MERCURY SECURITIES SDN BHD
(A Participating Organisation of Bursa Malaysia Securities Bhd.)

MARKET WATCH
Tuesday, Oct 14, 2025
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Daily Newswatch

Market Review

The FBM KLCI started the week with a 0.4% retracement to 1,615 points as investors tread lightly following heightened US-China trade tensions over the weekend. Sector-wise, Technology (-0.9%) and Telecommunications (-0.7%) were down with the Financial Services (-0.9%), which saw the largest decline with losses in banking heavyweights, Maybank, CIMB, AmBank and Hong Leong. Among key index constituents, QL Resources declined by 2.0%, followed by Public Bank and Sime Darby declining 1.9% respectively. Overall market breadth turned negative as losers outnumbered gainers by 807 to 375.

Asian stocks also saw a domino effect as markets closed lower on Monday. The Shanghai Composite inched down 0.2% to 3,889 points, TAIEX declined 1.4% to 26,923 points, the Nikkei 225 declined 1.0% to 48,088 points and the Hang Seng dropped 1.5% to 25,889 points. The TAIEX and Nikkei 225 saw Energy led losses by 3.1% and 3.5% respectively. On the mainland markets, Consumer and Healthcare saw declines by 2.1% and 1.4%. Swancor Advanced Materials and Wingtech Technology saw the biggest declines as both were down by 20.0% and 10.0% respectively.

On the contrary, European stocks bounced back with the Stoxx 600 rising 0.3% and the Stoxx 50 up 0.5%, helped by a recovery in mining stocks following President Donald Trump's declaration that trade relations with China have eased. As Trump's remarks allayed concerns about a sharp increase in tariffs on Chinese imports, the Stoxx 600 Basic Materials Index increased 2.4%, with Fresnillo rising 9.5%, Antofagasta 5.1%, Aurubis 3.7%, and Anglo American more than 3%. Roland Lescure was appointed finance minister in France by recently reappointed Prime Minister Sebastien Lecornu in advance of new budget proposals.

Wall Street struck a positive note on Monday, recovering from the sharp sell-off that occurred on Friday when President Trump lowered the stakes in the US-China trade dispute by promising that ties with Beijing "will all be fine." Following Trump's remarks, investors raced back into riskier assets, causing the Dow Jones to gain 588 points and the S&P 500 and Nasdaq 100 to rise 1.6% and 2.2%, respectively. After last week's warning of a 100% tariff on Chinese imports destroyed around $2 trillion in market value, his comments helped allay concerns about a worsening trade war. Technology stocks led the gains, with Broadcom climbing 9.9%, Oracle leaping 5.1%, and Nvidia and AMD rising 2.9% and 0.8%. Despite a protracted government shutdown and postponed economic data releases, investors continued to exercise caution.

Macro Snapshots

- **US**: World economy faces triple risk of tariffs, AI bubble and soaring debt
- **CN**: Shipping faces 'sizeable disruption' as US, China spar on fees
- **MY**: BNM governor sees ringgit appreciating to RM4 versus US dollar
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- **GENTING:** To privatise Genting Malaysia in RM2.35-per-share buyout
- **HTPADU:** Govt ups NIISe contract value by 18% to RM1.1bn a year after award
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- **ROHAS:** Wins RM28.7m TNB job for data centre supply in Johor

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,615.2	(0.4)	(1.7)
Dow Jones	46,067.6	1.3	8.3
Nasdaq CI	22,694.6	2.2	17.5
S&P 500	6,654.7	1.6	13.1
SX5E	5,568.2	0.7	13.7
FTSE 100	9,442.9	0.2	15.5
Nikkei 225	48,088.8	(1.0)	20.5
Shanghai CI	3,889.5	(0.2)	16.0
HSI	25,889.5	(1.5)	29.1
STI	4,389.8	(0.8)	15.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,479.1	7.6
Value traded (RM m)	2,679.0	(5.6)
Gainers	375	
Losers	807	
Unchanged	464	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TOPG	0.705	4.4	90.9
ZETRIX	0.840	(2.3)	73.0
PHRM	0.850	0.6	51.8
TANC	0.280	(1.8)	64.3
LGH	0.180	2.9	39.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
IHH	7.990	0.0	126.1
MAY	9.930	(0.2)	108.0
CIMB	7.430	(0.9)	107.1
AMM	5.750	(1.7)	79.8
HLBK	20.500	(0.7)	76.6

Currencies	Last Close	% Chg
USD/MYR	4.228	(0.1)
USD/JPY	152.280	0.0
EUR/USD	1.157	0.0
USD/CNY	7.131	0.1
US Dollar Index	99.269	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	63.3	0.9
Gold (USD/troy oz)	4,106.9	(0.1)
CPO (MYR/metric t)	4,500.0	1.8
Bitcoin (USD/BTC)	115,686.8	(0.1)

Source: Bloomberg

Macro News

US: World economy faces triple risk of tariffs, AI bubble and soaring debt

The world economy has so far withstood the biggest barrage of US tariffs since the 1930s as American consumers continued to spend, companies absorbed higher costs and an artificial intelligence (AI) boom fuelled a new breed of animal spirits. But President Donald Trump's latest threat to impose massive tariffs on China products has stoked renewed fears of another shock for the global economy, compounding warnings of surging government debt and a bubble in technology stocks. Those concerns will dominate this week's gathering of finance ministers and central bankers, who are descending on Washington for the International Monetary Fund and World Bank's annual meetings. The US's $20bn (RM84.4bn) lifeline to help shore up Argentina's peso and proposals to deploy frozen Russian assets for Ukraine will also be high on the agenda of meetings on the sidelines. (*Bloomberg*)

US: JPMorgan unveils US$1.5tn plan to boost investments in US strategic industries

JPMorgan Chase launched a US$1.5tn (RM6.3tn) plan on Monday to facilitate, finance and invest in industries deemed critical to the US national security and economic resilience, including defence, energy and advanced manufacturing. As part of the 10-year initiative, the largest US lender also plans to hire more bankers and invest up to US$10bn into US companies through direct equity and venture capital investments, focusing on fast-growing businesses and key manufacturers. The announcement comes as US President Donald Trump's administration looks to modernise infrastructure and reduce dependence on foreign supply chains, particularly in sectors like pharmaceuticals, semiconductors, clean energy and rare earths. (*Reuters*)

CN: Shipping faces 'sizeable disruption' as US, China spar on fees

Oil tankers and container ships will be among the hardest hit should China's port fees targeting US vessels take effect on Tuesday, according to Jefferies LLC. Nearly 16% of tankers that carry refined products and 13% of those that transport crude oil could be charged hefty fees under Beijing's latest plan, the Wall Street bank wrote in a note. The levy was announced unexpectedly on Friday as retaliation against a US proposal to impose a similar port fee on Chinese vessels starting the same day. The global shipping industry is scrambling to manage the fallout from Beijing's sudden move, which comes amid a resurgence in trade tensions between the world's two biggest economies. The US port fee, first announced in April, is aimed at shaking loose China's hold on maritime trade and shipbuilding, and is part of US President Donald Trump's aggressive push to skew global commerce to US advantage. (*Bloomberg*)

MY: BNM governor sees ringgit appreciating to RM4 versus US dollar by year-end

The ringgit could appreciate to RM4 against the US dollar by the end of the year with Malaysia's bright economic prospects, Bank Negara Malaysia (BNM) governor Datuk Seri Abdul Rasheed Ghaffour said on Monday. "It could be (reached), with bright economic prospects," he said when asked about that possibility after launching the Global Islamic Finance Forum (GIFF) 2025 officiated by Prime Minister Datuk Seri Anwar Ibrahim here on Monday. Finance Minister II Datuk Seri Amir Hamzah Azizan was recently quoted as saying that the ringgit is set to extend gains with strong domestic spending and as government fiscal prudence cushions US tariff impact. (*Bernama*)

MY: Budi95 subsidised fuel expanded to Sarawak boat users; e-hailing ceiling doubled

The targeted RON95 subsidy under Budi95 will be expanded to Sarawak boat users, following the extension of eligibility to boat users in Sabah and those registered under the Malaysian Fisheries Development Authority last week. At the same time, the usage ceiling for full-time e-hailing drivers has been doubled to 600 litres per month, the Ministry of Finance (MOF) announced on Monday. Over 53,900 individuals will receive the increased quota, it said in a statement. As for the expansion of Budi95 to Sarawak boat users, over 1,400 registered private boat users in Sarawak have had their Budi95 eligibility activated, based on data from the Sarawak Rivers Board and related state government agencies. (*The Edge*)

MY: World Bank questions RM2.5b savings estimated by MOF from RON95 subsidy rationalisation

The World Bank has questioned the Malaysian government's estimated fiscal savings from the ongoing RON95 petrol subsidy rationalisation programme, urging greater transparency on the assumptions underpinning the RM2.5 billion figure cited by Putrajaya. Dr Apurva Sanghi, the bank's lead economist for Malaysia, said the projected savings appear to hinge heavily on foreigners and high-income Malaysians paying full market prices, which may not be realistic given current consumption patterns. (*The Edge*)

UK: FSB warns on emerging threats from stablecoins, private finance

Bank of England governor Andrew Bailey has vowed to intensify the global policy response to emerging threats from private finance and the growing use of stablecoins. In an address to the Group of 20 nations as chair of the Financial Stability Board, Bailey promised an overhaul that would make the FSB's surveillance "more flexible and quicker to recognise, and respond to, emerging vulnerabilities." Use of stablecoins, a form of digital currency backed by traditional assets like the US dollar has been growing rapidly in recent months, especially in the US, with some Wall Street analysts predicting they could swell to a US$2tn (RM8.4tn) market. Europe's top financial stability watchdog is moving to ban stablecoins issued jointly in the bloc and other jurisdictions, amid fears about the potential for risks to bleed across borders in unpredictable ways. (*Bloomberg*)

Corporate News

GENTING: To privatise Genting Malaysia in RM2.35-per-share buyout

Genting Bhd plans to buy out and delist its unit Genting Malaysia Bhd in a deal worth RM6.7bn. The offer to minority shareholders is equivalent to RM2.35 per share, according to the takeover notice posted to Bursa Malaysia on Monday. The price tag is a premium of nearly 10% to Genting Malaysia's last price of RM2.14 last Friday before trading of the stock was suspended for the announcement. The offer is conditional upon Genting receiving enough acceptance to raise its shareholding above 50% of the voting shares in Genting Malaysia. *(The Edge)*

HTPADU: Govt ups NIISe contract value by 18% to RM1.1bn a year after award

Information technology systems integration company HeiTech Padu Bhd on Monday announced that the government has revised the value of its contract for the development and deployment of the National Integrated Immigration System (NIISe) to RM1.1 bn, up from the original RM892.2m. This is despite the Public Accounts Committee (PAC) flagging the overlap of the contract with an existing system managed by Bestinet Sdn Bhd, in July this year. In a filing with Bursa Malaysia, HeiTech said it accepted the amended contract on Monday, Oct 13, although no explanation was provided for the RM157.8m increase in contract value. *(The Edge)*

CLOUDPT: Moves to Main Market, looks to capitalise on AI growth

Information technology company Cloudpoint Technology Bhd, which successfully graduated to the Main Market of the stock exchange on Monday, is exploring new opportunities in artificial intelligence (AI), digital transformation, and cybersecurity. The company has played a key role in the digitalisation of financial services and sees growing demand for AI-driven IT infrastructure, platforms, and software. The company, which listed on the ACE Market in 2023, has recorded a compound annual growth rate (CAGR) of 25% in profit after tax from financial year ended Dec 31, 2020 (FY2020) to FY2024. *(The Edge)*

PGLOBE: Buys Johor land for RM11m in cash from major shareholders

Paragon Globe Bhd has entered into a related-party transaction to acquire three parcels of land in Johor for RM11.5m from its executive chairman Datuk Sri Edwin Tan Pei Seng and Datuk Seri Godwin Tan Pei Poh, with plans for affordable housing development. According to its filing with Bursa Malaysia, the 11.84-hectare site is being acquired from Common Development (M) Sdn Bhd, a company jointly owned by Pei Seng and Pei Poh, who hold 65% and 35% stakes respectively. Through their investment vehicle, Paragon Adventure Sdn Bhd, the two also collectively control 56.79% of Paragon Globe. *(The Edge)*

ROHAS: Wins RM28.7m TNB job for data centre supply in Johor

Rohas Tecnic Bhd said it has secured a RM28.7m contract from Tenaga Nasional Bhd to carry out contract works for the 275kV bulk supply for a data centre project in Iskandar Puteri, Johor. The contract was awarded to its 86.8%-owned unit, HG Power Transmission Sdn Bhd, which is involved in the installation of electrical transmission lines with operations in Malaysia, Bangladesh and Nepal, said Rohas in a bourse filing on Monday. The eight-month contract is expected to contribute positively to the company's earnings for the financial years ending Dec 31, 2025 (FY2025) and FY2026, the company said. *(The Edge)*

OMESTI: Secures RM30m ICT maintenance contract from Home Ministry

Information and communication technology services provider Omesti Bhd, through its 49%-owned indirect subsidiary Formis Network Services Sdn Bhd (FNS), has secured a RM30.3m contract from the Ministry of Home Affairs. The contract spans a period of 36 months, commencing from Oct 15, 2025 to Oct 14, 2028. It covers preventive and corrective maintenance services for Local Area Network (LAN) equipment and ICT security systems at the headquarters and branch offices of the Immigration Department. *(The Edge)*

SYNERGY: Faces design infringement suit

Synergy House Bhd said its subsidiary, Synergy House Furniture Sdn Bhd (SHF), has been named in a civil suit filed by Leyo Holdings Sdn Bhd, alleging patent and industrial design infringement related to a furniture assembly line. In a filing with Bursa Malaysia, the e-commerce-based furniture group said it was notified last Friday, Oct 10, that Leyo had initiated legal proceedings in the High Court here. Two third-party manufacturers appointed by SHF were also named as the second and third defendants. *(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	5.09	0.53	10.41
Taliworks Corporation	Utilities	0.53	0.05	9.52
REXIT	Technology	0.55	0.05	9.17
MBM Resources	Consumer	5.25	0.42	7.96
KIP REIT	REIT	0.88	0.07	7.84
Sentral REIT	REIT	0.78	0.06	7.82
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.48
Bermaz Auto	Consumer	0.68	0.05	7.26
Ta Ann Holdings	Plantation	4.32	0.31	7.08
Paramount Corporation	Property	1.06	0.08	7.08
MAG Holdings	Consumer	1.37	0.10	6.93
Magnum	Consumer	1.37	0.10	6.93
RHB Bank	Finance	6.71	0.45	6.65
Sports Toto	Consumer	1.40	0.09	6.64
YTL Hospital REIT	REIT	1.12	0.07	6.61

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.

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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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Published & Printed By:

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