



Daily Newswatch

Market Review

The FBM KLCI retreated on Friday, closing lower by 0.5% to 1,622 points as investors were looking forward to focus on PMX's presentation on Budget 2026. Most sector indices turned red with the Technology, Telecommunications and Healthcare leading losses while the Construction, Energy, Utilities and Transportation emerging as gainers. Among key index constituents, Mr DIY, Axiata and Sime Darby led losses by 2.4%, 2.3% and 2.3% respectively. Overall market breadth turned tides as losers outweighed gainers by 433 to 588.

Asian stocks trailed off as it ended the week on Friday as the Shanghai Composite was down 0.9% to 3,897 points, Hang Seng dropped 1.7% to 26,290 points and the Nikkei 225 was down 1.0% to 48,088 points as well as the Straits Times Index down 0.3% to 4,427 points. China's SCI saw its contraction led by contraction in Information Technology, Healthcare and Materials by 4.8%, 1.9% and 1.1% respectively. New energy and technology stocks led the retreat, with sharp losses from Contemporary Amperex (-6.8%), Sungrow Power (-7.8%), China Northern Rare Earth (-1.2%), Luxshare Precision (-6.9%), and Zhongji Innolight (-2.2%).

Similarly, European stocks extended their loss as both the STOXX 50 and STOXX 600 retreated by 1.0% to end the week on Friday to 5,531 and 564 points respectively. Leading the decline were Leonardo (-5.6%), Rheinmetall (-2.5%), Thales (-2.4%), Saab (-2.2%), BAE Systems (-1.9%), Rolls-Royce (-1.7%), Safran (-1.6%), and Airbus (-1%). The Stoxx Europe Aerospace and Defense index fell more than 2%. Additionally, mining stocks declined, as evidenced by the more than 1.5% decline in the Stoxx Europe Basic Resources index.

Wall Street extended its losses on Friday after President Donald Trump shook markets with predictions of a "massive" tax hike on Chinese imports and hinted that he would postpone his impending meeting with President Xi Jinping. Despite recent record levels, weekly gains were erased as the Dow sank 879 points, the Nasdaq fell 3.6%, and the S&P 500 fell 2.7%, its biggest decrease since April. Stocks in technology and semiconductors were the hardest hit, with AMD down 7.8%, Nvidia down 5%, and Qualcomm down 7.3% as a result of a Chinese antitrust investigation. The US government shutdown, which is currently in its tenth day and has delayed economic data and increased market uncertainty, further exacerbated the sell-off.

Macro Snapshots

- US:** Trump ratchets up US-China trade war, promising new tariffs
- CN:** Hits back on US port fees with retaliatory levies
- MY:** Rolls out smaller-than-expected budget
- EU:** Back to the future as France's Macron reappoints Lecornu as PM

Corporate Snapshots

- GESHEN:** Plans RM104m placements, partly to raise stake in local EMS firm
- MAGMA:** Sell Impiana KLCC hotel for RM315m to Valiram-backed buyer
- MSB:** Inks 10-year deal with China firm to distribute shock absorbers in SE Asia
- KGB:** Signs pact to jointly develop green hydrogen production hub in Selangor

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,622.3	(0.5)	(1.2)
Dow Jones	45,479.6	(1.9)	6.9
Nasdaq CI	22,204.4	(3.6)	15.0
S&P 500	6,552.5	(2.7)	11.4
SX5E	5,531.3	(1.7)	13.0
FTSE 100	9,427.5	(0.9)	15.3
Nikkei 225	48,088.8	(1.0)	20.5
Shanghai CI	3,897.0	(0.9)	16.3
HSI	26,290.3	(1.7)	31.1
STI	4,427.1	(0.3)	16.9
Market Activities		Last Close	% Chg
Vol traded (m shares)		4,632.1	26.4
Value traded (RM m)		3,436.7	26.5
Gainers		433	
Losers		588	
Unchanged		556	
Top 5 Volume	Last Close	Daily chg %	Vol (m)
TOPG	0.675	0.7	113.3
TANC	0.845	(0.6)	54.3
KNMG	0.005	0.0	49.5
VSI	0.570	0.9	51.4
HART	1.240	(4.6)	35.4
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	9.950	(0.5)	135.7
PMAH	6.110	1.2	129.6
IHH	7.990	(1.4)	95.9
CIMB	7.500	(0.9)	91.9
TOPG	0.675	0.7	77.6
Currencies		Last Close	% Chg
USD/MYR		4.223	(0.2)
USD/JPY		151.190	1.2
EUR/USD		1.162	0.5
USD/CNY		7.135	(0.1)
US Dollar Index		98.978	(0.6)
Commodities		Last Close	% Chg
Brent (USD/barrel)		62.7	(3.8)
Gold (USD/troy oz)		4,017.8	1.0
CPO (MYR/metric t)		4,468.0	(0.8)
Bitcoin (USD/BTC)		112,644.6	(1.5)

Source: Bloomberg



Macro News

US: Trump ratchets up US-China trade war, promising new tariffs

U.S. President Donald Trump revived the trade war against Beijing on Friday, ending an uneasy truce between the two largest economies with promises to sharply hike tariffs in a reprisal against China curbing its critical mineral exports. The president unveiled additional levies of 100% on China's U.S.-bound exports, along with new export controls on "any and all critical software" by November 1, nine days before existing tariff relief is set to expire. Trump also called into question the prospects for a previously announced meeting set for three weeks from now with Chinese President Xi Jinping in South Korea, saying on Truth Social that "now there seems to be no reason to do so." (*Reuters*)

US: White House budget chief says US government job cuts have begun

President Donald Trump's administration has begun laying off federal workers on Friday during the government shutdown, with a White House budget office spokesperson characterizing the layoffs as "substantial" in number. The US health agency confirmed that some of its workers have received layoff notices. Trump has repeatedly threatened to fire federal workers during the shutdown standoff, in its 10th day on Friday, and has suggested his administration will aim primarily at "Democrat agencies." He has ordered the freezing of at least US\$28 billion in infrastructure funds for New York, California and Illinois — all home to sizable Democratic voters and critics of the administration. (*Reuters*)

US: Bitcoin extends decline to \$104,782 as Trump escalates US-China trade war

Bitcoin, the world's largest cryptocurrency by market value, extended declines on Friday after U.S. President Donald Trump escalated his trade conflict with China. Trump on Friday said he was raising tariffs on Chinese exports to the U.S. to 100% and imposing export controls on "any and all critical software" in a reprisal to recently announced export limits by China on rare earth minerals critical to tech and other manufacturing. The spat shook global financial markets, sending the benchmark S&P 500 Index sliding by more than 2%. (*Reuters*)

CN: Hits back on US port fees with retaliatory levies

China will slap port fees on U.S.-owned, operated, built, or flagged vessels on Tuesday as a countermeasure to U.S. port fees on China-linked ships starting the same day, China's transport ministry said on Friday. Later in the day, U.S. President Donald Trump said he was raising tariffs on Chinese exports to the U.S. to 100% and imposing export controls on critical software in a reprisal to export limits by China on rare earth minerals. (*Reuters*)

MY: Rolls out smaller-than-expected budget, turns to state enterprises to work around fiscal constraints

Malaysia is getting a smaller-than-expected Budget 2026 as the government eschews megaprojects amid efforts to rein in overspending at a time of falling oil prices. Prime Minister Datuk Seri Anwar Ibrahim on Friday tabled in the Dewan Rakyat an expansionary federal budget with an allocation of RM419.2 billion, short of the median RM430 billion projected by more than a dozen economists in a survey by *The Edge*. Budget 2026 will instead "mobilise and optimise national resources", Anwar said as he counts on the country's massive, sprawling state-owned enterprises for an additional boost of over RM50 billion. (*The Edge*)

MY: Budget 2026 boosts cash transfer programmes to RM15b; special aid for select recipients

Malaysia is boosting its cash transfer programmes by RM2 billion next year and will dish out special payments to select groups of individuals amid rising costs of living. The federal government has allocated cash handouts of RM15 billion under the *Sumbangan Tunai Rahmah* (STR) and *Sumbangan Asas Rahmah* (Sara) initiatives for Budget 2026, higher than the RM13 billion allocated under Budget 2025. All nine million STR recipients will receive up to RM100 per month. In addition, one million STR recipients under the *e-Kasih* programme for the poor and hardcore poor will also receive up to RM200 per month annually. (*The Edge*)

EU: Back to the future as France's Macron reappoints Lecornu as PM

French President Emmanuel Macron reappointed Sebastien Lecornu as prime minister on Friday, just days after he quit the job, a move that enraged some of the president's fiercest political opponents who pledged to vote out the new government. Macron, 47, will hope loyalist Lecornu can draw enough support from a deeply divided Parliament to pass a 2026 budget. Faced with France's worst political crisis in decades, many of Macron's rivals have demanded he either call fresh parliamentary elections or resign. The immediate reaction to Lecornu's appointment from the far right and hard left was scathing, suggesting his second stint as prime minister will be no easier than his first, which ended on Monday when he resigned after just 27 days in office. (*Reuters*)



Corporate News

GESHEN: Plans RM104m placements, partly to raise stake in local EMS firm

Ge-Shen Corp Bhd has proposed to raise up to RM103.8m through two private placements, part of which will go towards acquiring a 40% stake in electronic manufacturing services (EMS) company Local Assembly Sdn Bhd, raising its interest to 80%. The plastic injection moulding and metal stamping company-turned-EMS player said in a bourse filing on Friday that the first placement entails up to 41.4m new shares, or not more than 10% of its issued share capital, to third-party investors at a price to be determined later. Assuming an issue price of RM1.45 per share — a 9.41% discount to its five-day volume-weighted average price of RM1.6007 as at Sept 26 (the latest practicable date or LPD) — the exercise is expected to raise gross proceeds of up to RM60.0m, mainly for working capital and repayment of bank borrowings. *(The Edge)*

UOADEV: Slapped with RM166m additional tax bill relating to sale of asset

UOA Development Bhd said its property investment unit has been served with a notice of additional assessment with penalty amounting to RM165.7m relating to a gain from disposal of an asset. The notice issued to Distinctive Acres Sdn Bhd on Friday concerned the gain from the disposal of UOA Corporate Tower in Bangsar South to UOA Real Estate Investment Trust in 2020, said UOA Development in a filing to Bursa Malaysia. The Inland Revenue Board has decided that the gain is subject to corporate income tax rather than real property gains tax, the company said. *(The Edge)*

MAGMA: KLCC Holdings sell Impiana KLCC hotel for RM315m to Valiram-backed buyer

Magma Group Bhd and KLCC Holdings Sdn Bhd are selling the 519-room Impiana KLCC hotel for RM315m to Harum Aspirasi, mostly owned by the Valiram family, which runs a luxury retail group. The announcement confirmed *The Edge* report in February this year that the hotel was up for sale. Magma is selling its 20% stake in Heritage Lane Sdn Bhd (which owns the hotel), while KLCC Holdings owns 80%. The sale price is above the RM300m market value, showing strong investor confidence, the two selling companies said in a joint statement. Magma will get RM63m in cash from the sale of its stake. It plans to use about RM45m to repay loans, support its businesses, and cover costs. This loan repayment will save about RM3.9m in interest and improve Magma's debt level.

(The Edge)

MSB: Inks 10-year deal with China firm to distribute shock absorbers in SE Asia

Automotive parts distributor MSB Global Group Bhd has signed a 10-year exclusive distributorship agreement with China-based Zhejiang GOLD Intelligent Suspension Corp. Its subsidiary, MSB Machinery Corporation Malaysia, will be the sole distributor of Zhejiang GOLD's shock absorber products in Malaysia, Thailand and Singapore. This new deal replaces a 2024 agreement and includes updated terms. In a statement, the company said the partnership covers a full range of products, including standard and active suspension shock absorbers and related accessories. The initial five-year term targets RMB50m (about RM30m) in cumulative sales, with options for renewal and future growth. *(The Edge)*

KGB: Signs pact to jointly develop green hydrogen production hub in Selangor

Engineering firm Kelington Group Bhd said on Friday that it has signed an initial pact to jointly develop a two-megawatt green hydrogen production hub in Selangor. The project will see hydrogen produced through electrolysis powered entirely by renewable energy from the Batang Kali small hydropower plant, Kelington said in a statement. The company will spearhead the development of the electrolyser plant and manage the hydrogen production. "By leveraging renewable hydropower and proven electrolyser technology, we aim to demonstrate a reliable and sustainable pathway for green hydrogen that can be deployed in transport and industrial applications," said Kelington chief executive officer Raymond Gan. The cost and other details of the project were not disclosed. *(The Edge)*

Upcoming key economic data releases	Date
US CPI	Oct 15
US Initial Jobless Claims	Oct 16
US PPI	Oct 16
US Retail Sales	Oct 16
US Nonfarm Payrolls	Oct 17
US Unemployment Rate	Oct 17
Source: Bloomberg	



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	4.97	0.53	10.66
Taliworks Corporation	Utilities	0.53	0.05	9.43
REXIT	Technology	0.55	0.05	9.17
MBM Resources	Consumer	5.26	0.42	7.95
KIP REIT	REIT	0.88	0.07	7.84
Sentral REIT	REIT	0.79	0.06	7.77
Bermaz Auto	Consumer	0.67	0.05	7.31
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.48
Ta Ann Holdings	Plantation	4.29	0.31	7.13
Paramount Corporation	Property	1.07	0.08	7.01
MAG Holdings	Consumer	1.35	0.09	7.04
Magnum	Consumer	1.35	0.09	7.04
Sports Toto	Consumer	1.38	0.09	6.74
YTL Hospital REIT	REIT	1.13	0.07	6.55
RHB Bank	Finance	6.73	0.45	6.63

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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