



# Daily Newswatch

## Market Review

Bursa Malaysia ended lower to close at 1,599.7 on Wednesday as investors shifted their attention to smaller-cap stocks. Mild profit-taking pressure emerged following recent comments by the US Federal Reserve chair on interest rates, which triggered a pullback in global equities. Sector-wise, Construction (-0.7%) led the laggards, followed by Telecommunications & Media (-0.4%) and Plantation (-0.2%). Among key index constituents, SIME (-2.8%) was the top loser, followed by QL (-2.3%) and MAXIS (-1.6%). Market breadth was negative, with 584 gainers against 519 losers.

The Shenzhen Component declined 1.8% to 13,356, while the Shanghai Composite increased 0.8% to 3,853 on Wednesday underpinned by strong gains in tech shares, while fresh signs of easing trade tensions between the world's two largest economies also lent some support. Gains were led by tech shares, with Shanghai's tech-focused STAR50 index jumping 3.5% and CSI Info Tech sub-index bouncing 2.9%. China's CSI all share semiconductor, a sub-index tracking the sector, rose 4.7%.

European markets opened lower on Wednesday, with the STOXX 600 down 0.2% and the STOXX 50 down 0.1%, although defense stocks received a boost from U.S. President Donald Trump's latest comments on the conflict in Ukraine. Defense stocks were among the top performers, with the Stoxx Europe Aerospace and Defense Index gaining around 1.3%. Germany's Renk and Hensoldt both added around 8%, and Sweden's Saab gained almost 5.5%.

US stocks fell on Wednesday, as artificial intelligence giants Nvidia and Oracle came under pressure for a second day. Nvidia slid almost 1%, continuing its declines from Tuesday as heightened fears about the potentially circular nature of the AI industry drew investor skepticism. Earlier this week, the chipmaker announced a \$100bn partnership with OpenAI. Fellow leading AI player Oracle also fell for a second straight day, losing nearly 2% Wednesday. Consequently, the Dow decreased 0.4%, the Nasdaq decreased 0.3% and the S&P 500 declined 0.3%.

## Macro Snapshots

- US:** Lowers tariffs on EU autos to 15%, cementing trade deal terms
- US:** Wall Street subdued after Powell tempers rate-cut optimism
- MY:** Insurance, financial services inflation likely to climb in coming months — economists
- CN:** Central bank adviser leads call for fiscal support to housing market

## Corporate Snapshots

- CAPITALA:** Confirms talks to enter Vietnam, remains cautious on timeline
- NEXG:** Launches its own MyNasional private digital ID platform
- TEXCYCL:** Partners Victory Recovery Resources to expand scheduled waste management capabilities
- CTOS:** After losing CEO, CTOS sees departure of finance chief

The	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,599.7	(0.2)	(2.6)
Dow Jones	46,121.3	(0.4)	8.4
Nasdaq CI	22,497.9	(0.3)	16.5
S&P 500	6,638.0	(0.3)	12.9
SX5E	5,464.6	(0.1)	11.6
FTSE 100	9,250.4	0.3	13.2
Nikkei 225	45,630.3	0.3	14.4
Shanghai CI	3,853.6	0.8	15.0
HSI	26,518.7	1.4	32.2
STI	4,290.4	(0.3)	13.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,627.2	14.1
Value traded (RM m)	2,799.6	18.6
Gainers	564	
Losers	519	
Unchanged	495	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
XPB	0.225	12.5	171.0
MAGMA	0.315	(12.5)	64.2
PHARMA	0.275	1.9	54.8
SNS	0.690	7.0	54.6
VELESTO	0.235	(2.1)	53.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
IHH	7.360	0.0	148.0
CIMB	7.290	0.0	93.8
AMBANK	5.550	(0.9)	83.8
MAYBANK	9.830	0.1	82.0
PMETAL	5.840	1.7	71.5

Currencies	Last Close	% Chg
USD/MYR	4.215	(0.4)
USD/JPY	148.800	0.1
EUR/USD	1.174	0.1
USD/CNY	7.132	(0.3)
US Dollar Index	97.873	0.6

Commodities	Last Close	% Chg
Brent (USD/barrel)	69.3	2.5
Gold (USD/troy oz)	3,741.1	0.1
CPO (MYR/metric t)	4,376.0	1.0
Bitcoin (USD/BTC)	113,372.5	(0.2)

Source: Bloomberg



## Macro News

### US: Lowers tariffs on EU autos to 15%, cementing trade deal terms

The US lowered tariffs on auto imports from the European Union (EU) to 15% retroactive to Aug 1, cementing the terms of the framework trade agreement the two sides struck this summer. The Department of Commerce and Office of the US Trade Representative published a document online on Wednesday detailing the changes, reducing duties on a range of goods. Shares of German carmakers Volkswagen AG, Porsche AG and Mercedes-Benz Group AG gained on the news. Porsche, which is among the hardest hit by the US tariffs as it sells only imports there, rose as much as 3.8% in Frankfurt. (*Bloomberg*)

### US: New home sales unexpectedly jump over 20% in August in broad advance

New home sales in the US unexpectedly surged in August to the fastest pace since early 2022, likely lifted by builders' rampant price cuts and sales incentives to motivate buyers in a jittery economy. Sales of new single-family homes increased 20.5% to a 800,000 annualised rate in a broad advance, according to a government report issued on Wednesday. The pace exceeded all estimates in a *Bloomberg* survey of economists. The surge in demand helped put a significant dent in what's been a vast oversupply of new homes on the market. Last month, the inventory of new homes for sale decreased to 490,000 units, the lowest this year. (*Bloomberg*)

### US: Wall Street subdued after Powell tempers rate-cut optimism

Wall Street's main indices were subdued in choppy trading on Wednesday as traders assessed measured comments from US Federal Reserve chair Jerome Powell and awaited key economic data due later in the week. Although the recent numbers point to a resilient economy, commentary from Fed officials has injected some wariness, especially about the labour market, prompting investors to tread carefully. Powell sounded a cautious note on Tuesday when he said asset prices appeared fairly highly valued. Even as his colleagues staked out arguments on both sides of the policy divide, the Fed chair emphasised the tightrope the central bank must walk in upcoming interest-rate decisions as it navigates inflation risks and addresses signs of a softening labour market. (*Reuters*)

### MY: Malaysia's insurance, financial services inflation likely to climb in coming months — economists

Malaysia's insurance and financial services inflation is expected to remain on an upward trajectory in the coming months, economists said, following sharp increases in July and August driven by higher hospital benefits and motor insurance premiums. The inflation for the insurance and financial services group rose 5.5% in July and 5.6% in August, the Department of Statistics Malaysia reported on Tuesday. Before that, the segment's inflation rate held steady at 1.5% between February and June, after registering 0.6% in January. "Judging from the breakdown within insurance and financial services which accounted for 2.7% of the consumer price index (CPI), the health insurance sub-index (1.3% of the total CPI) jumped 14.7% year-on-year over two consecutive months. Rising medical insurance premiums were the main driver," said Bank Muamalat Malaysia Bhd chief economist Dr Mohd Afzanizam Abdul Rashid. (*The Edge*)

### CN: Central bank adviser leads call for fiscal support to housing market

China should support the property sector through fiscal measures, according to a group of academics led by an adviser to the country's central bank, who urged Beijing to assist a traditional growth driver while fostering new industries. The argument, laid out in an article published late on Tuesday in the Chinese magazine *International Economic Review*, envisions a framework for steadying growth by coordinating industry policies with macroeconomic measures. While supporting emerging industries across the economy, fiscal policy should, in the meantime, "stabilise important traditional sectors" to help them evolve and "adjust in an orderly manner", said the authors led by Huang Yiping, a member of the monetary policy committee of the People's Bank of China (PBOC). (*Bloomberg*)

### IN: Banks raise dollar deposit rates as rupiah flags

Indonesia's biggest state lenders will raise interest rates on dollar deposits as the nation sees renewed pressure on the rupiah. PT Bank Rakyat Indonesia, PT Bank Mandiri, PT Bank Negara Indonesia and PT Bank Tabungan Negara will increase rates on dollar-denominated deposits to 4% per annum starting Nov 5, according to announcements on their respective websites on Wednesday. The change will be implemented across all balance tiers and for all tenors up to 12 months, they said. "Global market dynamics have increased customer demand for foreign exchange instruments that are safe, flexible, and offer attractive potential returns," Bank Mandiri president director Riduan said in a statement. The policy is in line with the government's strategy of maintaining exchange rate stability and strengthening the national banking industry's competitiveness, he added. (*Bloomberg*)



## Corporate News

### **CAPITALA: Confirms talks to enter Vietnam, remains cautious on timeline**

Capital A Bhd's low-cost airline, AirAsia, has confirmed it is in discussions with a local partner in Vietnam as part of its plan to expand its footprint in Asean. However, its chief executive officer, Tan Sri Tony Fernandes, said that while negotiations are ongoing, no agreement has been finalised. "It is no secret that I have wanted to operate in Vietnam for a long time. As an Asean airline, it is only logical for us to be in one of the most promising countries in the region. "I can confirm that we are in discussions with a Vietnamese group, but nothing has been finalised as yet," he said in an exclusive interview with *Bernama* on the sidelines of the Asean Economic Ministers' Meeting 2025. (*The Edge*)

### **NEXG: Launches its own MyNasional private digital ID platform**

NexG Bhd, formerly Datasonic Group Bhd, on Wednesday unveiled its own digital identity platform known as MyNasional. The company is marketing MyNasional as a platform that unifies biometric electronic know-your-customer for secure identity, artificial intelligence (AI) and data intelligence to government agencies, small and medium businesses, and national programmes. Future plans include expansion into logistics fulfilment and digital payments. The initiative marks NexG's shift from production of secured physical documents to broader digital ecosystem development, deputy chairman Tan Sri Mohd Khairul Adib Abd Rahman said at the launch event of MyNasional. (*The Edge*)

### **TEXCYCL: Partners Victory Recovery Resources to expand scheduled waste management capabilities**

Tex Cycle Technology (M) Bhd is expanding its scheduled waste management capabilities to focus on specialised waste stream through a collaboration with Melaka-based waste treatment and recycling solutions provider, Victory Recovery Resources Sdn Bhd. In a statement, Tex Cycle said the collaboration will allow both parties to manage a broader range of scheduled waste categories, while enhancing opportunities for cross-industry expansion, operational synergies and the ability to provide end-to-end sustainable waste management solutions across Malaysia. Its portfolio includes electrical and electronic waste (SW 110), spent oils and oily sludge, contaminated rags, inks and paints, as well as metal-bearing and solvent wastes. (*The Edge*)

### **CTOS: After losing CEO, CTOS sees departure of finance chief**

There is a growing vacuum in the top management of CTOS Digital Bhd, with its group chief financial officer (CFO) joining the chief executive officer (CEO) in departing the credit reporting firm. Chiam Hsing Chee will step down as group CFO effective Sept 28 due to personal commitments abroad, said CTOS in a filing with Bursa Malaysia on Wednesday. CTOS, in which the Employees Provident Fund holds a 21.5% stake, has yet to name his successor. Chiam joined CTOS in January 2023, succeeding then-retiring CFO Chen Thai Foong. Prior to that, he spent more than a decade with Australia-listed Worley Ltd, where he held senior finance roles. (*The Edge*)

### **SENTRAL: Teh Wan Wei steps down as Sentral REIT CEO after over three years**

Sentral REIT said Teh Wan Wei has stepped down as CEO of the investment trust's manager, Sentral REIT Management Sdn Bhd, with immediate effect. In a bourse filing, Sentral REIT said Teh, who is currently serving his notice period, has resigned to pursue other career opportunities. "The appointment of a successor will be the subject of a further announcement," the filing stated. Teh, 47, was appointed in April 2022, replacing Yong Su-Lin, who stepped down after six years. Sentral REIT, listed on the Main Market of Bursa Malaysia in 2007 as Quill Capita Trust, primarily manages commercial properties in Selangor, Kuala Lumpur and Penang. (*The Edge*)

### **REX: Proposes name change to ETA Group**

Rex Industry Bhd has proposed to change its name to ETA Group Bhd with the emergence of ETA Industries Sdn Bhd as its new controlling shareholder. The name change has received the greenlight from the Companies Commission of Malaysia and is now subject to approval by Rex Industry shareholders at an extraordinary general meeting, according to a filing with Bursa Malaysia on Wednesday. The rebranding comes as ETA Industries — controlled by Rex Industry CEO Lim Chin Hui — increased its stake in Rex Industry to 55.0% following the close of its mandatory takeover offer on July 25. (*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		
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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