



Daily Newswatch

Market Review

The FBM KLCI extended its retreat on Tuesday as the local bourse slightly trimmed by 0.2% to 1,611 points as investors remained in cautious in the market. Overall market was down with Technology, Healthcare and Utilities leading declines by 2.3%, 1.7% and 1.4% respectively. Among key index constituents, Petronas Gas, Sunway and YTL Corp dropped the most by 2.0%, 1.7% and 1.5% respectively. Overall market breadth remained as losers outnumbered gainers by 811 to 390.

Asian stocks extended their losses on Tuesday as renewed fears of a prolonged US-China trade conflict shakes the market. The Shanghai Composite inched down 0.6% to 3,865 points, TAIEX retreated 0.5% to 26,793 points, the Nikkei 225 declined 2.6% to 46,847 points and the Hang Seng dropped 1.7% to 25,441 points. Ucap Cloud (-17.2%) and Pinming Technology (-15.7%) led losses as the Shanghai Composite saw its Information Technology and Materials indices down by 4.2% and 2.6% respectively. In Japan, the broader market was negative with the Communication Services and IT sectors declining 4.2% and 3.6%.

On the western front, the Stoxx 50 and Stoxx 600 both fell by about 0.3% on Tuesday as rising US-China trade tensions affected investor sentiment. Fears of more trade disruptions increased after Beijing sanctioned US units of a South Korean shipping business and threatened more retribution, causing losses in risk-sensitive industries including miners and automobiles. As investors sought safety, defensive industries like utilities, real estate, and telecommunications performed well. Michelin fell 8.9% among individual movers, while Ericsson rose 16%. Following PM Lecornu's announcement that he will take steps to halt the contentious pension reform in an attempt to maintain stability, political unpredictability in France increased market prudence.

Wall Street had a volatile session on Tuesday as investors weighed generally strong bank earnings, Federal Reserve remarks, and growing US-China trade concerns. The Dow increased 203 points, the Nasdaq dropped 0.8% under pressure from tech giants like Nvidia, and the S&P 500 failed to maintain its recovery and ended the day down 0.2%. Even though some outperformers pulled back after early gains, major banks like Citigroup (+3.9%), Wells Fargo (+7.1%), JPMorgan (-1.9%), and Goldman Sachs (-2%) produced better-than-expected results, bolstering the financial sector. Jerome Powell, the chair of the Federal Reserve, raised hopes for a rate cut in October and hinted that the central bank would put a hold on balance sheet reductions.

Macro Snapshots

- US:** China roll out tit-for-tat port fees, threatening more turmoil at sea
- CN:** Keeps US communication lines open as tensions flare up
- MY:** Facilitation of foreign worker quota applications on case-by-case basis
- EU:** Seeks tough response to China's minerals restrictions

Corporate Snapshots

- SCGBHD:** Seeks RM259.2m placement to fuel expansion, capital spending
- MSNIAGA:** Bags RM17.9m contract extension from Customs Department
- CBIP:** Exits Indonesian plantation venture with RM38m divestment
- TSRCAP:** Wins RM85m infrastructure job for Ibrahim Technopolis in Johor

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,611.5	(0.2)	(1.9)
Dow Jones	46,270.5	0.4	8.8
Nasdaq CI	22,521.7	(0.8)	16.6
S&P 500	6,644.3	(0.2)	13.0
SX5E	5,552.1	(0.3)	13.4
FTSE 100	9,452.8	0.1	15.7
Nikkei 225	46,847.3	(2.6)	17.4
Shanghai CI	3,865.2	(0.6)	15.3
HSI	25,441.4	(1.7)	26.8
STI	4,354.5	(0.8)	15.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,655.9	2.3
Value traded (RM m)	3,792.6	34.5
Gainers	390	
Losers	811	
Unchanged	503	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
GENM	2.320	8.4	242.6
PHRM	0.260	(5.5)	122.3
ZETRIX	0.530	(5.4)	55.8
VSI	0.840	0.0	57.0
TANC	0.860	1.2	54.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GENM	2.320	8.4	565.0
MAY	9.920	(0.1)	192.7
IHH	8.050	0.8	174.2
CIMB	7.350	(1.1)	163.6
GENT	3.010	5.2	110.3

Currencies	Last Close	% Chg
USD/MYR	4.233	(0.1)
USD/JPY	151.790	0.0
EUR/USD	1.161	(0.0)
USD/CNY	7.137	(0.1)
US Dollar Index	99.047	(0.2)

Commodities	Last Close	% Chg
Brent (USD/barrel)	62.4	(1.5)
Gold (USD/troy oz)	4,159.2	0.4
CPO (MYR/metric t)	4,350.0	(1.6)
Bitcoin (USD/BTC)	113,030.0	(0.0)

Source: Bloomberg



Macro News

US: China roll out tit-for-tat port fees, threatening more turmoil at sea

The United States and China on Tuesday began charging additional port fees on ocean shipping firms that move everything from holiday toys to crude oil, making the high seas a key front in the trade war between the world's two largest economies. A return to an all-out trade war appeared imminent last week, after China announced a major expansion of its rare earths export controls and President Donald Trump threatened to raise tariffs on Chinese goods to triple-digits. But after the weekend, both sides sought to reassure traders and investors, highlighting cooperation between their negotiating teams and the possibility they could find a way forward. *(Reuters)*

US: Small business sentiment ebbs in September; inflation back in focus

US small-business sentiment declined in September amid expectations of unfavourable operating conditions in the next six months, and many owners reported raising prices or planning to, suggesting that inflation was poised to increase further. The National Federation of Independent Business said on Tuesday its Small Business Optimism Index dropped 2.0 points to 98.8 last month. It was the first decline in three months. A lapse in government funding amid a political standoff between Republicans and Democrats in Washington has halted the collection and publishing of official economic data, leaving investors and policymakers relying on private surveys to assess the economy's health. *(Reuters)*

CN: Keeps US communication lines open as tensions flare up

China has signalled it's keeping communication channels open with the US after a series of tit-for-tat moves that intensified a confrontation between the world's two biggest economies. The Ministry of Commerce on Tuesday reiterated "the door is open" to talks even as it defended China's decision to implement export curbs on rare earths amid escalating trade tensions in recent weeks. Separately, Vice Finance Minister Liao Min, a key member of Beijing's trade negotiating team who's in Washington this week, has held a meeting with his counterpart at the US Treasury, according to a person with knowledge of the matter. Liao is attending the annual gathering of the International Monetary Fund and World Bank and is expected to have further discussions with the US official later in the week, the person said, asking to remain anonymous because the talks weren't public. *(Bloomberg)*

MY: Lowers November crude palm oil reference price, maintains duty at 10%

Malaysia has lowered its November crude palm oil reference price to a level that maintains the export duty at 10%, a circular on the Malaysian Palm Oil Board website showed on Tuesday. The world's second-largest palm exporter calculated a reference price of RM4,262.23 (US\$1,008.10) per metric tonne for November. The October reference price was RM4,268.68 a tonne, and incurred a duty of 10%. The export tax structure starts at 3% for crude palm oil in a RM2,250- to RM2,400-per-tonne range. The maximum tax rate is set at 10% when prices exceed RM4,050 a tonne. *(Reuters)*

MY: Facilitation of foreign worker quota applications on case-by-case basis until Dec 31 — ministry

The government has agreed to grant facilitation for foreign worker quota applications on a case-by-case basis to three sectors, namely plantation, agriculture, and mining and quarrying, as well as 10 subsectors, until Dec 31 this year, the Home Ministry announced. The subsectors are security services, metal and scrap materials, cleaning and building maintenance, wholesale and retail, laundry, restaurants, land-based warehousing, cargo handling, construction under government projects, and new investments approved by the Malaysian Investment Development Authority, as proposed by the respective regulatory agencies. In a statement, the ministry quoted Home Minister Datuk Seri Saifuddin Nasution Ismail as saying that the granting of this facility not only meets the labour needs of critical sectors but also reflects the government's commitment to ensuring a balance between economic interests and the well-being of the people. *(Bernama)*

MY: ECRL project contractor says cable theft has resulted in losses of over RM3m

A total of 32 cases of theft of East Coast Rail Link (ECRL) project connecting cables and several other components were recorded from June to Oct 10 with total losses exceeding RM3m. China Communications Construction (ECRL) Sdn Bhd (CCCECL) Section 13 security director Shi Liang Hui said that of the total, Pahang recorded the highest number of cases, at 24 cases, followed by Terengganu (seven cases) and Kelantan (one case). *(Bernama)*

UK: Seeks tough response to China's minerals restrictions

European Union officials called for strong measures against China after Beijing imposed fresh export restrictions on rare minerals used in computer chips and other advanced technologies. "We should have a tough response," said Danish Foreign Minister Lars Løkke Rasmussen, whose country chairs the EU's rotating presidency. "We are the biggest trading bloc in the world; we have a lot of muscles," he added, speaking to reporters on Tuesday (Oct 14) ahead of a trade ministers' meeting in Horsens, Denmark. "We need to flex those muscles." The gathering comes after China announced new rules last week requiring foreign firms to seek approval to ship products containing even trace amounts of Chinese rare earth materials. The new regulations explicitly target materials used to make certain computer chips and to power AI research with military applications. *(Bloomberg)*



Corporate News

SCGBHD: Seeks RM259.2m placement to fuel expansion, capital spending

Southern Cable Group Bhd, whose share price has almost doubled so far this year, is planning to raise up to RM259.2m by placing out up to 10% of its enlarged share base, to finance capital expenditure, expansion, and working capital. The proposed exercise will involve the issuance of up to 120 million new shares, a bourse filing showed on Tuesday. The estimated proceeds are based on an illustrative price of RM2.16 per share — which is 10% lower than the stock's five-day volume-weighted average price of RM2.3977 — as the final price is not fixed yet. *(The Edge)*

NEXG: Mohd Khairul Adib resigns after short stint as executive deputy chairman

NexG Bhd said Tan Sri Mohd Khairul Adib Abd Rahman has stepped down as its executive deputy chairman, less than six months after assuming the post. Mohd Khairul Adib, 63, resigned with effect from Oct 14 to pursue other interests, said the company, formerly known as Datasonic Group Bhd, in a bourse filing. He was appointed as NexG's independent non-executive director in November 2024 and was later redesignated as executive deputy chairman on March 28, 2025, according to the company's latest annual report. *(The Edge)*

MSNIAGA: Bags RM17.9m contract extension from Customs Department

Mesiniaga Bhd has secured a one-year contract extension worth RM17.9m from the Royal Malaysian Customs Department (RMCD) for the maintenance and licence renewal of its MYGST system. The contract extension marked a continuation of the information technology products and services provider's earlier MYGST system maintenance agreement with RMCD that began in November 2023 and was valued at RM38m. The latest extension, which takes effect from Oct 16, 2025, will run until Oct 15, 2026. According to the company's bourse filing on Tuesday, the agreement does not include an automatic renewal clause. *(The Edge)*

SMI: Files fresh judicial review against SC over board appointments

South Malaysia Industries Bhd has filed a fresh bid to challenge the Securities Commission Malaysia's (SC) decision to allow six directors nominated by its offeror Target 1 Sdn Bhd to be appointed to the company's board before the dispatch of the official takeover offer document. In a bourse filing on Tuesday, SMI said it had filed the fresh judicial review application with the Johor Bahru High Court on Sept 25, after an earlier application made in January was dismissed on Sept 3 on technical grounds. The new application seeks the court's leave to challenge the SC's decision to dismiss SMI's earlier appeal over the regulator's consent for the appointment of six new non-independent directors to the board prior to the issuance of the takeover offer document. *(The Edge)*

CBIP: Exits Indonesian plantation venture with RM38m divestment to UK-listed AEP

CB Industrial Product Holding Bhd is divesting its entire interest in Admiral Potential Sdn Bhd (APSB) and its Indonesian subsidiary PT Jaya Jadi Utama (PT JJU) to UK-listed Anglo-Eastern Plantations PLC (AEP) for RM38.3m. The move is part of its efforts to streamline operations and marks the group's full withdrawal from its plantation operations in Indonesia. In a filing with Bursa Malaysia, CBIP said the divestment was formalised via a share subscription agreement signed on Tuesday. Under the deal, AEP will subscribe to new ordinary shares in APSB equivalent to 150bn Indonesian rupiah, and assume the cash balances held by both APSB and PT JJU. *(The Edge)*

MAA: KNM's RM100m working capital lifeline hinges on Oct 30 biz sale

MAA Group Bhd has urged the remaining shareholders of its 19.37%-owned KNM Group Bhd to support the proposed disposal of its German business unit Deutsche KNM GmbH (DKNM), warning that failure to do so could derail the group's restructuring plan. In particular, failure to meet the necessary conditions of the sale by Oct 30 would result in KNM no longer having its RM100m working capital surplus previously negotiated with its scheme creditors, MAA said in a statement. Cash-strapped KNM, a Practice Note 17 (PN17) company, is seeking to sell DKNM — the holding company for Borsig GmbH — to NGK Insulators Ltd for €270m (RM1.3bn) to pare its debt as part of its proposed regularisation plan. *(The Edge)*

TSRCAP: Wins RM85m infrastructure job for Ibrahim Technopolis in Johor

TSR Capital Bhd has bagged an RM85m contract for infrastructure works for the Ibrahim Technopolis (IBTEC) township in Kulai, Johor. The scope of work includes earthworks, drainage works, roadworks, sewerage works, water reticulation works and ancillary works, said TSR Capital in a bourse filing. The contract was awarded to its wholly owned subsidiary TSR Bina Sdn Bhd from JLG Buildworks Sdn Bhd. The contract is scheduled to commence in the fourth quarter this year and is expected to be completed by the third quarter of 2027. It expects the contract to contribute positively to its revenue and earnings for the financial year ending June 30, 2026 and throughout the project duration. *(The Edge)*



Upcoming key economic data releases	Date
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
<i>Source: Bloomberg</i>	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	4.99	0.53	10.62
Taliworks Corporation	Utilities	0.52	0.05	9.62
REXIT	Technology	0.54	0.05	9.26
MBM Resources	Consumer	5.23	0.42	7.99
KIP REIT	REIT	0.88	0.07	7.89
Sentral REIT	REIT	0.78	0.06	7.87
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.42
Bermaz Auto	Consumer	0.69	0.05	7.15
Paramount Corporation	Property	1.06	0.08	7.08
Ta Ann Holdings	Plantation	4.33	0.31	7.07
MAG Holdings	Consumer	1.37	0.10	6.93
Magnum	Consumer	1.37	0.10	6.93
YTL Hospital REIT	REIT	1.11	0.07	6.67
Sports Toto	Consumer	1.40	0.09	6.64
RHB Bank	Finance	6.74	0.45	6.62

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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