8
STI	4,337.7	(0.0)	14.5
Market Activities	Last Close	% Chg	
Vol traded (m shares)	2,225.7	(10.3)	
Value traded (RM m)	2,096.4	(9.8)	
Gainers	639		
Losers	394		
Unchanged	494		
Top 5 Volume	Last Close	Daily chg %	Vol (m)
VS	0.250	2.0	73.3
PHARMA	0.545	(0.9)	64.4
TANCO	0.825	1.9	57.2
99SMART	0.230	7.0	49.3
SIME	0.860	1.2	27.8
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
SDG	13.380	1.2	68.7
CIMB	4.250	0.7	67.5
MAYBANK	7.250	1.4	66.1
VS	7.370	1.8	65.6
99SMART	9.870	1.0	58.8
Currencies	Last Close	% Chg	
USD/MYR	4.203	0.4	
USD/JPY	146.460	0.0	
EUR/USD	1.187	0.0	
USD/CNY	7.114	0.1	
US Dollar Index	96.633	(0.7)	
Commodities	Last Close	% Chg	
Brent (USD/barrel)	68.5	1.5	
Gold (USD/troy oz)	3,693.9	0.1	
CPO (MYR/metric t)	4,408.0	(0.2)	
Bitcoin (USD/BTC)	116,904.2	0.0	



Macro News

US: China reach framework deal on TikTok; Trump and Xi to speak on Friday

The US and China reached a framework agreement to switch short-video app TikTok to US-controlled ownership that will be confirmed in a call between President Donald Trump and Chinese President Xi Jinping on Friday, US officials said on Monday. US Treasury Secretary Scott Bessent said a Wednesday deadline that could have switched off the popular social media app in the US encouraged Chinese negotiators to reach a potential deal. He said that deadline could be extended by 90 days to allow the deal to be finalised. He declined to discuss specifics of the deal. Any agreement could require approval by the Republican-controlled Congress, which passed a law in 2024 requiring divestiture due to fears that TikTok's US user data could be accessed by the Chinese government, allowing Beijing to spy on Americans or conduct influence operations through the app. *(Reuters)*

US: Consumer sentiment saw second consecutive monthly contraction

The University of Michigan consumer sentiment for the US dropped to 55.4 in September 2025, down from 58.2 in August and well below market expectations of 58, according to preliminary estimates. This marked the second consecutive monthly decrease, pushing sentiment to its lowest level since May, with declines strongest among lower- and middle-income households. Buying conditions for durable goods improved, but other components weakened as concerns grew over business conditions, jobs, and inflation. Personal finance views fell 8%, while about 60% of respondents still cited tariffs as a key issue. The current conditions index deteriorated to 61.2 from 61.7, and the expectations gauge fell to 51.8 from 55.9. Meanwhile, year-ahead inflation expectations held steady at 4.8% while the five-year expectations moved up for the second straight month to 3.9% from 3.5%. *(Trading Economics)*

CN: Central bank to better regulate cross-border yuan financing between banks

China's central bank said on Friday it plans to better regulate cross-border yuan financing between banks, and promote offshore use of the Chinese currency. China is ramping up the pace of yuan globalisation as Beijing seeks to reduce its reliance on the US dollar amid simmering trade and geopolitical tensions with Washington. The People's Bank of China (PBOC) said in draft rules that it will introduce a counter-cyclical mechanism to manage cross-border, interbank yuan financing. *(Reuters)*

CN: August bank loans pick up but well below forecast as economy struggles

China's new bank loans recovered in August but were much lower than expected after unexpectedly contracting in July, as a protracted property slump and the government's campaign to rein in industrial overcapacity weighed on credit demand. Chinese banks extended 590bn yuan (US\$82.8bn or RM348bn) in new loans in August, bouncing back from a 50bn yuan contraction in July — the first decline in 20 years, according to *Reuters* calculations based on data from the People's Bank of China (PBOC) on Friday. *(Reuters)*

MY: Tourism grows, hits RM291.9b in 2024

Malaysia's tourism industry generated RM291.9bn, contributing 15.1% to the economy in 2024, according to the Tourism Satellite Account 2024 statistics released by the Department of Statistics (DOSM) on Friday. Chief statistician Datuk Seri Dr Mohd Uzir Mahidin stated that in 2023, the sector contributed 14.9% to the gross domestic product (GDP), and generated RM271.9bn. Concerning sectoral performance, he said retail trade posted a growth of 5.9%, followed by food and beverage (5.7%) and other services (health, education, MICE, and spa) at 9.9%. The performance was supported by retail trade with a share of 52.9% (RM154.5bn), followed by food and beverage at 16.3% (RM47.7bn), and other services at 13.3% (RM39.0bn). Collectively, these three sub-sectors contributed 82.5% to the overall tourism industry. *(Bernama)*

ID: Takes over mines and palm oil as crackdown widens

Indonesia has taken over more than 674,000 hectares of palm oil plantations and seized portions of two major nickel mines, handing the world's top producer of both commodities a growing portfolio as it cracks down on illegal practices in the natural resources sector. The seized plantations — which were operating in forested areas without proper permits — will be handed over to state-owned agriculture company Agrinas Palma Nusantara, Febrie Adriansyah, assistant attorney general for special crimes, told reporters in Jakarta on Friday. The firm will now manage a total of 1.5m hectares (3.7m acres) following a series of land takeovers earlier this year. *(Bloomberg)*

IN: Exports grew in August after US tariffs took effect

India's exports rose for a second month in August after President Donald Trump's 50% tariffs took effect, as businesses front-loaded shipments. The trade deficit narrowed to US\$26.49bn (RM111.39bn) last month from an eight-month high of US\$27.35bn in July, data released by the Ministry of Commerce and Industry showed Monday. Economists in a *Bloomberg* survey had predicted a US\$24.8bn deficit for August. Imports fell 10.1% in August to US\$61.59bn from a year earlier, while exports rose 6.7% to US\$35.1bn. *(Bloomberg)*



Corporate News

KLK: Launches RM3.5b industrial hub in Tanjong Malim, with BYD as anchor investor

KLK LAND, a wholly owned subsidiary of Kuala Lumpur Kepong Bhd, has launched KLK TechPark — a 1,500-acre integrated industrial hub in Tanjong Malim, with Chinese automotive giant BYD confirmed as the anchor investor for Phase 1. According to a press release on Friday, the launch was officiated on the same day by Perak Menteri Besar Datuk Seri Saarani Mohamad, alongside Minister of Science, Technology and Innovation Chang Lih Kang, Perak executive councillor for industry Loh Sze Yee, and KLK executive chairman Tan Sri Lee Oi Hian. Located near the Automotive High-Tech Valley (AHTV), KLK TechPark comprises 1,300 acres of land for industrial development, and 200 acres for residential support, to be developed in phases between 2025 and 2035. *(The Edge)*

SCIENTEX: Tries again to privatise Scientex Packaging with RM1.50 per share capital reduction, repayment plan

Scientex Bhd, the main shareholder of Scientex Packaging (Ayer Keroh) Bhd, has proposed a selective capital reduction and repayment plan. Under this plan, all SciPack shareholders except Scientex will get RM1.50 cash per share, totalling about RM147.8m. The shares of these shareholders will be cancelled, giving Scientex full ownership of SciPack. The company will also cancel 550,100 treasury shares after the exercise, according to a bourse filing on Friday. This will make SciPack a wholly owned subsidiary of Scientex, increasing its control over the business. Scientex had previously attempted to take full control of SciPack (formerly Daiboichi) in 2021, but only raised its stake to 71.9% — short of the 90% needed to delist the company. *(The Edge)*

SUNCON: Divests district cooling JV to Sunway's facilities arm in group realignment

Sunway Construction Group Bhd is divesting its entire 40% stake in Engie-Sunway DCS Sdn Bhd to Sunway Bhd's facilities management arm, Sunway Property & Facility Management Sdn Bhd (SPFM), for around RM11m cash. The move, which forms part of an intra-group restructuring exercise, will allow SunCon to streamline operations and sharpen its focus on core construction and related services, SunCon said in a bourse filing on Friday. At the same time, Sunway's facilities arm will be able to strengthen its recurring income streams by integrating the district cooling system project into its portfolio, Sunway said in a separate filing. *(The Edge)*

MAXIM: Buys office tower on Jalan Klang Lama for RM29.5m

Maxim Global Bhd is buying a nine-storey office tower on Jalan Klang Lama here for RM29.5m to serve as its new office. The property developer said it has entered into a sale and purchase agreement with Magna Tiara Development Sdn Bhd to acquire the building — called Southbank Block 6 — measuring 4,039 sq m, at RM678.55 per sq ft. The proposed acquisition is aimed at strengthening the company's image and branding by establishing a visible presence in a strategic location, Maxim Global said. *(The Edge)*

EIB: Bags RM40m construction job for palm oils and fats refinery in Johor

Ecoscience International Bhd, a turnkey contractor that specialises in palm oil mills and related facilities, has secured a RM40m construction job for a palm oils and fats refinery plant in Johor. The contract was secured by its wholly-owned Ecoscience Manufacturing & Engineering Sdn Bhd on Friday from an oil process engineering company, according to Ecoscience in a bourse filing. The identity of the client was not disclosed. The project is slated for completion by July 1, 2026, and is expected to bolster the group's earnings, said Ecoscience. *(The Edge)*

SUNWAY: Starts RM2b bond programme to fund flagship Johor township project

Sunway Bhd's fully-owned subsidiary, Sunway Iskandar Development Sdn Bhd (SIDSB), has set up a perpetual medium-term note (MTN) programme of up to RM2bn to fund its flagship Johor township project. SIDSB, which is developing a 1,300-acre mixed-use area in Pendas as part of Sunway City Iskandar Puteri (SCIP), lodged the programme with the Securities Commission of Malaysia. The MTN allows the company to issue bonds up to RM2bn over time, while letting it issue "green" or sustainability-linked bonds following international standards. *(The Edge)*

PBA: Secures site for submarine pipelines with big cut in land premium

PBA Holdings Bhd has secured approval to acquire a 4.11-acre site in George Town for RM20m, after the Penang state government agreed to cut the land premium by RM35.4m. The land on Macallum Street will be used for the construction of a pump house, the operations and maintenance of the third twin submarine pipelines, and future water infrastructure projects, PBA said in a filing with Bursa Malaysia on Friday. The company said its wholly-owned subsidiary Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) had initially been offered the land at a premium of RM55.4m for the 99-year lease. *(The Edge)*

VANTRNRG: Denies being subject of MACC probe amid RM12m fund forfeiture

Vantris Energy Bhd, formerly known as Sapura Energy Bhd, has denied that it is the subject of a Malaysian Anti-Corruption Commission (MACC) investigation, following the agency's announcement that it will forfeit RM12m linked to funds allegedly misused by an undisclosed party in 2018. Vantris has not been informed of any allegations against the company or its current officers and directors, the company said in a filing with Bursa Malaysia on Friday, adding that its operations and financial activities are not affected. *(The Edge)*



Upcoming key economic data releases	Date
US Building Permits	Sep 17
US Housing Starts	Sep 17
US Fed Interest Rate Decision	Sep 18
<i>Source: Bloomberg</i>	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	5.11	0.53	10.37
REXIT	Technology	0.52	0.05	9.62
Taliworks Corporation	Utilities	0.53	0.05	9.43
Bermaz Auto	Consumer	0.61	0.05	8.52
KIP REIT	REIT	0.86	0.07	8.19
MBM Resources	Consumer	5.34	0.42	7.83
Sentral REIT	REIT	0.78	0.06	7.82
UOA REITS	REIT	0.83	0.06	7.52
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.42
Ta Ann Holdings	Plantation	4.16	0.31	7.33
Paramount Corporation	Property	1.04	0.07	7.21
MAG Holdings	Consumer	1.35	0.09	7.04
Magnum	Consumer	1.35	0.09	7.04
RHB Bank	Finance	6.55	0.45	6.81
YTL Hospital REIT	REIT	1.11	0.07	6.67

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
Camaroo Berhad	ACE Market	0.14	99.0	49.5	12 Sep	2 Oct



Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as "believe", "estimate", "intend" and "expect" and statements that an event or result "may", "will" or "might" occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. ("Mercury Securities") and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities' website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Published & Printed By:

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