



Daily Newswatch

Market Review

The FBM KLCI ended higher, closing at 1,603 on Monday, supported by sustained buying interest in heavyweight counters from the construction, utilities, and financial services sectors. Sector-wise, Construction (+1.7%) led the gainers, followed by Industrial Products & Services (+0.6%) and Transportation & Logistics (+0.6%). Among key index constituents, GAMUDA (+3.1%) was the top performer, followed by MRDIY (+1.9%) and NESTLE (+1.9%). Market breadth, however, was negative, with 528 losers outnumbering 478 gainers.

The Shenzhen Component rose 0.7% to 13,157, while the Shanghai Composite added 0.2% to 3,829 on Monday as U.S. lawmakers arrived in China for talks with President Xi. Sentiment was shaped by concerns over U.S. immigration policy, the Fed's recent 25-bps rate cut, and its projection of two more cuts this year amid a cooling labor market. Notable gainers included Shenzhen Everwin Precision (+20.0%), Shenzhen Longsys Electronics (+9.9%), and Lens Technology (+8.3%).

European markets opened weaker on Monday, with the STOXX 600 down 0.1% and the STOXX 50 off 0.3%, dragged by autos. The Autos & Parts index fell 2.3%, led by Porsche (-6.7%) after cutting its 2025 profit target and delaying EV launches, which also weighed on Volkswagen (-5.5%). Sentiment was further pressured by U.S. policy shifts, including a new \$100,000 H-1B visa fee.

U.S. stocks rose Monday after Nvidia announced plans to invest up to \$100 billion in OpenAI to help build out the ChatGPT maker's data centers. The chip giant's rally pushed all three major indexes to record highs. Taiwan Semiconductor Manufacturing, which produces Nvidia-designed chips, also advanced, while Broadcom declined. Markets were otherwise calm as traders looked ahead to Federal Reserve Chair Jerome Powell's speech on Tuesday and the release of the Fed's preferred inflation gauge later this week. A softer PCE reading could increase the likelihood of a Fed rate cut in October. Consequently, the Dow gained 0.1%, the Nasdaq rose 0.7% and the S&P 500 advanced 0.4%.

Macro Snapshots

- US:** Gold scales record high as markets brace for further Fed rate cuts
- CN:** Labour market distress spreads at worst time for deflation fight
- CN:** To support steel sector's steady operation, structural upgrading
- MY:** Govt to prioritise semicon sector under Budget 2026, says Amir Hamzah

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- TM:** Joins consortium to develop cable system connecting Asean nations to Japan
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- CBHB:** Bags RM31m mechanical and electrical job for Johor data centre project

The	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,603.3	0.3	(2.4)
Dow Jones	46,381.5	0.1	9.0
Nasdaq CI	22,789.0	0.7	18.0
S&P 500	6,693.8	0.4	13.8
SX5E	5,442.1	(0.3)	11.2
FTSE 100	9,226.7	0.1	12.9
Nikkei 225	45,493.7	1.0	14.0
Shanghai CI	3,828.6	0.2	14.2
HSI	26,344.1	(0.8)	31.3
STI	4,297.4	(0.1)	13.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,787.8	(22.4)
Value traded (RM m)	2,278.9	(45.2)
Gainers	478	
Losers	528	
Unchanged	509	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
VS	0.605	1.7	124.7
ZETRIX	0.870	0.0	53.5
PHARMA	0.260	(1.9)	51.7
TANCO	0.860	1.2	42.8
NEXG	0.500	2.0	31.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	5.690	3.1	116.2
PBBANK	4.270	0.7	111.1
SUNWAY	5.480	1.9	93.7
VS	0.605	1.7	76.2
MAYBANK	9.840	0.4	68.4

Currencies	Last Close	% Chg
USD/MYR	4.199	0.2
USD/JPY	147.730	(0.0)
EUR/USD	1.180	(0.0)
USD/CNY	7.115	0.1
US Dollar Index	97.341	(0.3)

Commodities	Last Close	% Chg
Brent (USD/barrel)	66.6	(0.2)
Gold (USD/troy oz)	3,741.7	(0.1)
CPO (MYR/metric t)	4,327.0	(1.3)
Bitcoin (USD/BTC)	112,724.1	(0.1)

Source: Bloomberg



Macro News

US: Gold scales record high as markets brace for further Fed rate cuts

Gold surged to a record high on Monday, buoyed by investors' heightened expectations of a dovish rate-cut path, ahead of remarks by multiple US Federal Reserve (Fed) officials and key inflation data later in the week. Spot gold had risen 1.2% to US\$3,726.42 (RM15,660.28) per ounce as of 1132 GMT, after hitting a new record high of US\$3,728.22 earlier in the session. US gold futures for December delivery climbed 1.5% to US\$3,760.90. "I would expect gold to reach new record highs this week with Fed officials likely to indicate further rate cuts, but also being data-dependent on the pace and magnitude of cuts," said UBS analyst Giovanni Staunovo. *(Reuters)*

MY: Govt to prioritise semicon sector under Budget 2026, says Amir Hamzah

The government has assured that the semiconductor industry will receive increased attention under Budget 2026, scheduled for tabling in parliament on Oct 10, in line with the aspirations of the National Semiconductor Strategy (NSS). Finance Minister II Datuk Seri Amir Hamzah Azizan stated that the semiconductor industry is a major contributor to the national economy, with more than 40% of Malaysia's exports coming from the electrical and electronics (E&E) and semiconductor segments. So, in terms of the government, we have a role to play in how to stimulate, deepen, and support the development of this industry in the future. I believe in this budget, we will place greater emphasis on important industries like semiconductors, and there will be news of the government's commitment to further boost this segment," he told reporters after chairing the Penang leg of the Budget 2026 Roadshow programme on Monday. *(Bernama)*

CN: Labour market distress spreads at worst time for deflation fight

China's labour market is deteriorating just as deflationary pressures showed initial signs of easing, threatening to reverse progress by emptying the pockets of consumers Beijing needs to spend again. To the surprise of some economists, the distress is suddenly showing up in a range of government data sets to an extent unseen in months. None of the analysts surveyed by *Bloomberg News* had expected urban unemployment to tick up last month, when it rose to the highest level since February. And private figures paint an even bleaker picture: a survey of 300 company executives by Cheung Kong Graduate School of Business found companies last month were the most pessimistic about future hiring since early 2020. *(Bloomberg)*

CN: To support steel sector's steady operation, structural upgrading

Chinese authorities have issued a work plan to support the steady operation and structural upgrading of its steel industry, according to the Ministry of Industry and Information Technology (MIIT) on Monday. For the 2025 to 2026 period, China's steel industry should aim its value-added output growth at an average annual rate of around 4%, with improved economic performance, better balanced market supply and demand, and a more optimised industrial structure, the work plan said. It was jointly released by the MIIT and four other government organs. *(Xinhua)*

IN: Asian currencies weaken on firm dollar; Indonesian rupiah hits five-month low

The Indonesian rupiah extended losses to touch a near five-month low on Monday after the central bank's surprise rate cut last week raised concerns about its independence, while other Asian currencies weakened as the dollar firmed with investors focusing on the US rate outlook. The rupiah was last down 0.1% after weakening to its lowest level since April 30 earlier in the session. Indonesian central bank Governor Perry Warjiyo said the bank would maintain its market interventions to stabilise the currency, while the country's finance minister said the rupiah should get stronger due to capital inflows into the stock market and better domestic economic prospects. *(Reuters)*

TH: New Thai govt sets up team to tackle strong baht, targets debt burden

Thailand's new government is setting up a multi-agency team to counter the baht's rise to four-year highs, which is a risk for the key economic drivers of tourism and exports, and said on Monday it also wanted to urgently tackle high debt levels. Finance Minister Ekniti Nitithanprapas said a team including people from the finance ministry, the Anti-Money Laundering Office, the Securities and Exchange Commission and the Bank of Thailand had been set up to address the baht's rise, trace unidentified capital flows and oversee currency moves. Ekniti said the government wanted to revive the economy, aiming for a short-term recovery with long-term impact. *(Reuters)*



Corporate News

TM: Joins consortium to develop cable system connecting Asean nations to Japan

Telekom Malaysia Bhd is collaborating with Meta, SoftBank Corp, IPS Inc, PT XLSmart Telekom Sejahtera Tbk, and NEC Corporation in developing the Candle submarine cable system which connects Asean countries to Japan. Candle, which is scheduled to begin operations in 2028, is a 24-fibre pair, 8,000km submarine cable system connecting Japan, Malaysia, Singapore, Indonesia, the Philippines, and Taiwan. In a joint statement on Monday, the partners said it would contribute to infrastructure expansion and secure redundant routes to meet the increasing demand for data communications driven by fifth-generation (5G) networks and artificial intelligence (AI). (*Bernama*)

CIMB: Partners PingPong to boost cross-border payment solutions in Asean

CIMB Group Holdings Bhd, Malaysia's second-largest bank by assets, has signed a memorandum of understanding (MOU) with PingPong Global Holding Ltd to provide cross-border payment solutions. The collaboration will integrate CIMB's banking infrastructure with PingPong's international network to deliver faster, more secure and cost-efficient services. Malaysia will serve as the launchpad, with phased rollouts planned for Indonesia, Singapore, Thailand and Cambodia, CIMB said in a statement. The partnership makes CIMB the first Asean bank to establish a two-way collaboration with the global payments company. (*The Edge*)

PJBUMI: Bags RM27.6m drilling job in Indonesia

PJBumi Bhd has secured an integrated project management (IPM) service contract worth US\$6.6m (RM27.6m) for exploration and exploitation activities in Mogoi Wasian, Papua, Indonesia. In a filing with Bursa Malaysia on Monday, the engineering and construction services group said its 90%-owned Indonesian sub-subsidiary, PT Indodrill Bumi Perkasa (IBP), signed the service agreement with PT Petro Papua Mogoi Wasian (PPMW) last Friday. PPMW is an oil and gas operator formed under a joint operation agreement between PT Pertamina EP and PT Petro Papua Mogoi Wasian, which holds the concession for exploration and exploitation in Mogoi Wasian. (*The Edge*)

CBHB: Bags RM31m mechanical and electrical job for Johor data centre project

CBH Engineering Holding Bhd has secured a RM31.4m contract to provide mechanical and electrical works for a proposed data centre project in Johor. The contract was awarded to its wholly-owned subsidiary CBH Engineering Sdn Bhd by the project's main contractor — a private firm whose name was not revealed due to a non-disclosure agreement, the group said in a bourse filing on Monday. The scope of works covers the supply, installation, testing and commissioning of mechanical and electrical systems for a 132kV consumer landing station that will serve the data centre. (*The Edge*)

AWC: Bags waste system contract worth nearly RM13m in Singapore

AWC Bhd said on Monday it has secured a contract valued at about RM13m for a waste collection system in Singapore. The contract from Singapore's Housing & Development Board calls for its indirect subsidiary Stream Environment (S) Pte Ltd to design, build and operate a pneumatic waste conveyance system, the engineering services firm said in an exchange filing. The design works are scheduled to take place from Oct 2, 2025 to Oct 1, 2026, with construction to follow within 24 months from commencement instruction, the company said. (*The Edge*)

PTT: Teams up with Chinese firms to explore RM2bn automated warehouse project

PTT Synergy Group Bhd on Monday signed a framework agreement with two Chinese companies to look into developing an automated warehousing facility in Malaysia worth RM2bn. The proposed facility with a storage capacity of two million pallet positions is aimed at accelerating the group's expansion into logistics automation, PTT said in a filing with Bursa Malaysia. The two Chinese companies are OMH (Shandong) Co Ltd and AUBO (Shandong) Robotics Technology Co Ltd. OMH, a subsidiary of OMH Science Group Co Ltd, is a provider of intelligent logistics equipment and system integration services, while AUBO, a unit of AUBO (Beijing) Intelligent Technology Co Ltd, focuses on collaborative robot development and commercialisation. (*The Edge*)

ITMAX: Secures RM51m smart city contract from Batu Pahat Municipal Council

ITMAX System Bhd has secured a RM51m contract from the Batu Pahat Municipal Council (MPBP) for the provision of smart city solutions, including closed-circuit television (CCTV) systems with artificial intelligence (AI) features. In a bourse filing on Monday, ITMAX said the contract was awarded to its 65%-owned subsidiary, Southmax Sdn Bhd. The 15-year contract, commencing Sept 1, 2025, covers the installation and rental of AI-powered CCTV cameras, panic buttons and smart traffic lights, as well as the establishment of the Batu Pahat Smart Integrated Operations Centre. (*The Edge*)



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	5.18	0.53	10.23
Taliworks Corporation	Utilities	0.52	0.05	9.71
REXIT	Technology	0.54	0.05	9.35
MBM Resources	Consumer	5.19	0.42	8.05
KIP REIT	REIT	0.87	0.07	7.93
Sentral REIT	REIT	0.79	0.06	7.77
Bermaz Auto	Consumer	0.65	0.05	7.54
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.42
Ta Ann Holdings	Plantation	4.15	0.31	7.35
Paramount Corporation	Property	1.04	0.07	7.21
MAG Holdings	Consumer	1.36	0.09	6.99
Magnum	Consumer	1.36	0.09	6.99
RHB Bank	Finance	6.51	0.45	6.85
YTL Hospital REIT	REIT	1.11	0.07	6.67
Sports Toto	Consumer	1.40	0.09	6.64

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 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
Cheeding Holdings Berhad	ACE Market	0.36	143.0	65.0	23 Sep	7 Oct



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