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

Research Team
research@mersec.com.my

Daily Newswatch

Market Review

The FBM KLCI retreated 0.3% to close the week at 1,607 points on Friday as credit weakening among US banks prompted investors to trim down risks. All sectors closed lower as Technology, Construction and Utilities dropped the most by 3.8%, 2.4% and 2.2% respectively. Among key index constituents, construction heavyweight, Gamuda led losses by -2.7%, followed by Petronas Chemicals and Sunway Bhd declining by 2.2% and 2.1% respectively. Overall market breadth turned negative as losers outpaced gainers by 983 to 292, with 432 unchanged.

Asian stocks tumbled down on Friday following growing concerns regarding US banks credit health. The Shanghai Composite closed lower by 2.0% to 3,839 points, TAIEX declining 1.3% to 27,302 points, the Nikkei 225 down 1.4% to 47,582 points and the Hang Seng dropped 2.5% to 25,247 points. The mainlaind markets saw all sectors retreated, with Information Technology, Consumer Discretionary and Industrials declining the most by -4.3%, -2.9% and -2.6%. Meanwhile, the Nikkei 225 decline were led by the Financial and Communication Services sector by -2.5% and -2.2% with Consumer Staples emerging as the only gainer.

The STOXX 50 and STOXX 600 ended Friday down 0.8% and 0.9%, respectively, after plunging as much as 1.9% earlier in the day. European bourses reduced their losses, following President Trump's comments, which suggested a possible easing of US-China trade tensions ahead of his next meeting with Chinese President Xi Jinping. However, as worries over credit stress in US regional banks rekindled fears of further spillovers to the sector, bank shares continued to be under pressure, with Deutsche Bank (-5.9%), Societe Generale (-4.6%), BNP Paribas (-3.7%), Banco Santander (-3.2%), and UniCredit (-2.6%) leading the charge. Due to China's stricter export regulations on military rare earths, Rheinmetall also saw a 6.5% decline.

US stocks rose Friday as investors responded favorably to President Trump's statements that eased concerns about a further escalation of trade with China, while regional bank stocks recovered after suffering sharp losses on Thursday. The Dow Jones increased 239 points, while the S&P 500 and the Nasdaq both had gains of 0.5%. Trump said his planned 100% tariffs on Chinese imports would not be sustainable, but he blamed Beijing for current trade tensions and confirmed that he will still meet with Chinese President Xi Jinping by the end of the month. Sector-wise, financials, energy, and consumer goods saw the biggest gains.

Macro Snapshots

- **US**: Gold heads for biggest weekly gain since 2020 on haven demand
- **CN**: Fiscal revenue picks up pace, officials vow early 2026 bond sales
- **MY**: Economy grows faster than expected in 3Q, official flash estimates show
- **ID:** Considers easing certain Chinese import curbs amid growing reliance

Corporate Snapshots

- **SLVEST:** Associate's 30MW solar farm under CGPP comes online
- **ECOWLD:** Buys Semenyih land for RM82m to expand upcoming township
- **AGX:** Secures aviation-linked service jobs from Sun PhuQuoc Airways
- **PTT:** Bags three infra works contracts worth RM106m

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,607.2	(0.3)	(2.1)
Dow Jones	46,190.6	0.5	8.6
Nasdaq CI	22,680.0	0.5	17.4
S&P 500	6,664.0	0.5	13.3
SX5E	5,607.4	(0.8)	14.5
FTSE 100	9,354.6	(0.9)	14.5
Nikkei 225	47,582.2	(1.4)	19.3
Shanghai CI	3,839.8	(2.0)	14.6
HSI	25,247.1	(2.5)	25.9
STI	4,328.9	(0.6)	14.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,808.2	9.2
Value traded (RM m)	3,028.2	6.3
Gainers	292	
Losers	983	
Unchanged	432	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
AIZO	0.080	6.7	67.8
ZETRIX	0.835	(2.1)	65.1
PHRM	0.860	(2.3)	52.0
TANC	0.270	1.9	63.2
GENM	2.340	0.4	50.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GENM	2.340	0.4	118.1
GAM	5.050	(2.7)	110.1
GENT	3.370	(2.9)	101.3
IHH	8.300	3.2	95.5
MAY	9.890	(0.3)	90.8

Currencies	Last Close	% Chg
USD/MYR	4.226	0.1
USD/JPY	150.610	(0.1)
EUR/USD	1.166	(0.3)
USD/CNY	7.127	(0.0)
US Dollar Index	98.433	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	61.3	0.4
Gold (USD/troy oz)	4,251.8	(1.7)
CPO (MYR/metric t)	4,439.0	0.2
Bitcoin (USD/BTC)	106,962.0	(0.1)

Source: Bloomberg

Macro News

US: Gold heads for biggest weekly gain since 2020 on haven demand

Gold headed for its biggest weekly gain in five years, surging along with silver as fears about credit quality in the US and tensions with China add fuel to this year's flight to safety.Bullion hit a fresh all-time high near US$4,380 an ounce on Friday, extending this week's breakneck rally to roughly 8%, the most since March 2020. The gain of more than US$300 this week is the biggest on record in dollar terms. Silver also hit new highs.Loan blowups in the US and renewed trade friction between the world's top economies are just the latest worries luring investors into precious metals. Geopolitical risks, ballooning public debt and threats to the Federal Reserve's independence have also stoked demand for haven assets. (*Bloomberg*)

CN: Fiscal revenue picks up pace, officials vow early 2026 bond sales

China's September fiscal revenue growth picked up from August, finance ministry officials said on Friday, vowing to start issuing 2026 bonds early to give the economy an extra boost. The 2.6% increase in fiscal revenue last month quickened from 2% growth in August, despite signs the economy may be losing some momentum. For the first nine months of the year, fiscal revenue grew 0.5% year-on-year, Tang Longsheng, an official from the finance ministry, said at a press conference in Beijing. (*Reuters*)

CN: Export boom can't stop economy's worst quarter in 2025

China's deflation eased in September, even as the pace of improvement is failing to halt the country's longest streak of economy-wide price declines since market reforms in the late 1970s. Prices at the factory gate fell 2.3% from a year earlier, the 36th straight month of declines that was in line with forecasts. Producer deflation moderated for a second month, though it remained unchanged at zero in month-on-month terms. Under pressure from falling food costs, consumer prices dropped 0.3%, the National Bureau of Statistics said Wednesday (Oct 15), below the median estimate of minus 0.2% in a *Bloomberg* survey of economists. The core consumer price index, which excludes volatile items such as food and energy, rose to an 19-month high of 1%. (*Bloomberg*)

MY: Exports outperform in September as shipments to US spike amid trade tensions

Malaysia's exports soared ahead of expectations in September 2025, amid a spike in shipments of electronics and other manufactured goods, as well as higher deliveries to the US. Exports totalled RM138.68 billion in September, a 12.2% increase when compared to the same month last year, according to government data released on Friday. The rate is sharply higher than the median 3.1% rise predicted in a *Bloomberg* poll and August's 4.4% year-on-year growth. On a month-on-month basis, exports were 5.6% higher, the Ministry of Investment, Trade and Industry (Miti) said in a statement. (*The Edge*)

MY: Economy grows faster than expected in 3Q, official flash estimates show

Malaysia's economy expanded faster than expected in the third quarter as domestic demand, its main growth engine, continued to hum while exports chugged on, official flash estimates show. Gross domestic product (GDP) rose 5.2% in July-September when compared to the same quarter last year, the Department of Statistics Malaysia (DOSM) said in a statement on Friday. The rate is higher than the median 4.2% rise predicted in a *Bloomberg* poll and the second quarter's 4.4% year-on-year growth. Tourism activities during public and school holidays powered domestic demand, while sustained capital investment and rising external demand further bolstered economic expansion, despite headwinds from uncertain trade policies, said chief statistician Datuk Seri Dr Mohd Uzir Mahidin. (*The Edge*)

ID: Considers easing certain Chinese import curbs amid growing reliance, say sources

India's trade ministry and a government think-tank are pushing to ease certain tariff and non-tariff curbs on Chinese imports, three government officials said, acknowledging the country's growing reliance on Chinese raw materials for industrial and export growth.They are seeking measures including allowing anti-dumping duties to lapse on certain products, while considering tariff cuts on raw materials used in sectors such as leather and engineering goods where domestic capacity remains limited, the sources said. New Delhi is caught between balancing trade relations with Washington — which has imposed punitive tariffs on imports from India — and Beijing, which until earlier this year had slowed supplies of key goods, including fertiliser, to India. (*Reuters*)

NZ: Reimposes sanctions on Iran over nuclear non-compliance

New Zealand is reimposing sanctions on Iran due to concerns about Iran's non-compliance with its nuclear obligations, Foreign Minister Winston Peters said in a statement on Friday. The statement said the reimposition of United Nations sanctions is a result of Iran not complying with the terms of the internationally recognised Joint Comprehensive Plan of Action which was signed in 2015, and will take effect on Oct 18. The announcement comes after Britain, France and Germany also reimposed the UN sanctions citing Iranian breaches, and after Australia in August accused Iran of directing two antisemitic arson attacks in the cities of Sydney and Melbourne, and gave Tehran's ambassador seven days to leave the country. (*Reuters*)

Corporate News

SLVEST: Associate's 30MW solar farm under CGPP comes online
Solarvest Holdings Bhd said its associate company SM01 Sdn Bhd has received approval from Tenaga Nasional Bhd to operate a 29.99 MWac solar photovoltaic (PV) energy generating facility. In a bourse filing, Solarvest said SM01 on Friday received the signed New Enhanced Dispatch Arrangement (NEDA) connection agreement from Tenaga. SM01 was established as an SPV solely to undertake the project under the Corporate Green Power Programme (CGPP). The renewable energy produced will be sold virtually via a separate Corporate Green Power Agreement (CGPA) to Pearl Computing Malaysia Sdn Bhd. *(The Edge)*

ECOWLD: Buys Semenyih land for RM82m to expand upcoming township
Eco World Development Group Bhd signed a deal on Friday to acquire 22.73 acres of freehold commercial land in Semenyih for RM82.2m in cash to expand its upcoming Eco Radiance township. The land is being purchased by its 81%-owned subsidiary, Mutiara Balau Sdn Bhd, from Boustead Balau Sdn Bhd, according to Eco World's bourse filing. Boustead Properties Bhd holds the remaining 19% stake in Mutiara Balau, while Bousted Balau is a wholly-owned unit of Boustead Properties. EcoWorld said the acquisition will be funded via a combination of internal funds and bank borrowings. *(The Edge)*

ARTRONIQ: Plans RM75m share capital reduction to eliminate losses
Artroniq Bhd has proposed a share capital reduction to offset RM75m in accumulated losses. The exercise will allow the information and communications technology (ICT) company to rationalise its financial position by eliminating accumulated losses, thereby enhancing its credibility with bankers, customers, suppliers and investors, the group said in a filing. At the company level, Artroniq recorded accumulated losses of RM74.5m for the 18-month financial period ended Dec 31, 2024 (FY2024). Following the capital reduction, the group will have retained earnings of RM553,000. *(The Edge)*

AGX: Vietnam arm secures aviation-linked service jobs from Sun PhuQuoc Airways
AGX Group Bhd, which primarily provides third-party logistics services, said its Vietnam-based subsidiary has secured two service agreements with Sun PhuQuoc Airways LLC, marking a strategic entry into the country’s aviation logistics sector. In a bourse filing on Friday, the company said AGX Logistics (Viet Nam) Co Ltd signed a cargo forwarding and transportation agreement, and a customs brokerage service agreement with the newly launched airline on Oct 16. Under the terms of the agreements, AGX Vietnam will provide comprehensive aerospace logistics solutions, including aircraft-on-ground (AOG) shipment support, to facilitate Sun PhuQuoc Airways’ operations across Vietnam. *(The Edge)*

PTT: Bags three infra works contracts worth RM106m
PTT Synergy Group Bhd has secured three infrastructure and construction contracts worth a combined RM106.1m from Sime Darby Property (Lagong) Sdn Bhd and Prolintas Expressway Sdn Bhd. In a filing with Bursa Malaysia, the construction and smart warehouse operator said its wholly owned subsidiary, Pembinaan Tetap Teguh Sdn Bhd, received two letters of award (LOAs) from Sime Darby Property (Lagong) on Oct 17, and one from Prolintas on Oct 3. The Sime Darby Property contracts, collectively valued at RM47.7m, involve the supply of materials and execution of earthworks, ponds, retaining walls, drainage, and other associated works for Phase 4C of Elmina Business Park 2 in Rawang, Selangor. *(The Edge)*

BJCORP: Proposes 33-for-100 free warrants
Berjaya Corp Bhd has proposed a bonus issue of warrants on a basis of 33 free warrants for every 100 shares held in the company. The group, whose shares last traded at 29 sen apiece, has 5.8bn shares in circulation, alongside 706.5m warrants exerciseable at RM1 expiring May next year. The warrants, which would have a tenure of five years, could allow BJCorp to raise between RM615.9m and RM704.3m if fully exercised. This is depending on the final number of warrants issued, and based on the illustrative conversion price of 32 sen apiece. *(The Edge)*

MESTRON: Partners China’s Trina Solar for PV rollout in Malaysia
Mestron Holdings Bhd said its wholly owned subsidiary, Mestron Energy Sdn Bhd (MEnergy), has signed a memorandum of understanding (MOU) with China-based Trina Solar Co Ltd to explore a collaboration in Malaysia’s renewable energy sector. Under the MOU signed last week in Changzhou, China, MEnergy will look into installing photovoltaic (PV) modules supplied by Trina Solar's subsidiary, Trina Solar Energy Development Pte Ltd, targeting the distribution of 50 megawatts of solar capacity in the Malaysian market in 2026. The partnership marks the beginning of a potential long-term relationship between the two groups, aimed at expanding Malaysia’s clean energy infrastructure, said Mestron in a filing with Bursa Malaysia on Friday. *(The Edge)*

CAPITALA: AAX waive key Thai regulatory condition for airline consolidation

Capital A Bhd and AirAsia X Bhd have agreed to waive the need for an exemption from the Thai Securities and Exchange Commission (Takeover Panel), paving the way for the completion of a massive corporate exercise that will see all AirAsia-branded airlines consolidated under AAX. In a filing with Bursa Malaysia, AAX said the two parties have agreed to a third supplemental agreement to waive the need for the regulatory approval to exempt them from buying out all minority shareholders of Asia Aviation Public Company Ltd (AAV), which owns Thai AirAsia. Instead of seeking the exemption, AAX, together with a local Thai partner, will proceed to buy out the minority shareholders of AAV. *(The Edge)*

ROHAS: MACC freezes accounts over probe on subsidiary's old contract

Rohas Tecnic Bhd said the Malaysian Anti-Corruption Commission (MACC) has issued freezing and seizure orders on the company and its subsidiaries in connection with a 2015 contract involving its 86.8%-owned unit, HG Power Transmission Sdn Bhd (HGPT). In a bourse filing, the utility infrastructure group said the orders, issued under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001, affect certain bank accounts held by Rohas Tecnic, HGPT and Rohas Tecnic's wholly owned subsidiary, Rohas-Euco Industries Sdn Bhd (REI). “The orders are believed to be part of a MACC investigation concerning a contract entered into by HGPT in 2015, prior to the company’s acquisition of HGPT in 2017,” Rohas Tecnic said, without elaborating further on the contract. *(The Edge)*

Upcoming key economic data releases	Date
US Crude Oil Inventories	Oct 22
US Initial Jobless Claims	Oct 23
US Existing Home Sales	Oct 23
US CPI	Oct 24
US S&P Global Manufacturing PMI	Oct 24
US S&P Global Services PMI	Oct 24
US New Home Sales	Oct 24
Source: Bloomberg	

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	0.54	0.05	9.26
REXIT	Technology	0.58	0.05	8.62
MBM Resources	Consumer	5.18	0.42	8.07
KIP REIT	REIT	0.87	0.07	7.93
Sentral REIT	REIT	0.78	0.06	7.87
Bermaz Auto	Consumer	0.65	0.05	7.54
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.48
Ta Ann Holdings	Plantation	4.22	0.31	7.25
Paramount Corporation	Property	1.05	0.07	7.14
MAG Holdings	Consumer	1.39	0.09	6.83
Magnum	Consumer	1.39	0.09	6.83
Sports Toto	Consumer	1.39	0.09	6.69
YTL Hospital REIT	REIT	1.11	0.07	6.67
RHB Bank	Finance	6.73	0.45	6.64

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

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 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
Email: mercurykl@mersec.com.my