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 closed higher on Tuesday as the local bourse inches up 0.6% to 1,616 points. Sector-wise, most indices closed on a positive note with Technology, Construction and Consumer Products & Services leading gains by 2.4%, 1.7%, and 1.4% respectively. Among key index constituents, consumer giant, Nestle, led gains by 4.3% followed by 99 Speed Mart and Gamuda rising 3.8% and 2.4% respectively. Overall market breadth turned positive as gainers outpaced losers by 778 to 369, with 497 unchanged.

Asian stocks rose on Tuesday as the appetite for risky assets remains strong due to the cooling of Sino-US trade tensions and AI-driven investment. The Shanghai Composite climbed 1.4% to close at 3,918 points, TAIEX rose 0.2% to 27,752 points, the Nikkei 225 rose 0.27% to close at 49,316 points and the Hang Seng rose 0.7%, to close at 26,028 points. The Nikkei 225 saw Toyo Engineering (+11.6%), Nintendo (+2.9%), Fast Retailing (+1.9%) emerged as leading gainers. Meanwhile, XPeng (+3.8%), Geely Auto (+3.2%), and SMIC (+2.7%) were among top gainers of the Hong Kong index.

European markets closed marginally higher on Tuesday, extending recent gains thanks to more support from the defense industry, aerospace businesses, and luxury brands. The pan-European STOXX 600 increased 0.3% to 574, while the Eurozone's STOXX 50 increased 0.2% to 5,691. Amid predictions of higher margins for premium companies, Hermes increased 1.5%, continuing its recent strong momentum to an 11% climb in the last 5 sessions. Additionally, LVMH and Ferrari contributed more than 0.7%. Meanwhile, Safran and Airbus both saw rises of about 2%, following global aviation industry improvements.

US equities closed higher for the third straight session, with a robust start to earnings outweighing persistent US-China trade anxiety. A series of beat-and-raise reports propelled gains, with the Dow rising 240 points to a record high and the S&P 500 and Nasdaq finishing slightly higher. Coca-Cola surged 3.8% on strong beverage demand and gains from its bottling deal in India, General Motors gained 16% after increasing outlook, and 3M increased 6.3% after exceeding forecasts. Defense and aerospace stocks outperformed, with GE Aerospace up 1.3% and Raytheon rising 8.2%. Though the unresolved US data blackout and next Friday's CPI print continue to be the primary dangers for markets, the surge was supported by more than three quarters of corporations that have reported thus far exceeding predictions.

Macro Snapshots

- **US**: Fed still poised to cut rates, but worries mount over US data vacuum
- **US**: Trump official warns China against penalising companies investing in US
- **CN**: China's new home prices fall at fastest pace in 11 months
- **MY:** To strengthen Asean's central role at upcoming RCEP Summit — Anwar

Corporate Snapshots

- **SASBADI:** Partners Agmo to build AI model for education sector
- **RAPID:** To sell two Penang parcels for RM35m to Germany's ams OSRAM
- **ICTZONE:** Bags RM14m order to lease ICT equipment
- **SINKUNG:** Taps Pos Malaysia unit for aviation support services

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,616.8	0.6	(1.6)
Dow Jones	46,924.7	0.5	10.3
Nasdaq CI	22,953.7	(0.2)	18.9
S&P 500	6,735.4	0.0	14.5
SX5E	5,686.8	0.1	16.2
FTSE 100	9,427.0	0.2	15.3
Nikkei 225	49,316.1	0.3	23.6
Shanghai CI	3,916.3	1.4	16.8
HSI	26,027.6	0.7	29.7
STI	4,381.1	1.2	15.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,686.2	(3.2)
Value traded (RM m)	2,549.3	(15.8)
Gainers	778	
Losers	369	
Unchanged	497	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TANC	0.870	1.2	56.8
EAHB	0.005	0.0	53.6
TWL	0.850	1.8	41.8
ZETRIX	0.025	0.0	45.0
XOXT	0.085	6.3	33.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
99SMART	3.300	3.8	82.0
MAY	9.900	0.1	81.7
GAM	5.170	2.4	74.0
IHH	8.300	0.0	72.7
INRI	2.510	4.6	59.7

Currencies	Last Close	% Chg
USD/MYR	4.230	0.0
USD/JPY	151.800	0.1
EUR/USD	1.160	0.0
USD/CNY	7.125	(0.0)
US Dollar Index	98.978	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	61.3	0.5
Gold (USD/troy oz)	4,067.6	(1.4)
CPO (MYR/metric t)	4,435.0	(0.3)
Bitcoin (USD/BTC)	108,536.9	(2.1)

Source: Bloomberg

Macro News

US: Fed still poised to cut rates, but worries mount over US data vacuum

The Federal Reserve (Fed) will go into a policy meeting next week with its view of the economy obscured by a US government shutdown that has suspended the release of key data, a less-than-ideal situation for policymakers divided over which risks deserve the most attention. Official employment data hasn't been released since the shutdown of the federal government began on Oct 1, but what information that remains available points to still-weak job growth. The Fed's own economic field reporting, still underway at the self-funded central bank, showed possible cracks in consumer spending, and recent business confidence surveys pointed to a dip. Yet businesses are also warning of coming price increases at a time when inflation is lodged above the Fed's 2% target, estimates of overall economic growth are getting upgraded as the scope of business investment becomes clear, and economists have begun pointing to a possible economic jolt next year as new tax laws, including exclusions for tips and overtime income, boost households' refunds. (*Reuters*)

US: Trump official warns China against penalising companies investing in US

The Trump administration warned China not to retaliate against foreign companies helping the US to develop critical industries, after Beijing last week sanctioned the US units of a South Korean shipping giant over its plans to invest in the American maritime sector. “China’s recent retaliatory actions against private companies across the globe is part of a broader pattern of economic coercion to influence American politics and control global supply chains by discouraging foreign companies from investing in America’s shipbuilding and other critical industries,” US Trade Representative Jamieson Greer said in a statement on Monday. Greer’s warning is the latest step in a long-standing series of maritime disputes between the US and China, which accounts for more than half of the world’s shipbuilding and has sought in recent years to increase its control of the critical South China Sea. The battle has implications for the global economy, as vessels are responsible for moving more than 80% of international trade. (*Bloomberg*)

US: Trump, Australia's Albanese sign critical minerals agreement to counter China

US President Donald Trump and Australian Prime Minister Anthony Albanese signed a critical minerals agreement aimed at countering China on Monday at a meeting marked by Trump's jab at Australia's envoy to the US over past criticism. China loomed large at the first White House summit between Trump and Albanese, with the US president also backing a strategic nuclear-powered submarine deal with Australia to bolster security in the Indo-Pacific. While Trump and Albanese greeted each other warmly, the US president expressed ire about past criticism of him by Australia's US Ambassador Kevin Rudd, a former prime minister. Rudd in 2020 called Trump "the most destructive president in history", later deleting the comment from social media. (*Reuters*)

CN: China's new home prices fall at fastest pace in 11 months

China's new home prices fell at the fastest pace in 11 months in September, worsening the property sector's drag on broader economic growth as policymakers struggle to revive the flailing market. Persistent property market weakness is weighing on consumer confidence and sapping household spending, building the case for policymakers to step up support to shore up growth amid global trade threats. New home prices fell 0.4% month-on-month, following a 0.3% fall in August, according to calculations by *Reuters* based on National Bureau of Statistics (NBS) data released on Monday. Year-on-year, prices fell 2.2% in September versus a 2.5% drop in August. (*Reuters*)

MY: To strengthen Asean's central role at upcoming RCEP Summit — Anwar

Prime Minister Datuk Seri Anwar Ibrahim said Malaysia intends to reinforce Asean's central role in guiding the implementation of the Regional Comprehensive Economic Partnership (RCEP) during the 5th RCEP Leaders' Meeting next week. Anwar, who is also the finance minister, said RCEP represents far more than an economic arrangement — it is a strategic affirmation that open regionalism remains the pathway to shared prosperity. "We want RCEP to serve not just the interests of large multinational corporations, but also to deliver concrete benefits to our small and medium enterprises (SMEs), workers, and communities," he said during the closing of the DHL GoTrade Summit 2025 here on Tuesday. (*Bernama*)

MY: Car sales dip in September, rebound expected in October — MAA

New vehicle sales in Malaysia fell in September, compared with August, amid fewer working days and a cautious consumer mood ahead of the Budget 2026 announcement, according to the Malaysian Automotive Association (MAA). Total industry volume came in at 58,490 units, just 0.2% higher than the 58,351 units recorded in the same month last year, the trade body said in a statement on Tuesday. However, sales were down 22% month-on-month compared with August’s 74,479 units, reflecting the impact of four public holidays during the month and a “wait-and-see” attitude among buyers regarding details of the government’s petrol subsidy rationalisation plans. (*The Edge*)

Corporate News

SASBADI: Partners Agmo to build AI model for education sector

Educational materials publisher Sasbadi Holdings Bhd is partnering with digital solutions provider Agmo Holdings Bhd to jointly develop Malaysia's first large language model (LLM), specialised for the education sector. Under a joint venture cum shareholders' agreement (JVA) signed on Saturday (Oct 18), Sasbadi's subsidiary Sasbadi Online Sdn Bhd and Agmo's wholly owned unit Agmo Capital Sdn Bhd will collaborate through Penerbitan Minda Sdn Bhd, a Sasbadi subsidiary that will serve as the joint venture company. Sasbadi will hold 55% equity interest in the venture, while Agmo Capital will own 45%, according to the bourse filing on Tuesday. *(The Edge)*

MAGNA: Takeover 'not fair but reasonable', says independent adviser

The independent adviser for Magna Prima Bhd has concluded that the conditional mandatory takeover offer launched by Hallson Holdings Sdn Bhd is "not fair but reasonable" and has recommended that shareholders accept the offer of 73 sen per share. In its independent advice circular (IAC) released on Tuesday (Oct 21), UOB Kay Hian (M) Sdn Bhd said the offer price represents a discount of 7.59% compared to Magna Prima's latest unaudited net asset value (NAV) of 79 sen per share, which makes it unfair. But it is reasonable as it still offers shareholders an immediate opportunity to realise their investment in cash at a premium over prevailing market prices. The 73 sen offer represents premiums of between 12.3% and 21.3% over Magna Prima's historical volume-weighted average prices up to Sept 17 — the last trading day before the offer notice. *(The Edge)*

RAPID: To sell two Penang parcels for RM35m to Germany's ams OSRAM

Rapid Synergy Bhd is disposing of two parcels of land in Penang for RM35m to German semiconductor maker ams OSRAM International GmbH to fund working capital and repay borrowings. The industrial mould maker inked an agreement with ams OSRAM's Malaysian unit, Osram Opto Semiconductors (M) Sdn Bhd, for the disposal of the parcels measuring an of aggregate 4.2 acres, according to an exchange filing on Tuesday. Single-storey factories are also situated atop the parcels. The disposal is expected to result in a net gain of about RM26m for Rapid Synergy, based on the properties' net book value of RM4.7m as per the group's financial statement for the financial year ended June 30, 2024 (FY2024). *(The Edge)*

SYGROUP: Buys RM26.6 mil land in Kota Kinabalu from controlling shareholder for warehouse expansion

Shipping firm Shin Yang Group Bhd is acquiring a parcel of land in Kota Kinabalu, Sabah, for RM26.6m, cash, from its controlling shareholder. The acquisition is for the group's planned warehouse expansion and logistics development. The Sarawak-based group entered into an agreement on Tuesday (Oct 21) with Shin Yang Sdn Bhd (SYSB) to purchase the 5.37ha (approximately 13.27-acre) parcel, which is situated off Sepanggar Bay and includes an existing workshop building, according to a filing with Bursa Malaysia. As SYSB is owned by Shin Yang Holding Sdn Bhd — which controls a 58.61% stake in Shin Yang Group — the transaction is classified as a related-party transaction. Shin Yang Holding is owned by the Ling family, whose patriarch, Tan Sri Ling Chiong Ho, serves as the group executive chairman of Shin Yang Group. *(The Edge)*

SINKUNG: Taps Pos Malaysia unit for aviation support services

Sin-Kung Logistics Bhd's air cargo and private jet charter unit has joined hands with Pos Malaysia Bhd's aviation units to bolster its operational capabilities ahead of its commercial rollout this quarter. The integrated logistics player's wholly owned Sin-Kung Airways Sdn Bhd inked a series of service agreements with Pos Malaysia's units, Pos Aviation Sdn Bhd and Pos Aviation Engineering Services Sdn Bhd (PAES), according to a statement on Tuesday. The agreements encompass ground handling, in-flight catering and aircraft engineering services, it noted. *(The Edge)*

ICTZONE: Bags RM14m order to lease ICT equipment

ICT Zone Asia Bhd has accepted a purchase order worth RM14.2m from Starza Corporation Sdn Bhd for the leasing of information and communication technology (ICT) hardware and software for a 36-month period. In a filing with Bursa Malaysia on Tuesday, the company said the contract was awarded to its wholly owned subsidiary ICT Zone Ventures Bhd for the leasing of desktops, laptops, printers, Microsoft Office software and related peripheral devices to Starza for delivery to a government agency. The contract, however, does not include ICT services. *(The Edge)*

SLVEST: Plans RM254m private placement to fund solar PV projects, working capital

Solarvest Holdings Bhd has proposed to raise up to RM254.1m via a private placement of 10% of its enlarged share base to fund solar photovoltaic (PV) projects and working capital, and to repay borrowings. The exercise will comprise up to 84.7m shares to be issued to independent third parties to be identified later, according to the solar PV solutions outfit's bourse filing on Tuesday. The issue price will also be fixed later. The estimated RM254.1m in proceeds to be raised is based on an illustrative issue price of RM3, a 4.15% discount to Solarvest shares' five-day volume-weighted average price of RM3.13 up to Oct 17. *(The Edge)*

Research Team
research@mersec.com.my

YONGTAI: High Court overturns Kerjaya Prospek's RM75m claim

Yong Tai Bhd said the High Court has set aside an adjudication decision that ordered its subsidiary to pay RM75.5m to a unit of Kerjaya Prospek Group Bhd, over an alleged unpaid contract for "The Apple" mixed development project in Melaka. In a statement on Tuesday, Yong Tai said the High Court of Malaya at Shah Alam (Construction Division) also dismissed Kerjaya Prospek's application to enforce the adjudication decision. The court ordered Kerjaya Prospek's unit Kerjaya Prospek (M) Sdn Bhd to pay Yong Tai's unit Apple 99 Development Sdn Bhd a total of RM20,000 in legal costs, subject to payment of allocatur fee. *(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	

Research Team
research@mersec.com.my

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	0.55	0.05	9.17
REXIT	Technology	0.55	0.05	9.09
MBM Resources	Consumer	5.19	0.42	8.05
KIP REIT	REIT	0.88	0.07	7.89
Sentral REIT	REIT	0.78	0.06	7.82
Bermaz Auto	Consumer	0.66	0.05	7.42
CapitaLand Malaysia Trust	REIT	0.62	0.05	7.42
Ta Ann Holdings	Plantation	4.25	0.31	7.20
Paramount Corporation	Property	1.05	0.07	7.14
MAG Holdings	Consumer	1.40	0.09	6.79
Magnum	Consumer	1.40	0.09	6.79
Sports Toto	Consumer	1.39	0.09	6.69
RHB Bank	Finance	6.70	0.45	6.67
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.

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
Farmiera Berhad	ACE Market	0.25	117.0	0.0	30 Oct	12 Nov

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 research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

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