MERCURY SECURITIES SDN BHD
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Daily Newswatch

Market Review

The FBM KLCI fell 0.2% on Thursday to close at 1,618.9 points, experiencing profit-taking pressure after Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 2.75%. Health Care (-0.6%), Financial Services (-0.5%) and Utilities (-0.4%) were the main laggards. Among major constituents, Petronas Chemicals Group, Nestle Malaysia and Public Bank led the declines, slipping 5.1%, 2.8% and 1.8%, respectively. However, Market breadth was positive, with 579 gainers outpacing 528 losers, while 593 counters were unchanged.

Asian stock markets closed in positive territory on Thursday, partly recovering from the sharp decline in the prior session, as stronger-than-expected US economic data encouraged investors to return to markets hovering near the record levels. The Shanghai Composite rose 1.0% to 4,007.8 points, the Nikkei 225 climbed 1.3% to 50,883.7 points, the Hang Seng increased 2.1% to 26,485.9 and the TAIEX rose 0.7% to 27,899.5. In Shanghai, the best-performing sectors are Information Technology (+2.5%), Materials (+2.3%) and Industrials (+1.3%). Within these sectors, stocks such as Suzhou Everbright Photonics, Jiangsu HSC New Energy Materials and Yuanjie Semiconductor Technology led the gains by 20.0%, 20.0% and 16.4%, respectively. Meanwhile, in Japan, the increase was driven by Industrials (+2.2%), Utilities (+2.0) and Consumer Non-Cyclicals (+2.1%).

European stocks closed sharply lower on Thursday, retreating after a brief rebound as investors digested mixed corporate earnings and rising U.S. unemployment signals. The STOXX 50 dropped 1% to 5,613, while the STOXX 600 declined 0.7% to 567. Commerzbank fell 2% after reporting a surprise 7.9% year-on-year net profit decline, and Diageo slumped 6.5% following a downgrade to its full-year outlook. Maersk lost 5.1% despite solid results, and Rheinmetall slipped 0.5% despite a 20% sales increase. In contrast, DHL surged 5.4% after posting earnings growth, AstraZeneca advanced 2.9% on record quarterly revenue and reaffirmed guidance, while Sainsbury's rose 1.4% after upgrading its outlook.

Wall Street tumbled on Thursday, with the S&P 500 down 1%, Nasdaq dropping 1.7% and Dow Jones losing 317 points, as renewed selling in AI-related and tech shares weighed on sentiment. Concerns over stretched AI valuations resurfaced after mixed earnings, dragging Qualcomm (-4.5%), Tesla (-2.8%), and AMD (-7%). Oracle and Palantir fell 2.6% and 6.8%, while megacaps Nvidia, Microsoft, Amazon, and Meta declined up to 3.8%. Adding to the pressure, Challenger data showed 153,000 job cuts in October, the highest for the month in 22 years, largely linked to AI integration, fuelling worries of a weakening labour market. Amid the government shutdown restricting official data releases, investors turned to private indicators, which signalled a softer economic and heightened risk aversion.

Macro Snapshots

- **US**: Shutdown sends airlines scrambling as travel chaos looms
- **US**: 'Jenga tower' US economy teeters as middle class pulls back spending
- **CN**: Buys first US wheat cargoes since 2024 after leaders' meeting, traders say

Corporate Snapshots

- **PTRB:** Eyes stronger China foothold with Exim Bank collaboration
- **NCT:** Sets up maiden RM1bn sukuk programme
- **GDB:** Gets court enforcement on RM83m adjudication award

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,618.9	(0.2)	(1.4)
Dow Jones	46,912.3	(0.8)	10.3
Nasdaq CI	23,054.0	(1.9)	19.4
S&P 500	6,720.3	(1.1)	14.3
SX5E	5,611.2	(1.0)	14.6
FTSE 100	9,735.8	(0.4)	19.1
Nikkei 225	50,883.7	1.3	27.5
Shanghai CI	4,007.8	1.0	19.6
HSI	26,485.9	2.1	32.0
STI	4,485.0	1.5	18.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,956.0	(17.0)
Value traded (RM m)	2,523.5	(6.4)
Gainers	579	
Losers	528	
Unchanged	593	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MMAG	0.095	(9.5)	121.5
PERAK	0.265	(10.2)	108.4
NEXG	0.300	0.0	72.0
TANC	0.905	2.3	57.2
ZETRIX	0.840	2.4	45.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	9.920	0.0	135.2
SDG	5.350	1.3	94.6
CIMB	7.500	0.0	80.7
IHH	8.220	(0.7)	66.2
GAM	5.140	1.2	68.2

Currencies	Last Close	% Chg
USD/MYR	4.183	0.2
USD/JPY	153.060	0.0
EUR/USD	1.155	0.0
USD/CNY	7.119	0.1
US Dollar Index	99.716	(0.5)

Commodities	Last Close	% Chg
Brent (USD/barrel)	63.6	0.2
Gold (USD/troy oz)	3,977.2	(0.1)
CPO (MYR/metric t)	4,111.0	(0.1)
Bitcoin (USD/BTC)	101,290.3	0.2

Source: Bloomberg

Macro News

US: Treasuries jump as weak jobs data fuel rate-cut bets

Treasuries rallied after private measures of US economic data pointed to a stumbling jobs market, spurring traders to boost wagers that the Federal Reserve will cut interest rates next month. Yields on US 10-year debt fell eight basis points to 4.1%, while two-year notes — among the most sensitive to changes in monetary policy — dropped to 3.6%. Swaps tied to policy-meeting dates now imply a better than 60% chance of a quarter-point reduction next month, up from around 50% on Wednesday. The gains came after numbers from Challenger, Gray & Christmas Inc showed that US companies announced the most job cuts in any October in more than two decades. The rally deepened after Revelio Labs data showed a loss of 9,100 nonfarm jobs in October after 33,000 of gains the month prior. (*Bloomberg*)

US: Shutdown sends airlines scrambling as travel chaos looms

US airlines were scrambling on Thursday to rejig schedules and fielding a flood of customer queries after the US ordered flight cuts at some of the nation's busiest airports, the latest travel disruption from the prolonged government shutdown. Transportation Secretary Sean Duffy said on Wednesday he would order steep cuts, citing air traffic control safety risks from the government shutdown. The shutdown, now the longest in US history, has forced some 13,000 air traffic controllers and 50,000 security screeners to work without pay. Staffing shortages have already caused tens of thousands of flight delays nationwide, with airlines estimating that at least 3.2m travellers have been affected. (*Reuters*)

US: 'Jenga tower' US economy teeters as middle class pulls back spending

The surprising resilience of the US economy this year is masking underlying weakness among low- and middle-income households, as higher-income Americans continue to drive growth. This dichotomy between the haves and have-nots isn't new, but the economic strain is now bleeding from the lowest earners to the middle class, creating an even starker divide that some economists say makes the economy more susceptible to a downturn. The richest 10% of households are fuelling nearly half of total US spending, thanks to a stock market surge that has boosted wealth and in turn propelled economic output this year. Meanwhile, lower-income families are pulling back in the face of tight budgets, still-high living costs and a raft of corporate layoffs. (*Bloomberg*)

CN: Dollar bonds zoom higher after US$118 billion of demand

For those lucky enough to have been allocated a portion of the sale, China's US$4bn return to the dollar bond market provided "free money" as the notes quickly rallied in the secondary market. Many more are likely to have missed out after the process generated enough demand to cover the deal almost 30 times over. The US$118.1bn order book was huge even by the standards of this year's booming bond market, following a pattern set by other sovereigns like Spain and Italy that have generated order books worth more than US$100bn. (*Bloomberg*)

CN: Chinese banks to finance Starbucks deal, global rivals shut out, Bloomberg reports

Chinese lenders are nearing a deal to help finance Boyu Capital's acquisition of a 60% stake in Starbucks Corp's China retail business — shutting foreign banks out of the top slots, according to people familiar with the matter. Ping An Bank Co, Industrial Bank Co, and China Minsheng Banking Corp are set to arrange a seven-year syndicated loan of about US$1.4bn (RM5.9bn), though terms are still under negotiation and the list of banks has yet to be finalised, the people said, asking not to be named because the matter is private. The facility would help finance Boyu's payment for the acquisition as well as working capital and expansion needs for the new joint venture. (*Bloomberg*)

CN: Buys first US wheat cargoes since 2024 after leaders' meeting, traders say

China has booked two cargoes of US wheat following last week's meeting between the countries' leaders, traders said on Thursday, the first such purchases since October last year, signalling easing trade tensions between Washington and Beijing. Investors welcomed the meeting between US President Donald Trump and Chinese leader Xi Jinping in South Korea, which helped ease concerns over the trade dispute between the world's two largest economies that had disrupted flows of goods including key agricultural products. Beijing on Wednesday announced that from November 10 it would scrap tariffs that it had announced on March 4 for some US agricultural goods. The move includes removing a 15% duty on US wheat. The purchases of around 120,000 metric tons for December shipment include one cargo of US soft white wheat and one of spring wheat, the sources said. (*Reuters*)

MY: Used cooking oil exports to face pressure in 2026 on domestic SAF production

Malaysia's used cooking oil export volumes will face "immediate and moderate pressure" next year as a sustainable aviation fuel (SAF) plant in Johor ramps up production, the country's deputy plantation and commodities minister told *Reuters*. Domestic players will actively secure feedstock to meet the 350,000-tonne capacity of the EcoCeres production facility, forcing them to offer competitive pricing to divert used cooking oil away from profitable international export routes, Datuk Chan Foong Hin said. The EcoCeres facility became operational in October and will provide Malaysia's first major source of ISCC CORSIA and ISCC EU-certified SAF, Chan said. (*Reuters*)

MY: Strong global partnerships key to Malaysia's semiconductor, E&E growth

Malaysia and Asean can only achieve true success if regional trade and investment continue to strengthen, alongside greater focus on new areas such as digital technology and artificial intelligence (AI), said Prime Minister Datuk Seri Anwar Ibrahim. He said these efforts should also be supported by strong international ties, particularly with economic superpowers such as the United States and China, to ensure that the nation's electrical and electronic (E&E), as well as the semiconductor industries continue to thrive. "Malaysia's exports to the US are exponential. About 25% of its E&E and semiconductor demand is met by Malaysia, valued at nearly RM200bn, involving thousands of supply chains and tens of thousands of workers. (*Bernama*)

MY: Economists do not see overnight policy rate cut until at least mid-2026

Bank Negara Malaysia (BNM) may keep the benchmark interest rate unchanged until at least the middle of next year before a potential easing amid signs of softer external demand and moderating growth momentum, economists said on Thursday. The central bank, at its Monetary Policy Committee (MPC) meeting earlier in the day, maintained the overnight policy rate (OPR) at 2.75%, in line with market expectations. The last policy adjustment was in July 2025, when BNM delivered a surprise 25-basis-point (bp) rate cut as a "pre-emptive measure" to support growth amid rising external uncertainties. The next MPC meeting is scheduled for Jan 22, 2026. (*The Edge*)

Corporate News

PTRB: Eyes stronger China foothold with Exim Bank collaboration

Frozen food processor and trader PT Resources Holdings Bhd said on Thursday it has signed an agreement with Export-Import Bank of Malaysia Bhd (Exim Bank) to support its overseas expansion, particularly into the China market. PT Resources said the signed agreement will cover trade financing, export facilitation, and strategic support for its overseas ventures — including its coconut processing operations in Fuqing City, Fujian Province, its filing with Bursa Malaysia read. “The MOU (memorandum of understanding) serves as a framework for collaboration in trade financing, export facilitation, and strategic support to facilitate PT Resources expansion initiatives,” PT Resources said, adding that the partnership also aims to strengthen its strategic business expansion into other emerging markets. (*The Edge*)

MAGNA: Largest shareholders end takeover offer with 54.96% stake

Magna Prima Bhd announced that its largest shareholders — Datuk Seri Wong Sze Chien and managing director Seah Ley Hong — closed their mandatory takeover offer with a 54.96% stake in the company. The offerors — through Hallson Holdings Sdn Bhd — received 76.8m shares or a 19.2% stake in valid acceptances by the close of the unconditional mandatory takeover offer on Thursday, bumping up their collective stake to 54.96% or 219.4m shares, according to a press notice from AmInvestment Bank Bhd on behalf of the offerors. Prior to the takeover offer, the offerors held a 35.7% stake or 142.6m shares in Magna Prima. (*The Edge*)

GDB: Gets court enforcement on RM83m adjudication award involving 8 Conlay project payments

Construction company GDB Holdings Bhd has secured a court order enforcing an RM83m adjudication award in its dispute with KSK Land Sdn Bhd over payments following the developer’s termination of its unit as the main contractor of the 8 Conlay project. Its unit Grand Dynamic Builders Sdn Bhd's (GDBSB) application to enforce the adjudication decision was allowed by the Kuala Lumpur High Court on Thursday, according to a bourse filing. Meanwhile, KSK Land unit, Damai City Sdn Bhd's application to set aside and stay the adjudication decision was dismissed by the court. (*The Edge*)

NCT: Sets up maiden RM1bn sukuk programme, Maybank subscribes to RM390m first tranche

NCT Group of Companies said it launched its maiden RM1bn sukuk wakalah programme on Thursday. Malayan Banking Bhd subscribed to the programme’s first tranche of up to RM390m in unrated sukuk, the property development and construction group said in a statement. NCT Group said the sukuk programme will enhance the group’s funding flexibility for its working capital needs and support its long-term growth strategy, while broadening its access to the domestic debt capital market. “The sukuk programme will provide us with greater flexibility to pursue new opportunities, driving us into the next phase of growth as we continue to deliver developments that generate sustainable value for our stakeholders,” said NCT Group founder and group managing director Datuk Seri Yap Ngan Choy. (*The Edge*)

PERTAMA: Faces trading suspension after failure to meet regularisation plan deadline

Pertama Digital Bhd shares will be suspended on Nov 14 after the government e-service provider failed to meet its regularisation plan submission deadline. Bursa Malaysia Securities, which announced the trading suspension in a filing on Thursday, noted that Pertama Digital had failed to submit the regularisation plan by the extended deadline of Oct 31 previously granted by the regulator. Pertama Digital said it had on Oct 31 appealed for a further extension of time. Delisting of its securities will be deferred pending the regulator’s decision on the appeal. The company had previously been granted four extensions to submit the regularisation plan. (*The Edge*)

AEONCR: Injects RM125m into AEON Bank to boost capital base

AEON Credit Service (M) Bhd said it will inject RM125 million into 50%-owned AEON Bank (M) Bhd to strengthen the digital bank’s capital base and support future growth. The additional subscription will preserve AEON Credit’s 50% equity stake as joint venture partner AEON Financial Service Co Ltd will undertake a matching subscription to maintain the existing shareholding ratio, the company said on Thursday. Upon completion, AEON Bank’s issued shares will rise from 550 million to 800 million. AEON Credit’s holdings will increase from 275m to 400m shares through the subscription of 125m new shares at RM1 each. In total, both parties will inject RM250m into the digital bank. *(The Edge)*

AXREIT: Acquires RM800m Penang industrial asset, secures leaseback from Ann Joo Steel

Axis Real Estate Investment Trust is acquiring an industrial property in Seberang Perai Tengah for RM800m from Ann Joo Steel Bhd, to whom it is leasing back the asset post-acquisition. The asset comprises 135.5 acres of land with an industrial facility built on-site. According to Axis REIT’s filing with Bursa Malaysia on Thursday, the purchase will be executed by RHB Trustees Bhd, the trustee for Axis REIT. Ann Joo Steel will lease back the property at RM4.2m per month for a fixed term of eight years. Ann Joo Steel plans to surrender back sections of the space to Axis REIT in the fifth, sixth, and seventh anniversary of the lease, with the monthly rental adjusted according to the reduced occupancy. *(The Edge)*

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Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
REXIT	Technology	0.52	0.05	9.62
British American Tobacco (M)	Consumer	4.46	0.43	9.57
Taliworks Corporation	Utilities	0.53	0.05	9.52
MBM Resources	Consumer	5.13	0.42	8.15
Sentral REIT	REIT	0.78	0.06	7.82
Bermaz Auto	Consumer	0.64	0.05	7.66
KIP REIT	REIT	0.90	0.07	7.60
CapitaLand Malaysia Trust	REIT	0.63	0.05	7.36
Ta Ann Holdings	Plantation	4.28	0.31	7.15
Paramount Corporation	Property	1.05	0.07	7.14
MAG Holdings	Consumer	1.38	0.10	6.88
Magnum	Consumer	1.38	0.10	6.88
Sports Toto	Consumer	1.37	0.09	6.79
YTL Hospital REIT	REIT	1.12	0.07	6.61
RHB Bank	Finance	6.82	0.45	6.55

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
Aquawalk Group Berhad	ACE Market	0.31	368.6	368.6	07 Nov	19 Nov
Polymer Link Holdings Berhad	ACE Market	0.25	97.1	24.1	11 Nov	25 Nov

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