MERCURY SECURITIES SDN BHD
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Daily Newswatch

Market Review

The FBM KLCI increased by 0.3% to 1,608 points on Thursday due to increase in buying interest, mainly in the plantation and construction counters according to Bursa Malaysia. All of these except for Construction (-0.6%), Utilities (-0.4%), Technology (-0.1%), and Telecommunications & Media (-0.2%), all industries went green. Healthcare (0.9%), Transportation & Logistics (0.8%), and Industrial Products & Services (0.6%) are the most positive sectors for the Thursday market. Telekom, MISC, and Sime Darby experienced the most increases among key index constituents, rising by 2.6%, 2.2%, and 1.9%, respectively. Overall market breadth saw losers outnumbered gainers by 468 to 580, with 497 unchanged.

Asian stocks rose on Thursday. The Shanghai Composite rose 0.2% to 3,922.41 points, while the TAIEX down 0.4% to 27,532 points. The Nikkei 225 fell 1.4% to 48,642 points. Despite declines in other markets, the Hang Seng rose 0.7% to close at 25,968 points. The dropped in Shanghai Composite mainly due to sectors such as Real Estate (1.6%), Information Technology (0.8%), and Healthcare (0.6%), while Technology (1.4%) and Basic Materials (1.7%) sectors led the rise in Hang Seng Index, underpinned by improved sentiment around US-China trade talks and a renewed appetite for risk assets in Hong Kong.

European stocks rose on Thursday, with the STOXX 50 up 0.6% and the STOXX 600 up 0.4%, as positive corporate profits boosted market mood. Sector-wise, Energy (+2.2%), Information Technology (+1.8%) and Materials (+0.6%) saw the most gains, carrying the indices. Energy stocks were boosted by more than 5% increase in oil prices after US President Trump declared sanctions on Russia's major oil producers, while the EU imposed a new round of sanctions on Moscow. Among energy stocks, BP, Repsol, and Eni all gained 3%.

Wall Street rebounded on Thursday, with the S&P 500 up 0.6%, the Dow Jones up 0.3%, and the Nasdaq up 0.9%, as upbeat corporate earnings and a White House announcement that President Trump will meet Chinese President Xi Jinping in South Korea next Thursday eased concerns about US-China relations. Nvidia (1.1%), Amazon (1.2%), and Broadcom (1.2%) led advances in technology equities. Meanwhile, energy stocks improved as oil prices rose following the United States' new sanctions on Russia's largest crude producers. More than 80% of S&P 500 companies that have reported thus far have exceeded earnings expectations, adding to optimism in corporate resiliency. Investors are now looking to today's inflation report for signs about the economy ahead of the Federal Reserve's late-October policy meeting.

Macro Snapshots

- **US**: Sanctions Russian oil majors over Ukraine, prompting India jitters
- **CN**: State oil majors suspend Russian oil buys due to sanctions
- **MY**: On track to achieve renewable energy capacity
- **MY:** Upstream O&G investments total RM256bn, Sarawak tops with RM113bn

Corporate Snapshots

- **MUDAJAYA:** Secures promised properties as payment from disputed project
- **PTRANS:** MD actively trading company's shares amid RM360m rout
- **ZENTECH:** Sued over shareholding dispute involving former associate
- **MTEC:** Wins RM10.68m subcontract for electrical infrastructure works

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,608.0	0.3	(2.1)
Dow Jones	46,734.6	0.3	9.8
Nasdaq CI	22,941.8	0.9	18.8
S&P 500	6,738.4	0.6	14.6
SX5E	5,668.3	0.5	15.8
FTSE 100	9,578.6	0.7	17.2
Nikkei 225	48,641.6	(1.4)	21.9
Shanghai CI	3,922.4	0.2	17.0
HSI	25,968.0	0.7	29.5
STI	4,416.3	0.5	16.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,450.0	1.1
Value traded (RM m)	2,662.4	13.8
Gainers	468	
Losers	580	
Unchanged	497	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PERAK	0.330	(1.5)	355.1
THMY	0.910	193.5	179.0
TANC	0.880	0.6	56.6
ZETRIX	0.855	0.6	46.3
GENM	2.330	(0.4)	32.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
THMY	0.910	193.5	144.4
MAY	9.840	(0.2)	134.0
PERAK	0.330	(1.5)	113.5
CIMB	7.330	1.8	82.2
TNB	13.120	0.3	79.1

Currencies	Last Close	% Chg
USD/MYR	4.227	0.1
USD/JPY	152.560	0.0
EUR/USD	1.162	0.0
USD/CNY	7.123	0.0
US Dollar Index	98.936	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	66.0	5.4
Gold (USD/troy oz)	4,123.5	(0.1)
CPO (MYR/metric t)	4,416.0	(0.2)
Bitcoin (USD/BTC)	109,915.5	0.3

Source: Bloomberg

Macro News

US: Sanctions Russian oil majors over Ukraine, prompting India jitters and Moscow fury

US President Donald Trump hit Russia's two biggest oil companies with sanctions in a sharp policy shift on Moscow's war in Ukraine, prompting global oil prices to rise by 5% on Thursday and India to consider cutting Russian imports. The sanctions target oil giants Rosneft and Lukoil, which between them account for more than 5% of global oil output, and mark a dramatic U-turn by Trump, who said only last week that he and Russian President Vladimir Putin would soon hold a summit in Budapest to try to end the war in Ukraine. But Trump, in his latest about-face on the conflict, said on Wednesday that the planned summit was off because it would not achieve the outcome he wanted and complained that his many "good conversations" with Putin did not "go anywhere". (*Reuters)*

US: Trump to quadruple Argentine beef imports while US ranchers fume

US President Donald Trump's administration is quadrupling the country's low-tariff imports of Argentine beef in his attempt to lower grocery store beef prices, a White House official said on Thursday, evoking fury from the nation's cattle ranchers. Raising the tariff rate quota on Argentine beef to 80,000 metric tonnes will let the country ship more of its beef to the US at a lower rate of duty. US beef prices have set records due to tight cattle supplies and strong consumer demand. The US Department of Agriculture on Wednesday announced a plan to expand the domestic cattle herd and support American cattle ranchers. Agriculture Secretary Brooke Rollins on Fox Business Network's Mornings with Maria said the administration was working to support both beef consumers and ranchers. (*Reuters)*

CN: State oil majors suspend Russian oil buys due to sanctions

Chinese state oil majors have suspended purchases of seaborne Russian oil after the United States imposed sanctions on Rosneft and Lukoil, Moscow's two biggest oil companies, multiple trade sources said on Thursday. The move comes as refiners in India, the largest buyer of seaborne Russian oil, are set to sharply cut their crude imports from Moscow, to comply with the US sanctions imposed over the Kremlin's invasion of Ukraine. A sharp drop in oil demand from Russia's two largest customers will put a strain on Moscow's oil revenues and force the world's top importers to seek alternative supplies and push up global prices. Chinese national oil companies PetroChina, Sinopec, CNOOC and Zhenhua Oil will refrain from dealing in seaborne Russian oil at least in the short-term due to concern over sanctions, the sources said. While China imports roughly 1.4m barrels of Russian oil per day by sea, most of that is bought by independent refiners, including small operators known as teapots, although estimates of purchases by state refiners vary widely. (*Reuters*)

CN: Deepens push for tech self-reliance in five-year plan

China vowed to seek technological self-reliance and grow the domestic market in the next five years, as it looks to both insulate the economy from foreign pressures and build a sustainable engine for growth. The country will aim to "greatly increase" the capacity for self-reliance and strength in science and technology, according to a communique released on Thursday by state broadcaster CCTV after a four-day conclave of the Communist Party's Central Committee. Initial details of the approved proposal place a heavy emphasis on high-quality development and the role of technology in developing "new-quality productive forces" which refer to advance fields such as semiconductors and artificial intelligence. The statement also stressed needs to building a modern industrial system and strengthen innovation in core technologies. (*Bloomberg)*

MY: On track to achieve renewable energy capacity

Malaysia is now on a solid track to achieve 40% renewable energy (RE) capacity by 2035 and 70% by 2050 under the National Energy Transition Roadmap (NETR). Deputy Prime Minister and Minister of Energy Transition and Water Transformation, Datuk Seri Fadillah Yusof said Malaysia's RE capacity has so far reached 30% led by solar energy which contributes more than 5,000 megawatts. He said coal has long been a key energy source that drives the country's growth, providing stable and affordable electricity, but the world is changing and Malaysia must evolve to remain competitive, resilient and sustainable in the face of the new global energy reality. Through the implementation of NETR, Malaysia aims to achieve net zero carbon by 2050 and the plan outlines a comprehensive approach that unites government policies, industry strategies and the country's climate aspirations in a common direction. (*Bernama*)

MY: Upstream O&G investments total RM256bn from 2018-2024, Sarawak tops with RM113bn

Total investments in the upstream segment of the oil and gas industry across Malaysia between 2018 and 2024 reached RM256bn, with investments in Sarawak's offshore fields making up the largest share. During the period, a total of RM113.2bn in upstream investments were conducted in the waters off Sarawak, followed with RM86.5bn in the Peninsular Malaysia's offshore fields and RM56.3bn in Sabah's. This was revealed by the Minister in the Prime Minister's Department (Law and Institutional Reform) Datuk Seri Azalina Othman Said in a written reply to questions by Mordi Bimol (PH-Mas Gading), who asked on Petronas' exploration and annual production costs in each producing state between 2018 and 2024. Citing data from Petronas, Azalina said that upstream investments stood at RM48.4bn in 2024 alone, with investments in Sarawak's fields making up the largest at RM23.8bn, followed by Peninsular Malaysia at RM15.1bn and Sabah at RM9.4bn. (*The Edge*)

Corporate News

MUDAJYA: Secures promised properties as payment from disputed KL project

Mudajaya Group Bhd has secured properties it was promised as payments for completed construction work on a mixed-use development project in Jalan Sultan Ismail, Kuala Lumpur. In an announcement to Bursa Malaysia on Thursday, Mudajaya said that it had secured an order of specific performance for developer Crest Worldwide Resources Sdn Bhd to deliver vacant possession of the properties from the High Court under the civil suit on Oct 22. The properties comprised 25 units of residential apartments, 5 units of commercial shops, 142 units of offices, 284 units of carpark and 99 units of motorcycle parking spaces. According to Mudajaya, the properties are valued at RM152.4m as of end-2024. The civil suit was filed in 2019. Details of the case were not provided in the group's bourse filings.
(The Edge)

PTRANS: MD actively trading company's shares amid RM360m rout

Datuk Seri Cheong Kong Fitt, the managing director and largest shareholder of Perak Transit Bhd, was actively trading the company's shares this week as its stock tumbled to multi-year lows, Bursa Malaysia filings showed. Cheong disposed of four million shares and acquired 4.025 million shares in the open market between Tuesday (Oct 21) and Wednesday (Oct 22) at undisclosed prices. He also transferred 391,012 shares between nominee accounts, though that did not result in any changes in beneficial ownership. Following these transactions, Cheong's direct stake in the transport terminal operator dipped to 7.610% from 7.613%, while his indirect interest eased to 6.577% from 6.581%. His spouse, Datin Seri Lim Sow Keng, remained a substantial shareholder with a direct stake of 4.58% and a deemed interest of 9.61%.
(The Edge)

HENGYUAN: Rights issue oversubscribed by 122.8%, raises RM234m

Hengyuan Refining Company Bhd has raised RM234m in gross proceeds from its rights issue exercise, which was oversubscribed by 122.88%. The refining and manufacturing of petroleum products company said in a statement today that it received valid acceptances and excess applications for a total of 368.64m rights shares as at the close of the exercise on Oct 17, 2025. The rights issue involved up to 300m new ordinary shares together with up to 150m free detachable warrants based on one rights share for every one existing share held, and one warrant for every two rights shares subscribed, at an issue price of 78 sen per share. Hengyuan said the majority of the proceeds will be used to purchase additional crude oil feedstock, the primary raw material for refining and manufacturing petroleum products, to enhance production efficiency, reduce unit costs per barrel and strengthen the company's competitiveness. *(Bernama)*

ZENTECH: Sued over shareholding dispute involving former associate

Zen Tech International Bhd said it has been sued by a shareholder of its former associate, Galactic Maritime (M) Sdn Bhd, over a shareholding dispute. The company, along with three others, was sued by Yang Xiaowen, who holds a 20% stake in the dredging and land reclamation services company Galactic Maritime, over an alleged unlawful reduction in her shares, according to an exchange filing on Thursday. Yang claims her shareholding in Galactic Maritime was "unlawfully reduced" from 5.265m to 2.7m, with 2.565m allegedly transferred without her knowledge or consent. She cited a public announcement on Jan 19, 2017 by Zen Tech (then known as INIX Technologies Holdings Bhd) that stated a share sale agreement was inked between them, where Zen Tech was to purchase her 2.565m shares for RM4.56m in cash. "However, [Yang] claimed that she had never signed any share sale agreement or share transfer forms in relation to the said transfer. "The plaintiff further claims that the share transfer was thus carried out without her knowledge or consent," Zen Tech said. The deal with Yang had increased Zen Tech's stake in Galactic Maritime to 49%. *(The Edge)*

MTEC: Wins RM10.68m subcontract for electrical infrastructure works

Cable manufacturer Master Tec Group Bhd has secured a RM10.68m subcontract for the supply, delivery, installation, testing, commissioning, completion and maintenance of electrical external infrastructure works. In a filing with Bursa Malaysia, Master Tec said its subsidiary, Sediacom Sdn Bhd, has accepted the letter of award from a contractor involved in electrical and civil infrastructure works. No details were disclosed on the project owner, identified only as "Company A", which the group said was omitted for confidentiality and commercial reasons. The project is scheduled to be completed by June 2026. *(The Edge)*

GLOMAC: Data centre venture still on the cards, eyes earnings recovery

Glomac Bhd, which plans to launch approximately RM324m worth of new projects in the current financial year, has deferred its plan to venture into the data centre segment as the group has yet to secure a confirmed tenant to lease its land, said group managing director and chief executive officer Datuk Seri FD Iskandar Mohamed Mansor. The property developer first announced its intention to venture into the data centre business in 2020, earmarking land in Cyberjaya as part of its strategy to diversify beyond its core property operations. "The plan to venture into a data centre is still on the cards for the company. We had allocated about one or two parcels of land for that," FD Iskandar told reporters after the company's annual general meeting on Thursday. He added that developing data centres requires significant capital investment and must be approached prudently. *(The Edge)*

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Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Wellcall Holdings	Ind. Prod.	1.27	0.08	6.30
British American Tobacco (M)	Consumer	5.38	0.53	9.85
Taliworks Corporation	Utilities	0.54	0.05	9.26
REXIT	Technology	0.54	0.05	9.26
MBM Resources	Consumer	5.23	0.42	7.99
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	7.60
CapitaLand Malaysia Trust	REIT	0.63	0.05	7.36
Ta Ann Holdings	Plantation	4.22	0.31	7.25
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	6.76	0.45	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		
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

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