



# Daily Newswatch

## Market Review

Bursa Malaysia ended lower to close at 1,598 on Thursday as investors stayed cautious in search of fresh catalysts, while regional bourses ended mixed, weighed down by overnight losses in US equities as investors await upcoming economic data that could set the tone for the Federal Reserve's monetary policy direction. Sector-wise, Technology (-0.6%) led the laggards, followed by Transportation & Logistics (-0.4%) and Financial Services (-0.3%). Among key index constituents, YTL (-1.8%) was the top loser, followed by YTLPOWER (-1.2%) and PETDAG (-0.8%). Market breadth was negative, with 586 gainers against 473 losers.

The Shenzhen Component increased 0.7% to 13,446, while the Shanghai Composite closed marginally at 3,853 on Thursday underpinned by tech shares, as investors remained focus on sector trends during a quiet policy period before major holidays. Tech sectors led the gains on Thursday, with the artificial intelligence up 2.9% and semiconductor shares up 0.4%. The rare earth sector added 0.9%, following a news report that Group of Seven (G7) members and the European Union are considering price floors to promote rare earth production. Financials-related shares dragged on the market, with the banking sector weakening 0.9% and the insurance sector down 0.3%.

European markets opened lower on Thursday, with the STOXX 600 down 0.6% and the STOXX 50 down 0.4%, as broad sector weakness and macro headwinds dragged indices despite strength in defence. Defence stocks bucked the trend after U.S. President Donald Trump's latest comments on the conflict in Ukraine were seen as supportive of prolonged defence spending, lifting the Stoxx Europe Aerospace & Defence index by about 1%. Among individual names, Germany's Hensoldt and Renk, as well as Sweden's Saab, all advanced by several percent intraday, making defence one of the top-performing sectors of the session.

US stocks fell on Thursday, with the three U.S. major indexes posting a third day of declines for the first time in six months. Oracle's stock fell 5.6% after the software company sold bonds to finance its artificial intelligence buildout. Micron declined 3%. In the real economy, a poor quarter from auto reseller CarMax sent its shares tumbling 20% and raised fresh questions about the health of the tariff-hit auto sector. Consequently, the Dow decreased 0.4%, the Nasdaq decreased 0.5% and the S&P 500 declined 0.5%.

## Macro Snapshots

- US:** Weekly jobless claims fall, but labour market softening
- US:** Economy grows at fastest pace in nearly two years on consumer spending
- MY:** Seek trade deal before Trump's October visit, says Zafrul
- UK:** Export Finance says country eyeing railway project segments in Malaysia

## Corporate Snapshots

- KGB:** Second contract win in three days: Kelington bags RM108m smart warehouse job in Penang
- SDG:** EcoWorld, SD Guthrie complete RM573m land deal to kick off Negeri Sembilan industrial park
- F&N:** To sell PJ property asset for RM180m to fund dairy farm business
- NHB:** Agrobulk's takeover offer for NuEnergy turns unconditional, extended till Oct 9

The	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,598.5	(0.1)	(2.7)
Dow Jones	45,947.3	(0.4)	8.0
Nasdaq CI	22,384.7	(0.5)	15.9
S&P 500	6,604.7	(0.5)	12.3
SX5E	5,444.9	(0.4)	11.2
FTSE 100	9,214.0	(0.4)	12.7
Nikkei 225	45,754.9	0.3	14.7
Shanghai CI	3,853.3	(0.0)	15.0
HSI	26,484.7	(0.1)	32.0
STI	4,273.9	(0.4)	12.8
Market Activities		Last Close	% Chg
Vol traded (m shares)		3,550.4	(2.1)
Value traded (RM m)		2,763.7	(1.3)
Gainers		586	
Losers		473	
Unchanged		504	
Top 5 Volume	Last Close	Daily chg %	Vol (m)
NEXGBINA	0.100	11.1	107.7
VS	0.590	(4.8)	53.6
TANCO	0.890	0.6	53.4
ARMADA	0.360	4.3	47.8
VELESTO	0.250	6.4	40.8
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MISC	7.260	(0.3)	111.5
CIMB	7.240	(0.7)	107.3
MAYBANK	9.790	(0.4)	94.5
TENAGA	13.200	(0.6)	85.6
PBBANK	4.280	(0.5)	79.0
Currencies		Last Close	% Chg
USD/MYR		4.210	0.1
USD/JPY		149.750	0.0
EUR/USD		1.167	0.0
USD/CNY		7.134	(0.0)
US Dollar Index		98.553	0.7
Commodities		Last Close	% Chg
Brent (USD/barrel)		69.4	0.2
Gold (USD/troy oz)		3,749.4	(0.0)
CPO (MYR/metric t)		4,370.0	0.1
Bitcoin (USD/BTC)		109,359.0	0.1

Source: Bloomberg



## Macro News

### **US: Weekly jobless claims fall, but labour market softening**

The number of Americans filing new applications for unemployment benefits fell last week, but the labour market has lost its lustre amid an anaemic pace of hiring. Initial claims for state unemployment benefits dropped 14,000 to a seasonally adjusted 218,000 for the week ended Sept 20, the Labor Department said on Thursday. Economists polled by *Reuters* had forecast 235,000 claims for the latest week. Though businesses are hoarding workers, they have remained reluctant to increase headcount as they navigate uncertainty wrought by a protectionist trade policy, which boosted the nation's average tariff rate to its highest level in a century. (*Reuters*)

### **US: Economy grows at fastest pace in nearly two years on consumer spending**

The US economy grew in the second quarter at the fastest pace in nearly two years as the government revised up its previous estimate of consumer spending. Inflation-adjusted gross domestic product, which measures the value of goods and services produced in the US, increased at a revised 3.8% annualised pace, a Bureau of Economic Analysis report showed Thursday. That was stronger than the previously reported 3.3% advance and followed an outright contraction in the first quarter. The BEA also issued its annual update of the national economic accounts, which showed real GDP still increased at an average annual pace of 2.4% from 2019 to 2024. The revisions paint a picture of an economy that quickly rebounded from the initial shock of the pandemic and has since transitioned to period of steadier, trend growth with lingering inflation. (*Bloomberg*)

### **US: Silver hits US\$45 for first time since 2011 as gold nears record**

Silver rose above US\$45 an ounce for the first time in 14 years while gold neared another record high, bolstered by a risk-off mood in equity markets and ongoing worries about the trajectory of the US economy. Spot silver rallied as much as 2.6%, extending a blistering rally that's lifted prices more than 55% this year. That outstrips a 43% gain in gold, which has set more than three dozen records this year, amid a slew of bullish drivers including a weaker dollar, central-bank buying and rising geopolitical risks. (*Bloomberg*)

### **US: Existing-home sales edge down as high costs stymie buyers**

Sales of previously owned homes in the US slipped slightly in August, a sign that affordability constraints continue to grip the housing market. Contract closings fell 0.2% last month to an annualised rate of four million, according to National Association of Realtors (NAR) figures released on Thursday. Economists surveyed by *Bloomberg* anticipated 3.9m. Sales have been stuck around the four million level since March. The median sales price, meantime, rose 2% from a year ago to US\$422,600 (RM1.7m), extending a string of straight year-over-year gains since mid-2023, NAR data show. Prices remain out of reach for many Americans, having risen more than 50% since the pandemic. (*Bloomberg*)

### **MY: Seek trade deal before Trump's October visit, says Zafrul**

Malaysia and the US aim to conclude their tariff talks before President Donald Trump's October visit to Kuala Lumpur for the Association of Southeast Asian Nations (Asean) Summit. Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz and US Trade Representative Jamieson Greer agreed to work towards achieving a trade deal by the time of Trump's visit, Zafrul said after his meeting with the US official in Kuala Lumpur on Thursday. Prime Minister Datuk Seri Anwar Ibrahim said in a Facebook post on Thursday that he spoke with Trump over the phone after meeting Greer, who is in Malaysia this week for the Asean Economic Ministers' Meeting. Anwar said he emphasised the importance of concluding the trade deal in his conversation with the US official, arguing that it will help businesses in both countries. (*Bloomberg*)

### **UK: Export Finance says country eyeing railway project segments in Malaysia**

The UK has expressed interest in participating in specific components of Malaysia's railway projects, particularly in signalling, rolling stock, electrification and other related areas, according to UK Export Finance (UKEF). Valentino Dass, who is the UKEF country head of Malaysia, Thailand and the Philippines, said many Malaysian companies are already highly capable of delivering infrastructure components. He said the UK government's export credit agency will concentrate on specialised rail technologies, while providing financing with one of the lowest UK content requirements among export credit agencies, at just 20%. (*Bernama*)



## Corporate News

### **KGB: Second contract win in three days: Kelington bags RM108m smart warehouse job in Penang**

Kelington Group Bhd has secured a RM108m contract for the design and construction of a smart warehouse in Penang — its second major win in just three days. According to its bourse filing, the contract was awarded by a multinational medical device manufacturer to Kelington's wholly-owned subsidiary, Kelington Technologies Sdn Bhd. The scope covers the design, construction, completion and commissioning of Automated Storage and Retrieval System (ASRS) Warehouse 2, along with associated external infrastructure. Kelington chief executive officer Raymond Gan welcomed the award, highlighting its strong past work with the client. He labelled it a boost, this after winning a Singapore project recently — both deals are worth RM108m. *(The Edge)*

### **SDG: EcoWorld, SD Guthrie complete RM573m land deal to kick off Negeri Sembilan industrial park**

The planned RM2.9bn industrial park in Negeri Sembilan is set to begin development following the completion of the acquisition of 1,195 acres of land in Port Dickson, said SD Guthrie Bhd on Thursday. In a statement, the company said Eco Business Park 7 Sdn Bhd (EBP 7) has completed the acquisition of the freehold land from SD Guthrie for RM572.7m cash. The transaction comes five months after the sale and purchase agreement was signed on April 18. EBP 7 is 55% owned by Eco World Development Group Bhd, 30% by SD Guthrie, and 15% by Negeri Sembilan state agency NS Corporation. *(The Edge)*

### **F&N: To sell PJ property asset for RM180m to fund dairy farm business**

Fraser & Neave Holdings Bhd has proposed to dispose of its half stake in a non-core property asset in Petaling Jaya for about RM180m to focus on growing its dairy farm business. In a filing with Bursa Malaysia, the beverage company said it intends to sell its 50% equity interest in Vacaron Company Sdn Bhd, the owner of a 5.2-hectare leasehold land in Section 13, Petaling Jaya that has been earmarked for a mixed-use development. The buyer is Tan & Tan Developments Bhd, a property development company that was listed on the local exchange until Goldis Bhd (now IGB Bhd) took over its listing in 2002, following the merger of Tan & Tan Developments, IGB Corporation Bhd and Goldis. *(The Edge)*

### **NHB: Agrobulk's takeover offer for NuEnergy turns unconditional, extended till Oct 9**

The takeover offer by NuEnergy Holdings Bhd's largest shareholder for the remaining shares in the company has turned unconditional, after its stake climbed above 50%. Agrobulk Holdings Sdn Bhd's stake in NuEnergy climbed to 51.1% or 96.5m shares as at 5pm on Thursday, according to a statement issued on behalf of Agrobulk by Kenanga. Another 4.6% stake in valid acceptances received is pending verification. With the 60 sen apiece takeover offer turning unconditional, the offer has been extended to remain open until Oct 9, from Sept 29 previously. Agrobulk intends to maintain NuEnergy's listing on the Main Market of Bursa Malaysia. *(The Edge)*

### **NADIBHD: Gets nod for partial purchase of hostel management concession**

Construction firm Gagasan Nadi Cergas Bhd said it has received government approval to acquire only a majority stake, and not a 100% stake, in Konsortium PAE Sepakat Sdn Bhd (KPSSB), which owns a facility management concession for student hostel facilities in seven polytechnic campuses. It received approval from the Public Private Partnership Unit of the Prime Minister's Department (Ukas) to buy a 45% stake in Seri Delima Anggun Sdn Bhd (SDASB) and 100% in Serata Ehsan Sdn Bhd (SESB), in contrast to its initial plan to wholly purchase both companies, in turn wholly acquiring the concession, according to a bourse filing on Thursday. SESB holds a 44.4% stake in KPSSB, while SDASB holds the remaining 55.6%. *(The Edge)*

### **PPB: Indonesian Supreme Court overturns acquittal of Wilmar over alleged misconduct**

Singapore-listed food processing company Wilmar International Ltd — the 18.8%-associate company of Bursa Malaysia-listed PPB Group Bhd — said the Indonesian Supreme Court has overturned the acquittals of itself and two other major palm oil groups in Indonesia in a graft case related to cooking oil export permits in 2021. Wilmar had in June handed over 11.9tn rupiah (about US\$729m or RM3.1bn at the time) to the Indonesian Attorney General's Office (AGO) as a "security deposit" pending the Supreme Court's decision on its alleged misconduct carried out between July and December 2021 during a shortage of cooking oil in the Indonesian market. The security deposit would have been returned to Wilmar's subsidiaries if the Indonesian Supreme Court upheld the decision of the Central Jakarta Court, but may be forfeited in full or in part if the court rules against the subsidiaries. *(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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