



# Daily Newswatch

## Market Review

The FBM KLCI marginally rose by 0.2% to 1,638 points on Monday, inching closer to its 52-week high of 1,658. By sector, both the Transportation & Logistics and Telecommunications led gains, climbing by 0.4%, followed by Plantation sector increasing by 0.3%. Among key index constituents, PPB was the top performer with a 2.9% gain, followed by IHH and PETGAS with gains of 2.7% and 1.3% respectively. Overall market breadth saw losers outweigh gainers by 729 to 403 despite the index's granular increase.

The Hang Seng finished Monday's trading session at 26,958, down 183 points, or 0.7%, for the second consecutive session. While mainland markets remained closed for the Golden Week, trading was muted in Hong Kong due to a cautious attitude ahead of a local break on Tuesday. The tech and consumer industries saw the biggest declines, each down by about 1%. Trip.com (-2.3%), Techtronic Inds. (-2.8%), and Galaxy Ent. (-3.1%) were notable losers. Meanwhile, the Nikkei 225 closed at 47,945, rallying by 4.8% and setting record highs after a ruling party vote paved the way for Sanae Takaichi to become Japan's next Prime Minister. Technology shares led the advance, with notable gains from Advantest (14%), Disco Corp (5.9%), Tokyo Electron (7.3%), SoftBank Group (4.1%), and Lasertec (7.2%).

Monday saw European equities close largely lower as renewed political unrest in France sparked worries about fiscal instability among the biggest nations in the Eurozone. The pan-European STOXX 50 closed flat at 571, while the Eurozone's STOXX 50 fell 0.3% to 5,633. As the decline in OATs put pressure on their balance sheets and increased their liquidity rates, French banks and insurers saw a steep decline. BNP Paribas lost 3.5%, while AXA declined 2.5%. Paris-traded luxury and industrials also did poorly, with losses of over 2% for LVMH, Hermes, and EssilorLuxottica. The new agreement between OpenAI and AMD, in turn, helped companies that were exposed to AI and computer infrastructure, with ASML and Adyen each seeing a 2% increase.

Wall Street closed higher on Monday as the S&P 500 was up 0.3%, the Nasdaq was up 0.5%, and the Dow Jones was up almost 60 points on Monday as AI-related alliances continued to boost market confidence. Consumer staples and real estate underperformed, while utilities, industrials, and technology performed the best. Microsoft (+0.8%), Alphabet (+0.8%), and Tesla (+3.3%) saw increases in their mega-cap stocks, while Apple's trade remained relatively stable and Nvidia (-1.4%), Amazon (-0.8%), Meta (-2%) and Broadcom (-2.8%) reported losses. After senators failed to pass spending plans for the fourth time on Friday, the government shutdown began its sixth day. Both a GOP-led stopgap package and a Democratic financing plan are scheduled for another vote by lawmakers on Monday, but neither is anticipated to pass.

## Macro Snapshots

- US:** Bitcoin's weekend rally fuelled by record bets in options markets
- MY:** National AI Action Plan 2026-2030 to be tabled in December
- MY:** To facilitate Pakistan's meat exports to the country
- EU:** ECB's Guindos and Lane signal little urgency to change rates for now

## Corporate Snapshots

- CDB:** Hit with RM72.6m arbitration claim over services agreement dispute
- CITAGLB:** Formalises partnership deal to develop natural gas projects
- TAWIN:** Ends sale of pharma business stake as buyer can't secure funding
- MEGAFB:** Sued over alleged breach of consultancy contract

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,638.1	0.2	(0.3)
Dow Jones	46,758.3	0.5	9.9
Nasdaq CI	22,780.5	(0.3)	18.0
S&P 500	6,715.8	0.0	14.2
SX5E	5,637.0	(0.3)	15.1
FTSE 100	9,509.1	0.2	16.3
Nikkei 225	47,944.8	4.8	20.2
Shanghai CI	3,882.8	0.5	15.8
HSI	26,957.8	(0.7)	34.4
STI	4,421.7	0.2	16.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,688.4	(8.7)
Value traded (RM m)	2,605.3	4.1
Gainers	403	
Losers	729	
Unchanged	464	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
KNMG	0.005	(83.3)	212.5
BORNO	0.005	0.0	74.7
NEXG	0.520	0.0	71.6
VSI	0.550	(3.5)	65.0
TANC	0.885	(0.6)	64.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
IHH	8.350	2.7	218.2
GAM	5.470	(0.5)	107.3
HLBK	21.020	0.3	77.8
SWB	5.750	(0.7)	69.5
MAY	10.020	0.2	67.9

Currencies	Last Close	% Chg
USD/MYR	4.209	(0.1)
USD/JPY	147.470	(0.1)
EUR/USD	1.174	0.2
USD/CNY	7.121	0.0
US Dollar Index	97.723	(0.1)

Commodities		
Brent (USD/barrel)	65.2	1.1
Gold (USD/troy oz)	3,938.5	1.3
CPO (MYR/metric t)	4,385.0	(0.3)
Bitcoin (USD/BTC)	124,582.3	1.5

Source: Bloomberg



## Macro News

### US: Bitcoin's weekend rally fuelled by record bets in options markets

Bitcoin set a fresh record on Sunday for the first time since mid-August, as the US government shutdown drove investors to safe-haven assets in a migration dubbed the "debasement trade." The largest digital asset climbed to US\$125,689 (RM529,842) over the weekend, according to data compiled by Bloomberg. It remained in touching distance of its all-time high on Monday morning in New York, changing hands at about US\$124,000. Bitcoin's advance coincided with a US government shutdown that began on Oct 1 and has helped fuel demand for perceived safe-haven assets. The closure scuppered the planned publication of key economic data, including non-farm payrolls. Gold surged to a record above US\$3,900 per ounce on Monday, extending a months-long rally. (*Bloomberg*)

### US: Bond sale draws weakest demand of 2025 on rates, supply

An auction of Malaysian government bonds drew the weakest demand this year, as traders pared expectations for rate cuts and corporate issuances shifted investor interest away from sovereign debt. The sale of RM3bn of bonds due in July 2055 got bids totalling RM4.1bn, according to Bank Negara Malaysia. The bid-to-cover ratio fell to 1.38 times, even lower than the September average of 2.06 times, data compiled by *Bloomberg* showed. The waning demand comes as traders pare back expectations of further rate cuts. Swaps are pricing a hold over the next six months, compared with their expectations at August-end of 13 basis points of easing over the same horizon. An expected pick up in corporate bond supply in the fourth quarter is also weighing on the demand for the government debt. (*Bloomberg*)

### MY: To facilitate Pakistan's meat exports to the country

Malaysia will facilitate the export of agricultural and livestock products from Pakistan, including beef and other types of meat, to the country as part of efforts to strengthen bilateral economic cooperation between the two nations, said Prime Minister Datuk Seri Anwar Ibrahim. In agriculture, Malaysia has increased the import of rice from Pakistan, he said at a press conference in conjunction with Pakistani Prime Minister Muhammad Shehbaz Sharif's visit to Malaysia on Monday. The leaders reaffirmed their commitment to promoting balanced and sustainable economic ties through enhanced market access, business facilitation and the effective utilisation of the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA). (*The Edge*)

### MY: National AI Action Plan 2026-2030 to be tabled in December

The National AI Action Plan 2026-2030 is expected to be tabled in December this year, focusing on specific sectors and key areas such as governance, society and industry. Digital Minister Gobind Singh Deo said the plan, which is currently being developed by the National Artificial Intelligence Office (NAIO), forms part of Malaysia's readiness efforts to support the country's aspiration of becoming an artificial intelligence (AI)-driven nation by 2030. "Key areas that we will be looking at is of course governance, and it is going to be a document that expands on what we already have with the Artificial Intelligence Governance and Ethics (AIGE) framework which we launched last year. What we want to do is to make sure that Prime Minister Datuk Seri Anwar Ibrahim's vision of creating an AI nation by the year 2030 is realised. (*The Star*)

### EU: ECB's Guindos and Lane signal little urgency to change rates for now

Two of the European Central Bank's (ECB) top policymakers described an inflation outlook that doesn't face prevailing risks in either direction, suggesting that they have no inclination to move interest rates for now. Vice president Luis de Guindos and chief economist Philip Lane acknowledged that a variety of factors to influence consumer prices in both an upward and downward direction. The September staff projections saw inflation slowing down to 1.7% next year before returning to 1.9% in 2027, while growth is expected to gain momentum, mainly due to increased fiscal spending in Germany and elsewhere. Lane suggested that while he himself has no bias towards acting at present, he described the potential choice for policymakers to being between staying on hold and cutting rates further. (*Bloomberg*)



## Corporate News

### **CDB: Hit with RM72.6m arbitration claim over services agreement dispute**

CelcomDigi Bhd said its wholly-owned subsidiary CelcomDigi Mobile Sdn Bhd has received a notice of arbitration from IMMA Technology Sdn Bhd over a dispute relating to a services agreement entered into nearly four years ago. In a filing with Bursa Malaysia, CelcomDigi said telecommunications services provider IMMA is seeking RM72.6m in alleged loss of profit, or alternatively a sum of RM28.3m for purported wasted expenditure incurred. The March 2022 services agreement involved the provision of credit advance services, with payment based on a revenue-sharing basis upon launch and no upfront costs payable to IMMA, the filing noted. *(The Edge)*

### **HHRG: Plans two-for-five bonus issue of warrants**

ACE Market-listed HHRG Bhd has proposed a bonus issue of up to 491.7m warrants, on the basis of two warrants for every five shares held. The exercise will not raise immediate funds as the warrants will be issued at no cost to shareholders. Proceeds to be raised would depend on the actual number of warrants exercised during the exercise period. The exercise price of the warrants and the entitlement date will be determined later, the biomass firm said in a bourse filing on Monday. *(The Edge)*

### **LIONIND: Looking to revitalise Amsteel's two mills amid tough landscape**

Lion Industries Corp Bhd plans to revitalise its steel business by, among others, seeking strategic partners for two of its Amsteel Mills plants to bring in new processes amid challenging times. "We wish to stress that the steel business is still very much the core business of Lion Industries Corporation Bhd and have no plans to shut Amsteel Mills other than for upgrading purposes," it said in a filing with Bursa Malaysia in response to an article published in *The Edge Weekly* (Oct 6-12, 2025 issue). Lion Industries said it is planning to install new machinery and processes at the Bukit Raja mill, which has been in operation since 1978, to enhance efficiency and competitiveness. The group is also in talks with potential strategic partners to provide new technologies. *(The Edge)*

### **CITAGLB: Formalises partnership deal to develop bio-compressed natural gas projects on east coast**

Citaglobal Bhd on Monday (Oct 6) formalised its joint development agreement with Keppel Decarb (Malaysia) Sdn Bhd to collaborate on bio-compressed natural gas (CNG) projects in Pahang, Kelantan and Terengganu. The collaboration between the two parties aims to convert biomethane and palm oil effluent and agricultural waste into bio-CNG, said Citaglobal in a bourse filing. The group said the clean energy produced is planned to be supplied to, among others, the Citaglobal Bioenergy & Green Eco Park, an anchor component of an upcoming 247-acre industrial park project in Gebeng, Pahang, that will be developed by Citaglobal. *(The Edge)*

### **MEGAFB: Sued over alleged breach of consultancy contract**

Mega Fortris Bhd said it has been sued by a Singapore-based consulting firm over an alleged breach of contract linked to the security seal manufacturer's listing exercise. The group said the suit filed by Whatman Capital Pte Ltd is in relation to a March 2023 contract for the provision of consultancy services covering Mega Fortis' conversion from a private to a public company and subsequent listing on Bursa Malaysia's Main Market in November last year. Also named as defendants in the suit are Mega Fortis' non-independent non-executive chairman Datuk Ng Meng Kee and his brother Datuk Ng Meng Poh, who serves as group managing director and CEO. *(The Edge)*

### **TAWIN: Ends sale of pharma business stake as buyer can't secure funding**

Ta Win Holdings Bhd said its 2022 deal to sell a substantial stake in pharmaceutical manufacturer Royce Pharma Manufacturing was mutually ended because the buyers couldn't secure financing. The buyers, majority shareholder Jelita Serbaneka Sdn Bhd and Poly Laboratories Sdn Bhd, were "unable to source the financing for the purchase", the copper wire and rod maker said in a bourse filing on Monday. "The board is of the view that the termination of the share sale agreement will not have any material effect on the earnings of the company or the net assets of the group for the financial year ending June 30, 2026," it added. *(The Edge)*



Upcoming key economic data releases	Date
US Initial Jobless Claims	Oct 9
US Wholesale Inventories	Oct 9
US Nonfarm Payrolls	Oct 10
US Unemployment Rate	Oct 10
Source: Bloomberg	

## Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	5.04	0.53	10.52
Taliworks Corporation	Utilities	0.54	0.05	9.35
REXIT	Technology	0.54	0.05	9.26
MBM Resources	Consumer	5.32	0.42	7.86
KIP REIT	REIT	0.88	0.07	7.84
Sentral REIT	REIT	0.79	0.06	7.77
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.42
Ta Ann Holdings	Plantation	4.15	0.31	7.37
Bermaz Auto	Consumer	0.68	0.05	7.21
Paramount Corporation	Property	1.06	0.08	7.08
MAG Holdings	Consumer	1.36	0.09	6.99
Magnum	Consumer	1.36	0.09	6.99
YTL Hospital REIT	REIT	1.12	0.07	6.61
Sports Toto	Consumer	1.41	0.09	6.60
RHB Bank	Finance	6.83	0.45	6.53

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		
Verdant Solar Holdings Berhad	ACE Market	0.31	142.0	73.6	7 Oct	22 Oct
THMY Holdings Berhad	ACE Market	0.31	143.9	88.8	9 Oct	23 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](http://www.mercurysecurities.com.my)  
Email: mercurykl@mersec.com.my