



Daily Newswatch

Market Review

Yesterday the FBM KLCI continued its downward streak from Tuesday as the local index slightly declined by 0.2% to close at 1,627 points. Across sectors, only four indices closed higher with the Technology, Utilities and Telecommunications declined the most by -1.2%, -0.8% and -0.5% respectively. Among key index constituents, loss was led by declines from HLBANK (-2.7%), YTLPOWER (-2.4%) and GAMUDA (-1.5%). Overall market breadth saw losers outweigh gainers by 615 to 463.

At Wednesday's closing, Asian stocks turned red as the Taiwan's TAIEX dropped by 0.5% to 27,063, the Nikkei 225 dropped 0.5% to 47,734 points and the Hang Seng dropped by 0.5% to 26,829. Both the TAIEX and Nikkei 225's decline was driven by the Healthcare and Information Technology sectors with each respective Financial sectors thriving. Concurrently, market leader Alibaba had a 1.6% decline, while Baidu (-3.2%), Meituan (-2.3%), and SMIC (-1.8%) all saw sharp declines as U.S. senators apparently want to impose more extensive restrictions on the sale of chipmaking tools to China.

Banks and industrial heavyweights provided strong support as European equities closed at record highs on Wednesday, reversing losses from the two previous sessions as markets evaluated the impact of new EU tariffs. The pan-European STOXX 600 increased 0.8% to 574, while the Eurozone's STOXX 50 surged 0.8% to 5,656. Following the robust session for important government bonds in the currency bloc, major financial firms led the session's gains. AXA, BBVA, UniCredit, Santander, and Allianz all had gains of 2% to 1.8%. Siemens, LVMH, Hermes, and Safran were among the luxury brands and industrial titans that saw increases of over 1.5%.

In the face of a protracted government shutdown, investors analyzed the Federal Reserve's most recent meeting minutes for policy hints, and technology shares led advances as US markets continued to set new highs on Wednesday. The Dow ended flat, but the S&P 500 increased 0.6% and the Nasdaq gained 1.1% thanks to gains in chipmakers and AI-related megacaps. AMD gained more than 40% since the beginning of the week after rallying 11.3% throughout the session. While Nvidia, Oracle, and Amazon all had gains of more than 2%, Micron saw a 5.9% increase. On the other hand, banks and consumer defensive stocks were down.

Macro Snapshots

- US:** Gold zooms past US\$4,000 for first time in historic flight to safety
- MY:** Passes bill to end practice of charging full interest on early hire purchase
- EU:** Rolls out US\$1.1bn plan to ramp up AI in key industries
- TH:** Unexpectedly holds rates, trims GDP view

Corporate Snapshots

- MATRIX:** Partners Golog Holdings to develop 618-acre industrial
- GUH:** Plans advanced PCB production, RM1.2bn property project
- VARIA:** Lodges RM3bn sukuk programme with SC
- OASIS:** To drive growth via M&A after acquiring Chef Wan restaurants, cafés

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,627.5	(0.2)	(0.9)
Dow Jones	46,601.8	(0.0)	9.5
Nasdaq CI	23,043.4	1.1	19.3
S&P 500	6,753.7	0.6	14.8
SX5E	5,649.7	0.6	15.4
FTSE 100	9,548.9	0.7	16.8
Nikkei 225	47,735.0	(0.5)	19.7
Shanghai CI	3,882.8	0.5	15.8
HSI	26,829.5	(0.5)	33.7
STI	4,456.3	(0.4)	17.7
Market Activities		Last Close	% Chg
Vol traded (m shares)		3,665.8	5.2
Value traded (RM m)		2,716.3	(9.0)
Gainers		463	
Losers		615	
Unchanged		483	
Top 5 Volume	Last Close	Daily chg %	Vol (m)
KNMG	0.005	0.0	128.0
ZETRIX	0.835	(0.6)	76.3
TANC	0.850	(1.2)	63.6
VSI	0.555	0.0	37.6
BORNO	0.005	0.0	37.3
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
IHH	8.100	(1.1)	202.9
SWB	5.810	1.0	125.9
GAM	5.320	(1.5)	87.6
WPRTS	5.300	0.4	76.8
CIMB	7.660	(0.1)	70.9
Currencies		Last Close	% Chg
USD/MYR		1,627.5	(0.2)
USD/JPY		46,601.8	(0.0)
EUR/USD		23,043.4	1.1
USD/CNY		6,753.7	0.6
US Dollar Index		5,649.7	0.6
Commodities		Last Close	% Chg
Brent (USD/barrel)		66.3	1.2
Gold (USD/troy oz)		4,020.0	(0.5)
CPO (MYR/metric t)		4,480.0	0.3
Bitcoin (USD/BTC)		123,189.5	0.2

Source: Bloomberg



Macro News

US: Gold zooms past US\$4,000 for first time in historic flight to safety

Gold raced past US\$4,000 an ounce for the first time on Wednesday as investors piled into a historic rally in the safe haven to hedge against global economic and geopolitical uncertainties, while also betting on US interest rate cuts. Spot gold was up 1.4% at US\$4,039.10 per ounce by 0820 GMT. US gold futures for December delivery gained 1.4% to US\$4,061.80. Silver also latched on to gold's rally, gaining 2% to US\$48.76 per ounce, and just down from its all-time high of US\$49.51. Traditionally, gold is seen as a store of value during times of instability. Spot gold is up about 54% year-to-date, after rising 27% in 2024. It is one of the best-performing assets of 2025, outpacing gains in global equity markets and bitcoin and losses for the US dollar and crude oil. *(Reuters)*

MY: Passes bill to end practice of charging full interest on early hire purchase loan settlements

The Dewan Rakyat on Wednesday approved the Hire Purchase (Amendment) Bill 2025, which abolishes the use of the flat rate and the Rule of 78 for fixed-rate hire-purchase loans. The Rule of 78 calculates a loan's total interest based on the original principal amount, which means borrowers do not enjoy any interest savings even if they settle their loans earlier than scheduled. Under the amendment bill, the effective interest rate (EIR) and reducing balance method will replace the Rule of 78 to ensure greater transparency in loan calculations. The bill also revises the ceiling for EIRs on fixed-rate hire-purchase loans and requires lenders to disclose the EIR to consumers during marketing and before signing any agreement. *(The Edge)*

MY: Income gap at 50-year low, but rural and ethnic disparities remain — DOSM

Malaysia's income inequality was at its lowest level in five decades in 2024, but rural and ethnic disparities remain, according to the Department of Statistics Malaysia (DOSM). Malaysia's Gini coefficient, a measure of income inequality, fell to 0.39 in 2024 — its lowest level since 1974 when the data was collected, and slightly better than the previous low of 0.399 in 2016. The 2024 Household Income Survey, based on a sample representing 8.2 million Malaysian households, provided the data. Median household income rose 5.1% year-on-year to RM7,017 in 2024, the report showed. *(The Edge)*

EU: Rolls out US\$1.1bn plan to ramp up AI in key industries amid sovereignty drive

The European Commission on Wednesday announced a €1-billion (US\$1.1 billion or RM4.6 billion) plan to ramp up the use of artificial intelligence in key industries amid a push to cut the European Union's reliance on US and Chinese technologies. The EU executive's Apply AI strategy followed an action plan unveiled in April which seeks to lighten the regulatory burden and costs for startups struggling to comply with landmark AI rules which entered into force in August last year. The move also underscores Europe's goal of achieving strategic autonomy in key sectors amid trade tensions with the United States and China and the dominance of US Big Tech. *(Reuters)*

EU: ECB's Escriva says a rate cut isn't necessarily the next move

European Central Bank (ECB) Governing Council member José Luis Escrivá said policymakers don't have a bias towards cutting interest rates at present, and could equally end up hiking them instead. The Bank of Spain governor, speaking in an interview on Wednesday at the Bloomberg Future of Finance conference in Madrid, insisted that the current stance doesn't preclude a move either up or down. The ECB is highly likely to keep borrowing costs unchanged at its next meeting on Oct 30, and several officials have suggested recently that they're not inclined to cut them further for now. Even so, some have indicated that if there is any bias, it's towards a reduction. *(Bloomberg)*

TH: Unexpectedly holds rates, trims GDP view but leaves door open to more cuts

Thailand's central bank left its key interest rate steady on Wednesday, surprising markets which had expected another cut as the economy struggles with a strengthening baht, negative inflation and US tariffs. But policymakers left the door open to more easing if the glum outlook for Southeast Asia's second-largest economy deteriorates further, and economists said they still expect two more rate cuts by the end of next year. The Bank of Thailand's monetary policy committee voted five-to-two to keep the one-day repurchase rate steady at 1.50% at Wednesday's review, the first for new governor Vitai Ratanakorn. The BOT has cut rates four times in the past year. *(Reuters)*



Corporate News

MATRIX: Partners Golog Holdings to develop 618-acre industrial park in Negeri Sembilan

Matrix Concepts Holdings Bhd has signed a memorandum of understanding (MOU) with logistics company Golog Holdings Sdn Bhd (Golog) to jointly develop the China-Malaysia Air Silk Road Dual Hub Industrial Park in MVV TechValley at Negeri Sembilan. The 618-acre industrial park will be developed in three phases and has a gross development value (GDV) of RM8bn. The partnership should be formalised within about six months of the MOU signing and construction is expected to begin within 24 months later. The first phase will see the development of a 106-acre logistics hub. Golog will deploy its AI- and IoT-powered platforms to safeguard temperature-sensitive goods, provide real-time tracking and enable businesses to participate in global trade. *(The Edge)*

GUH: Plans advanced PCB production, RM1.2bn property project to drive growth

Electronic circuit board maker GUH Holdings Bhd plans to expand into advanced printed circuit boards (PCBs) and launch a RM1.2bn property project in Simpang Ampat, Penang, as part of plans to grow the company. Group managing director Datuk Seri Kenneth Hng told *The Edge* the company plans to make advanced PCBs like multi-layer (10+ layers) and high-density interconnect (HDI) boards to boost performance in the medium term. These PCBs will serve industries such as telecommunications, automotive and industrial controls that need high quality and reliability, Hng said. To achieve this, GUH Holdings will invest in research and development, adopt specialised manufacturing techniques, and improve factory layout and automation to boost efficiency, reduce costs and increase profits. *(The Edge)*

VARIA: Lodges RM3bn sukuk programme with SC to fund capex, refinance debt

Varia Bhd has lodged a sukuk murabahah programme of up to RM3bn with the Securities Commission Malaysia. The construction and property development group said proceeds from the sukuk will be channelled towards financing capital expenditure, refinancing existing or future shariah-compliant and/or outstanding conventional borrowings, working capital needs and other corporate purposes. The funds may also be used to finance projects, investments and asset acquisitions, as well as cover related fees and expenses, according to its filing with Bursa Malaysia on Wednesday. As at end-June, Varia's short-term borrowings stood at RM70.2m, with long-term borrowings of RM61.8m. It held RM6.7m in cash and bank balances, alongside RM19m in deposits placed with licensed banks. *(The Edge)*

IOIPG: EPF ceases to be substantial shareholder

The Employees Provident Fund (EPF) has ceased to be a substantial shareholder of IOI Properties Group Bhd after almost nine years, as it trimmed its stake in the counter which had risen to a one-month high in a rally. The pension fund, which emerged as a substantial shareholder of IOI Properties in January 2017, disposed of 100m shares or a 1.8% stake on Oct 3, according to the group's filing with Bursa Malaysia on Wednesday (Oct 8). The sale reduced EPF's shareholding in the property developer to 4.3% from 6.1% previously. IOI Properties' largest shareholder is Vertical Capacity Sdn Bhd — controlled by the family of IOI Corp chairman Tan Sri Lee Shin Cheng — with a 65.7% stake. *(The Edge)*

PECCA, BETA: Plans to jointly develop travel entertainment systems for aircraft, trains

Car upholstery manufacturer Pecca Group Bhd has signed a memorandum of understanding (MOU) with Betamek Bhd to work together on developing advanced entertainment systems for both in-flight and in-train use. Under the MOU, Betamek will take the lead on the technical side, focusing on the development of the core digital components. This includes digital interfaces, entertainment terminals, content management systems and all necessary software integration specifically tailored for aviation and railway applications. Pecca will concentrate on the physical integration and compliance aspects. Its role is to incorporate new digital infotainment technologies directly into seating and cabin platforms, ensuring that the final products meet international aviation and railway standards, according to a joint statement released by the companies. *(The Edge)*

OASIS: To drive growth via M&A after acquiring Chef Wan restaurants, cafés

Oasis Harvest Corp Bhd, formerly known as Dolphin International Bhd, said it will continue to pursue mergers and acquisitions (M&A) in the food and beverage (F&B) sector after securing shareholders' approval for its RM30.8m cash acquisition of Metta Food & Lifestyle Sdn Bhd. The proposal, approved with more than 99.99% support at its extraordinary general meeting on Wednesday, will add Metta's banquet-themed restaurants and cafés under the De.Wan 1958 by Chef Wan and Café Chef Wan brands to Oasis Harvest's portfolio, the group said in a statement. Upon completion, Oasis Harvest plans to integrate Metta's central kitchen and operations with its existing brands — Uncle Don's and Verona Trattoria — to improve efficiency and streamline supply chains. Metta's restaurants and cafés were co-founded by celebrity chef Datuk Redzuawan Ismail, better known as Chef Wan, together with chief executive officer Andre Shum Khum Yui. *(The Edge)*

TROP: Continues debt reduction efforts with RM139m sukuk redemption

Tropicana Corp Bhd has redeemed another tranche of its sukuk wakalah worth RM139m under its RM1.5bn programme, which matured on Wednesday. This latest redemption lifts the group's cumulative payments under the programme to RM1.1bn. Prior to this, Tropicana redeemed RM100m on Sept 3 and RM123.5m on June 30. In a statement, Tropicana said redemption under the sukuk programme, launched in 2020 to fund development plans, reflects efforts to manage its debt. *(The Edge)*



SOLUTN: Files adjudication claims against Cypark over Kelantan solar project

Cypark Resources Bhd's wholly-owned subsidiary, Cypark Renewable Energy Sdn Bhd, is facing an adjudication claim of RM2.5m in relation to a solar project in Kelantan. The claim was initiated by Solution Group Bhd through its subsidiary, Solar Solution Sdn Bhd (SSSB), over a contract awarded in August 2024 for Package 1(A) — installation of a floater, photovoltaic (PV) modules, DC cabling, DC combiner box and central inverter with associated works at Tasik Danau Tok Uban, Pasir Mas. The project, valued at RM3.1m, was originally slated for completion by Jan 31, 2025, before being extended to March 18, according to Solution's filing with Bursa Malaysia on Wednesday. *(The Edge)*

CARZO: Wins adjudication award in ECRL payment dispute

Carzo Holdings Bhd said on Wednesday it has decided not to appeal to Bursa Malaysia Securities against its impending delisting. Bursa Securities notified the company on Aug 2 that its shares would be delisted after it failed to acquire a new core business since exiting its fresh fruit and fruit products distribution operations last year, unless the company filed an appeal by Oct 9. *(The Edge)*

UEM: Federal Court dismisses bid to challenge RM8.5m tax claim

UEM Sunrise Bhd has lost its attempt to challenge the Inland Revenue Board's (IRB) additional tax assessment and penalty of RM8.5m, after the Federal Court overturned a prior ruling that favoured the property developer. In a filing with Bursa Malaysia, UEM Sunrise said the Federal Court on Wednesday (Oct 8) allowed the Attorney General Chambers' appeal against the Court of Appeal's December 2024 decision, which had granted its wholly owned UEM Land Bhd (UEML) leave to pursue a judicial review against the Finance Ministry and a stay of payments for the disputed taxes, penalties and interest. UEML will, however, continue to pursue its appeal before the Special Commissioner of Income Tax (SCIT), it added. *(The Edge)*

KNM: Gets court approval to sell German unit, appeals Bursa's PN17 rejection

KNM Group Bhd has secured High Court approval to sell its German subsidiary, Deutsche KNM GmbH (DKNM), to Japan's NGK Insulators Ltd for €270m (about RM1.3bn). The deal is part of KNM's debt restructuring plan under Section 368(4) of the Companies Act 2016. The court order allows the company to proceed with the disposal of one ordinary share in DKNM, representing 100% equity interest. A separate court hearing in relation to the scheme of arrangement has been set for Oct 14. DKNM is KNM's most valuable asset. The sale is seen as crucial to helping the company pay off debts but it would also leave KNM with only its struggling Malaysian operations, which have been unprofitable since 2024. *(The Edge)*

Upcoming key economic data releases	Date
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	4.94	0.53	10.73
Taliworks Corporation	Utilities	0.53	0.05	9.52
REXIT	Technology	0.54	0.05	9.26
MBM Resources	Consumer	5.33	0.42	7.84
Sentral REIT	REIT	0.78	0.06	7.82
KIP REIT	REIT	0.89	0.07	7.75
Bermaz Auto	Consumer	0.65	0.05	7.54
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.42
Ta Ann Holdings	Plantation	4.14	0.31	7.39
Paramount Corporation	Property	1.06	0.08	7.08
MAG Holdings	Consumer	1.35	0.09	7.04
Magnum	Consumer	1.35	0.09	7.04
Sports Toto	Consumer	1.39	0.09	6.69
YTL Hospital REIT	REIT	1.11	0.07	6.67
RHB Bank	Finance	6.78	0.45	6.58

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
Insights Analytics Berhad	ACE Market	0.36	121.0	27.5	13 Oct	27 Oct
Powertechnic Group Berhad	ACE Market	0.35	63.0	21.0	14 Oct	28 Oct



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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
Email: mercurykl@mersec.com.my