



Daily Newswatch

Market Review

The FBM KLCI extended its climb to 1,611.7 (+0.7%) as markets anticipate the Fed cut rate in the FOMC meeting. PETDAG led the way by +5.7% followed by SIME (+4.4%) and PPB (+3.3%) Most sectors advanced as the market was led by the consumer sector by 1.7%, followed by industrial and energy at +1.4% and +1.1% respectively. Market breadth was positive, with 739 advancers against 408 decliners. Currency-wise, the ringgit maintain its momentum as it strengthens against the US Dollar to 4.19, a drop by 390 bp. Over the past month, the Malaysian Ringgit has strengthened 0.81%, and is up by 1.31% over the last 12 months.

The Shenzhen Component surged 1.2% to 13,215 on Wednesday, hitting three-and-a-half-year highs as shares of artificial intelligence and new energy continued their upward trend, while the Shanghai Composite gained 0.37% to close at 3,876. Optimism over US-China trade negotiations and a possible TikTok agreement, in which Presidents Donald Trump and Xi Jinping are scheduled to meet on Friday to settle terms, also helped to boost sentiment. Beijing, however, has announced new policies to boost service consumption, promising more openness in areas like the internet and culture and promoting more international sporting events. Wolong Electric increased 8.7%, Zhejiang Sanhua 6.8%, Contemporary Amperex 6.7%, Foxconn Industrial 2.3%, and East Money Information 1.8%, among the top gainers.

European stocks remain neutral on Wednesday, as investors turned cautious following the US Fed's decision. In economic data, UK inflation held steady at 3.8% in August, unchanged from July and near January 2024 levels, just ahead of the Bank of England, which is expected to keep rates on hold tomorrow. The STOXX 50 closed at 5,372 meanwhile the STOXX 600 marginally changed to 550. SAP and Nokia led the gains by 3.2% and 3.1% respectively as UniCredit and BNP Paribas saw decline by 3.6% and 1.9% respectively.

Wall Street ended the day neutral on Wednesday as investors considered the Federal Reserve's outlook for interest rates after the expected 25 basis point cut. The Fed expects to lower rates by another 50bps by the end of 2025, and a quarter point in 2026, slightly more than expected in June. The Dow increased 260 points, propelled by increases in conventional industries, while the S&P 500 and Nasdaq 100 fell 0.1% and 0.3%, respectively. While IT stocks were under pressure, with Nvidia and Broadcom falling 2.5% and 3.5%, respectively, due to allegations of Chinese curbs on Nvidia chip purchases, consumer staples and credit services performed better, with American Express up 2.8% and P&G up 1.4%. Amazon, Meta, Alphabet, and Tesla all saw declines of more than 1%, while Oracle and Palantir saw a 1% loss.

Macro Snapshots

- US:** Housing starts fall to lowest since May in broad decline
- EU:** ECB keeping all options open on rates, says Guindos
- CN:** US trade talks deepen, maintaining equal dialogue amid differences
- MY:** Manufacturers brace for challenging 2H2025 as outlook dims

Corporate Snapshots

- GENM:** US unit to contest amended US\$600 mil lawsuit filed
- RESINTC:** Secures pipe supply contract in Cambodia
- MKH:** To sell China furniture unit for RM49.5 mil
- YLI:** To sell Prai factory land for RM18 mil cash to pare borrowings

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,611.7	0.7	(1.9)
Dow Jones	46,018.3	0.6	8.2
Nasdaq CI	22,261.3	(0.3)	15.3
S&P 500	6,600.4	(0.1)	12.2
SX5E	5,369.7	(0.0)	9.7
FTSE 100	9,208.4	0.1	12.7
Nikkei 225	44,790.4	(0.2)	12.3
Shanghai CI	3,876.3	0.4	15.7
HSI	26,908.4	1.8	34.1
STI	4,323.8	(0.3)	14.2
Market Activities	Last Close	% Chg	
Vol traded (m shares)	3,132.1	40.7	
Value traded (RM m)	3,166.1	51.0	
Gainers	739		
Losers	408		
Unchanged	502		
Top 5 Volume	Last Close	Daily chg %	Vol (m)
PHARMA	0.275	10.0	121.8
ZETRIX	0.875	1.7	86.1
VS	0.555	1.8	81.2
TANCO	0.840	1.8	61.7
VELESTO	0.235	2.2	48.1
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.520	2.0	229.6
GAMUDA	5.550	(1.6)	132.5
MAYBANK	9.940	0.7	121.5
PBBANK	4.300	1.2	100.7
TENAGA	13.440	0.4	87.4
Currencies	Last Close	% Chg	
USD/MYR	4.188	0.4	
USD/JPY	146.810	0.1	
EUR/USD	1.182	0.1	
USD/CNY	7.104	0.1	
US Dollar Index	96.873	0.2	
Commodities	Last Close	% Chg	
Brent (USD/barrel)	68.0	(0.8)	
Gold (USD/troy oz)	3,663.5	0.1	
CPO (MYR/metric t)	4,381.0	(0.7)	
Bitcoin (USD/BTC)	116,414.4	0.7	



Macro News

US: Housing starts fall to lowest since May in broad decline

Housing starts in the US fell last month to the lowest since May, as bloated home inventory slowed builders' appetites to boost production. New residential construction decreased 8.5% last month to an annualised rate of 1.31 million homes, government data released on Wednesday showed. The median forecast in a Bloomberg survey of economist was for 1.37 million starts. Meantime, starts of one-family homes fell 7% to an annualised 890,000, the lowest in more than a year. Multifamily construction, which has helped lift overall construction in recent months, also declined, falling nearly 12% to a three-month low. *(Reuters)*

US: Mortgage rates fall to 2024 levels, fuelling refinancing surge

US mortgage rates fell last week to the lowest level in nearly a year, spurring a surge of refinancing. The contract rate on a 30-year mortgage fell 10 basis points to 6.39% in the week ended Sept 12, according to Mortgage Bankers Association (MBA) data released on Wednesday. The group's measure of refinancing jumped to the highest level since early 2022, and the index of home-purchase applications also moved higher. The third-straight weekly decline in borrowing costs offers fresh fuel for a housing market that has long been struggling to gain momentum. A sustained decline in mortgage rates could help rekindle buyer demand and encourage more Americans to list their homes for sale. *(Bloomberg)*

CN: Threatens to shut down producers of polysilicon for solar panels if new energy standards can't be met

China is threatening to shut down producers of polysilicon, a building block for solar panels, if they do not meet new energy standards, according to draft measures released on Tuesday by the country's standardisation administration. Once the standards are officially in force, plants which cannot meet the baseline energy consumption for polysilicon products of 6.4kgce/kg would be given a deadline to remedy the problem. If, after making upgrades, the plants cannot meet the permitted standard of 5.5kgce/kg, they will be forced to shut down, an industry body said on Wednesday. The effective capacity of China's polysilicon producers is expected to drop to 2.4 million metric tons per year after the restructuring, down 16.4% from the end of 2024, the Silicon Industry of China Nonferrous Metals Industry Association said, citing preliminary estimates. *(Reuters)*

CN: US trade talks deepen, maintaining equal dialogue amid differences

Chinese and US trade teams held a new round of talks in Madrid, Spain, on Sunday and Monday, following discussions earlier in Switzerland, Britain and Sweden. Compared with previous rounds, the agenda was more concrete and in-depth, signalling that the dialogue has entered a more challenging stage. According to Li Chenggang, China's international trade representative and vice-minister of commerce, the two sides held candid discussions on TikTok and related concerns, reaching a basic framework consensus on resolving the issue through cooperation, reducing investment barriers, and promoting economic and trade ties. *(Reuters)*

MY: Manufacturers brace for challenging 2H2025 as outlook dims on weaker demand, higher costs

Malaysian manufacturers are bracing for a challenging second half of 2025 (2H2025), with expectations of a negative tilt in profit and lower demand, according to the latest survey of the Federation of Malaysian Manufacturing (FMM). The survey, which polled 627 manufacturers nationwide from July 2 to Aug 15, found a general dimming of the business outlook, with all forward-looking indices showing a decline from a previous survey. Profit expectations are particularly concerning, with 47% of respondents forecasting lower profits in 2H2025, as opposed to only 32% expecting an increase, due to the dual pressure of ongoing cost pressures and weaker demand. *(The Edge)*

ID: Central bank delivers surprise rate cut to boost growth

Indonesia's central bank delivered another surprise interest rate cut on Wednesday, its sixth cut since it kicked off an easing cycle in September last year, saying economic growth needed to be strengthened. Bank Indonesia trimmed the benchmark seven-day reverse repurchase rate by 25 basis points to 4.75%, the lowest since late 2022. All 31 economists surveyed by Reuters had expected no change. The bank also cut its overnight deposit facility rate by 50 basis points and its lending facility rate by 25 basis points to 3.75% and 5.50%, respectively. *(Reuters)*

EU: ECB keeping all options open on rates, says Guindos

The European Central Bank (ECB) stands ready to adjust policy if the economic situation changes, even if interest rates are appropriate for the time being, vice president Luis de Guindos said. "We all agree that we must keep all options open," the Spanish official told *Die Welt* in an interview published on Wednesday. "If the situation changes, we will adjust our stance accordingly. And to be completely honest: if you find someone who can predict the next six months with certainty, we should hire them immediately." With inflation close to target and the economy so far resilient to headwinds including wars and US tariffs, the ECB last week kept rates steady for a second meeting. Most economists and investors don't anticipate further moves. *(Bloomberg)*



Corporate News

GENM: US unit to contest amended US\$600 mil lawsuit filed by business partner

Genting Malaysia Bhd said on Wednesday that its business partner RAV Bahamas Ltd has filed an amended complaint in a US court in Florida. The amended complaint, lodged on July 29, names Genting Malaysia's indirect wholly owned subsidiary Genting Americas Inc (GAI) and repeats earlier allegations without introducing new material facts. "GAI maintains that the amended complaint is baseless and without merit and will continue to vigorously defend against these claims," Genting Malaysia said in a filing with Bursa Malaysia. GAI — an affiliate of BB Entertainment Ltd, the owner and operator of Resorts World Bimini in the Bahamas — was first named in a complaint by RAV in October 2024. BB Entertainment is 78%-owned indirectly by Genting Malaysia, with RAV holding the remaining 22%. (*The Edge*)

RESINTC: Secures pipe supply contract in Cambodia

Plastic pipes and fittings manufacturer Resintech Bhd has secured a contract worth US\$3.93m (RM16.5m) from Phnom Penh Water Supply Authority in Cambodia for the supply of high-density polyethylene (HDPE) pipes and fittings. In a bourse filing on Wednesday, Resintech said the five-month contract, which is non-renewable, is expected to be completed by February 2026. Resintech said the contract will contribute positively to the group's earnings and net assets for the current financial year ending March 31, 2026, without affecting its share capital or shareholding structure. (*The Edge*)

SUNSURIA: Sets up RM500m Islamic commercial papers programme

Sunsuria Bhd has made a lodgement with the Securities Commission Malaysia (SC) to establish an Islamic commercial papers (ICP) programme of up to RM500m in nominal value. In a Bursa Malaysia filing on Wednesday, the property developer said the programme provides the group with the flexibility to issue secured and/or unsecured, rated and/ or unrated sukuk wakalah from time to time, subject to the aggregate outstanding nominal amount not exceeding RM500m. The lodgement was made under the SC's lodge and launch framework. The ICP programme has been assigned a preliminary rating of MARC-1IS by MARC Ratings Bhd. (*The Edge*)

MKH: To sell China furniture unit for RM49.5 mil

MKH Bhd has proposed to dispose of its furniture manufacturing subsidiary in China to focus on its property and plantation business. The group has entered into a deal to sell Vast Furniture Manufacturing (Kunshan) Co Ltd to Kunshan Meiao New Energy Technology Co for 84m yuan (RM49.53m) in cash, according to a bourse filing on Wednesday. The assets covered under the disposal include a piece of land measuring 40,140 sq m together with six industrial buildings and other buildings and utilities infrastructure as well as machinery, office equipment and vehicles. (*The Edge*)

GREENYB: Rejects shareholders' bid to hold EGM to remove CEO

Greenyard Bhd has rejected a request by a group of shareholders to convene an extraordinary general meeting (EGM) to remove the company's chief executive officer Tham Kin-On from his position. The board of directors is of the view that the resolutions proposed in the notice of requisition dated Sept 8 are unclear and not in the best interest of the company, said Greenyard in a bourse filing on Wednesday. The requisition was filed by seven shareholders holding a collective 51.1% stake in Greenyard, including three of Kin-On's uncles, namely Tham Chong Sing (who holds a direct 13.1% stake in the company), Tham Foo Choon (13%), and Tham Fau Sin (10.9%) (*The Edge*)

FITTERS: To challenge Bursa reprimand and fine via judicial review

Firefighting equipment manufacturer Fitters Diversified Bhd said on Wednesday it will file an application for judicial review and seek a stay of execution against Bursa Malaysia Securities' reprimand and fines imposed on the company and five of its current and former directors. In a short filing with Bursa Malaysia, Fitters Diversified said its board resolved to pursue legal action following the regulator's decision announced last Friday, which saw the group publicly reprimanded and the five directors fined RM400,000 each for breaches of listing requirements. Last week, Bursa Malaysia took action against Fitters Diversified and five of its directors for failing to properly handle related-party transactions (RPTs) in March 2023. (*The Edge*)

YLI: To sell Prai factory land for RM18 mil cash to pare borrowings

Pipe manufacturer YLI Holdings Bhd is disposing of a piece of industrial land in Prai, Penang, together with a factory building, for RM18m cash, to strengthen its working capital and reduce borrowings. Its wholly-owned Yew Lean Foundry & Co Sdn Bhd has entered into a sale and purchase agreement with Hong Kuan Metals Recycle Sdn Bhd for the disposal of the property, the group said in a bourse filing Wednesday. Hong Kuan Metals Recycle, incorporated in 2005, is engaged in the recycling, refining and manufacturing of metals, as well as providing transport and machinery rental services. It is controlled by directors and shareholders Ng Boon Pin and Ng Kok Keong. (*The Edge*)



Upcoming key economic data releases	Date
US Fed Interest Rate Decision	Sep 18
Source: Bloomberg	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	5.19	0.53	10.21
REXIT	Technology	0.52	0.05	9.62
Taliworks Corporation	Utilities	0.53	0.05	9.52
KIP REIT	REIT	0.85	0.07	8.28
Bermaz Auto	Consumer	0.64	0.05	8.19
MBM Resources	Consumer	5.11	0.42	8.18
Sentral REIT	REIT	0.78	0.06	7.87
UOA REITS	REIT	0.82	0.06	7.56
Ta Ann Holdings	Plantation	4.11	0.31	7.42
CapitaLand Malaysia Trust	REIT	0.63	0.05	7.36
Paramount Corporation	Property	1.07	0.08	7.01
MAG Holdings	Consumer	1.36	0.09	6.99
Magnum	Consumer	1.36	0.09	6.99
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 Power 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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