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

MARKET WATCH
Thursday, Oct 30, 2025
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Daily Newswatch

Market Review

The FBM KLCI lost -0.1% on Wednesday, closing at 1,611.5 points, as investors remained cautious ahead of the Federal Reserve's interest rate decision, which will be announced at midnight yesterday after the market closure. Most indexes in each sector closed down, with Health Care (-1.1%), Real Estate (-0.5%), and Construction (-0.5%) leading the way. CelcomDigi, Mr DIY, and SD Guthrie were the leading laggards among important index items, falling by -1.4%, -1.2%, and -1.1%, respectively. Market breadth was negative, with 543 losers outnumbering 442 gainers while 533 counters remained constant.

Asian stock markets closed mixed on optimism about global tech and AI progress, bolstered by a better trade and policy outlook. The Shanghai Composite gained +0.7% to 4,016.3, the Nikkei 225 gained +2.2% to 51,307.7, the Hang Seng lost -0.3% to 26,346.1, and the TAIEX gained +1.2% to 28,294.7. Materials (+2.6%), Information technology (+2.2%), and Industrials (+1.2%) are the sectors driving the growth in Shanghai, while Consumer non-cyclical (-1.4%), Technology (-0.8%), and Consumer cyclicals (-0.8%) led the dip in Hang Seng. Japan, Taiwan and Shanghai indicate global technology and AI confidence, although the Hang Seng's modest dip highlights regional differences, such as China's scheduled data releases.

European markets were mixed on Wednesday, with a little fall from Monday's record-highs as a series of contrasting company results reinforced an uncertain picture for the European economy. The STOXX 50 closed flat at 5,702, while the STOXX 600 fell by 0.1% to 575. Banks led the gains, with Santander rising 4% after reporting a record-high nine-month profit, and Deutsche Bank rising 5% on good performance from its investment bank. GSK's stock rose 6.6% as HIV and cancer medication sales boosted profits. Meanwhile, Nokia fell 3%, reversing a 20% gain from yesterday, as investors assessed the implications of Nvidia's USD1 billion equity purchase.

US equities closed neutral on Wednesday as the Federal Reserve lowered the federal funds rate by 25bps to a target range of 3.75%-4.00%. Fed Chair Powell added for the incoming FOMC meeting a December rate cut is a foregone conclusion. The S&P 500 closed up 0.2% and the Nasdaq up 1%, both setting new records, while the Dow fell approximately 30 points from its record high. Markets initially jumped following the Fed's 25 basis point decrease and the decision to complete balance sheet runoff in December, but Kansas City Fed President Schmid dissented in favour of holding rates steady. Nvidia gained 3.6% and temporarily surpassed a USD5 trillion market capitalization following news that President Trump may allow Blackwell chip exports to China, while Broadcom, AMD, and Micron all rose more than 2%.

Macro Snapshots

- **US**: Mortgage rates fall to 6.3%, boosting buying and refinancing
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Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,611.5	(0.1)	(1.9)
Dow Jones	47,632.0	(0.2)	12.0
Nasdaq CI	23,958.5	0.5	24.1
S&P 500	6,890.6	(0.0)	17.2
SX5E	5,705.8	0.0	16.5
FTSE 100	9,756.1	0.6	19.4
Nikkei 225	51,307.7	2.2	28.6
Shanghai CI	4,016.3	0.7	19.8
HSI	26,346.1	(0.3)	31.3
STI	4,440.2	(0.2)	17.2

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,725.9	(29.4)
Value traded (RM m)	2,373.6	(21.6)
Gainers	442	
Losers	543	
Unchanged	533	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
BORNO	0.005	0.0	162.8
PERAK	0.385	(2.5)	144.2
ZETRIX	0.815	(2.4)	102.9
TANC	0.925	2.2	60.3
EKO	0.355	(6.6)	54.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
ZETRIX	0.815	(2.4)	84.5
PMAH	6.260	0.8	59.9
IHH	8.250	(0.4)	57.1
PERAK	0.385	(2.5)	56.4
TANC	0.925	2.2	55.3

Currencies	Last Close	% Chg
USD/MYR	4.188	0.2
USD/JPY	152.680	0.0
EUR/USD	1.160	0.0
USD/CNY	7.099	0.0
US Dollar Index	99.131	0.5

Commodities	Last Close	% Chg
Brent (USD/barrel)	64.9	0.8
Gold (USD/troy oz)	3,937.6	0.2
CPO (MYR/metric t)	4,257.0	1.1
Bitcoin (USD/BTC)	111,498.2	0.0

Source: Bloomberg

Macro News

US: Young US workers see downshift in pay gains amid job scarcity, report shows

Wage gains have cooled to some of the lowest levels in more than a decade, with young US workers bearing the brunt of the slowdown, according to a report by the JPMorganChase Institute. While all age groups have seen weaker raises since the peak levels of the pandemic, it's been most pronounced for those ages 25-29, the report showed Wednesday. Their annual income growth slowed to 5.2% in September — one of the slowest paces since 2011, when the institute started collecting data and the economy was still recovering from the Great Recession. "These dynamics show a downgrade in purchasing power growth for all individuals and a meaningful loss of momentum in early-career earnings advancement," according to the report. The researchers said the younger population can provide a signal for the state of the overall labour market, which has largely been characterised by low hiring and low firing. Such a lack of dynamism has also been evident in more workers clinging to their positions, fearful of job security. (*Bloomberg*)

US: Mortgage rates fall to 6.3%, boosting buying and refinancing

US mortgage rates fell to a fresh one-year low, encouraging more homeowners to refinance and drawing prospective buyers into the market. The contract rate on a 30-year mortgage fell seven basis points to 6.3% in the week ended Oct 24, according to Mortgage Bankers Association data released Wednesday. The group's measure of refinancing jumped to the highest level since mid-September, and the index of home-purchase applications rose for the first time in five weeks. Mortgage rates track US Treasury yields, which dropped last week as declining oil prices eased concern about the inflation backdrop. Yields temporarily fell further after a belated report showed tame growth in US consumer prices last month, which encouraged bets that the Federal Reserve will cut interest rates beyond Wednesday's widely expected reduction. (*Bloomberg*)

US: Trump announces trade breakthrough with South Korea on Asia trip

Donald Trump and South Korean President Lee Jae Myung finalised details of their fraught trade deal at a summit in South Korea on Wednesday, and the US president also sounded an optimistic note about a looming summit with China's Xi Jinping. "We made our deal, pretty much finalised it," Trump said at a dinner with Lee and other regional leaders on the sidelines of an Asia Pacific forum. The allies unveiled a deal in late July under which Seoul would avoid the worst of US tariffs on its imports by agreeing to pump US$350BN (RM1.5TN) of new investments into the United States in return for lower tariff rates. (*Reuters*)

US: Trump expects to cut tariffs over fentanyl, discuss Nvidia in Xi talks

Donald Trump said he expects to lower tariffs the US has imposed on Chinese goods over the fentanyl crisis and speak with China's Xi Jinping about Nvidia Corp's flagship Blackwell artificial intelligence (AI) chip, as leaders of the world's biggest economies seek to ease tensions in a meeting on Thursday. "I expect to be lowering that because I believe they are going to help us with the fentanyl situation," Trump told reporters on Air Force One as he headed to South Korea on Wednesday, a day before he is slated to meet with China's president. Trump said he expects Beijing would be "doing things" and work with him directly to address the export of precursor chemicals critical to manufacturing fentanyl. He didn't provide further details of the magnitude of the tariff reduction. (*Bloomberg*)

CN: Stocks end at 10-year high on upbeat earnings, hopes for solid Trump-Xi meeting

Chinese stocks closed at a fresh 10-year high on Wednesday, led by energy and non-ferrous metal shares, as upbeat earnings and trade headlines boosted investor sentiment ahead of a planned meeting of US and Chinese leaders. China's blue-chip CSI 300 Index closed up 1.1% at its highest level since January 2022, while the Shanghai Composite Index gained 0.6% to end at its strongest since July 2015. Hong Kong markets were shut for a local holiday. Hopes are high that US President Donald Trump and Chinese President Xi Jinping will agree to a trade war truce in talks in South Korea on Thursday. Trump said he would discuss Nvidia's Blackwell artificial-intelligence chip with Xi. Media reports also said Washington is weighing tariff cuts on Chinese goods in exchange for Beijing curbing exports of fentanyl precursor chemicals. (*Reuters*)

MY: Maintains ban on export of raw rare earth elements

Malaysia will continue to maintain its policy prohibiting the export of raw rare earth elements (REE) to ensure the development of the domestic downstream industry, said Investment, Trade and Industry (Miti) Minister Tengku Datuk Seri Zafrul Abdul Aziz. At the same time, the government encourages foreign investment and technology sharing in raw REE mining activities to build a more integrated domestic industrial ecosystem. "As such, Malaysia welcomes the strategic cooperation with the US as well as with other countries in developing the domestic REE industry, especially the potential tripartite cooperation between Malaysia, the US and Australia [such as Lynas]," he said. (*Bernama*)

MY: Strengthens economic partnership with China under Belt and Road Initiative

Malaysia remains committed to strengthening its economic partnership with China under the Belt and Road Initiative (BRI), Deputy Finance Minister Lim Hui Ying said. She said BRI has delivered measurable results since its inception, driving trade growth and supporting Malaysia's transformation under the Madani economy framework, with the partnership continuing to generate tangible benefits for both nations. "The BRI, which Malaysia has supported since the very beginning, aligns perfectly with this vision (Madani economy). Over the past 12 years, BRI cooperation has delivered real, measurable results. (*Bernama*)

Corporate News

PLABS: PeterLabs' substantial shareholders to buy back 60% stake in unit under settlement agreement
PeterLabs Holdings Bhd's substantial shareholders — former executive director Datuk Loh Saw Foong and his wife Datin Lin Ching Yein — have agreed to repurchase the company's 60% stake in unit Thye On Tong Trading Sdn Bhd (TOTT) and repay inter-company debt owed by the unit as part of their settlement agreement with the company. Loh and Lin will repurchase the 60% stake in consumer goods distributor TOTT from PeterLabs at a price not exceeding what it was sold to the company in 2022, PeterLabs said in a bourse filing on Wednesday. The pair had sold TOTT to PeterLabs for RM10.8M in a cash and share deal. According to PeterLabs, Loh has also agreed to undertake personal responsibility for the repayment of RM12.9M inter-company loan owed by TOTT to PeterLabs Sdn Bhd (PSB), a wholly owned unit of the company. (*The Edge*)

INFOM: Hit with RM225.7m counterclaim in suit against Bank of Philippine Islands
Computer mainframe systems firm Infomina Bhd said its Philippine unit faces a RM225.7M counterclaim from the Bank of the Philippine Islands (BPI), following Infomina's own suit over alleged wrongful contract termination in September 2022. The counterclaim comprises an "unprecedented" three billion Philippine pesos (RM212.7M) claim for exemplary damages, PHP173.5M (RM12.3M) as a refund for fees, and PHP10 million (RM710,000) for legal fees, Infomina said in a bourse filing on Wednesday. BPI is also seeking to add Infomina Philippines' board of directors as well as Infomina chief technology officer Siow Liew Fei as defendants to the counterclaim. (*The Edge*)

CAPITALA: Clears final hurdle to consolidate AirAsia airlines under AAX in PN17 exit plan
Capital A Bhd said all conditions for its aviation restructuring have been met or waived, allowing all AirAsia-branded airlines to be consolidated under AirAsia X Bhd. This move is key for Capital A to exit Practice Note 17 (PN17) status. In a filing with Bursa Malaysia, the group said the share sale and purchase agreements (SSPAs) for the proposed disposals have become unconditional as of Wednesday (Oct 29). "The board will determine and announce the entitlement date for the proposed distribution in due course," Capital A said. This milestone clears the final hurdle in a complex transaction that has been delayed several times as the parties sought approvals from regulators and financiers in multiple jurisdictions. (*The Edge*)

MICROLN: Auditor flags Microlink's RM76m software write-off with qualified opinion
Microlink Solutions Bhd said its external auditor Baker Tilly Monteiro Heng PLT has issued a qualified opinion involving the group's write-off of software development expenditure totalling RM76.1M for its extended 15-month financial year ended June 30, 2025 (FY2025). According to the auditor's report, RM50.2M was written off after the directors were unable to locate the intellectual property related to the expenditure, while another RM25.8M, initially capitalised in prior years, was deemed not appropriately incurred. "The directors are of the opinion that this expenditure was not appropriately incurred and have commenced legal proceedings," the company said in a filing with Bursa Malaysia on Tuesday. (*The Edge*)

KNM: Seek shareholder approval to postpone German unit sale vote until after delisting
Faced with court action, KNM Group Bhd said it plans to seek shareholders' approval to adjourn a meeting to vote on selling its German unit, Deutsche KNM GmbH (DKNM), for €270M (RM1.3BN) to Nov 6, 2025 — a day after its scheduled delisting. KNM, in a filing with the bourse, said the High Court hearing on Bursa Malaysia Securities' legal action did not stop the extraordinary general meeting (EGM) set for Oct 30, 2025. However, the EGM chairman will propose adjourning the meeting, with shareholders deciding on the motion at the meeting. (*The Edge*)

MERIDIAN: Granted third extension to submit PN17 regularisation plan
Practice Note 17 (PN17) company Meridian Bhd said it has obtained a further extension of time from Bursa Malaysia Securities to submit its regularisation plan. The property developer, which had sought a nine-month extension until June 25 next year, was granted only six months until March 25, according to its bourse filing on Wednesday. This is the third extension granted to Meridian since it was classified as a PN17 issuer in April 2024. The company was initially asked to submit its regularisation plan by Sept 25, 2024, but the deadline was later pushed to March 25, 2025, and subsequently deferred to Sept 25, 2025. *(The Edge)*

TENAGA: Malaysia bets on mix of solar and gas as it shifts away from coal, says Tenaga CEO
Malaysia will focus on a mix of solar and gas-fired power generation as it shifts away from coal, the chief executive of state utility Tenaga Nasional Bhd said on Wednesday, adding that the renewable source would help keep costs down. The Southeast Asian nation of over 35M people has been cranking up its coal-fired power fleet to keep electricity costs low, but plans to boost the use of natural gas and solar — the former being more flexible but the latter cheaper. "The cost-per-unit for solar is actually much cheaper than gas and coal. The best position is that we have a good mix so that the affordability will be addressed," Tenaga CEO Datuk Megat Jalaluddin Megat Hassan told Reuters in an interview. *(Reuters)*

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Upcoming key economic data releases	Date
US Core PCE Price Index	Oct 31
US Chicago PMI	Oct 31
Source: Bloomberg	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
British American Tobacco (M)	Consumer	5.53	0.53	9.58
REXIT	Technology	0.53	0.05	9.43
Taliworks Corporation	Utilities	0.54	0.05	9.26
MBM Resources	Consumer	5.22	0.42	8.01
Sentral REIT	REIT	0.78	0.06	7.82
KIP REIT	REIT	0.87	0.07	7.82
Bermaz Auto	Consumer	0.65	0.05	7.54
CapitaLand Malaysia Trust	REIT	0.63	0.05	7.36
Ta Ann Holdings	Plantation	4.18	0.31	7.32
Paramount Corporation	Property	1.06	0.08	7.08
Sports Toto	Consumer	1.37	0.09	6.79
MAG Holdings	Consumer	1.40	0.09	6.79
Magnum	Consumer	1.40	0.09	6.79
YTL Hospital REIT	REIT	1.11	0.07	6.67
Kim Loong Resources	Plantation	2.32	0.15	6.59

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		
Farmiera Berhad	ACE Market	0.25	117.0	0.0	30 Oct	12 Nov
PMW International Berhad	ACE Market	0.34	178.4	89.2	06 Nov	18 Nov

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