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Daily Newswatch

Market Review

The FBM KLCI ended the week in red as the local bourse dipped 0.4% to close at 1,625.7 points on Friday, fueled by cautious and weak sentiment across the globe regarding the Fed's December rate cut outlook. Following growing talks about an AI-bubble, Technology was the worst performing sector, declining by 2.0%. Subsequently, Health Care (-1.3%) and Industrial products & Services (-0.9%) were among the worst performers. Among index constituents, Mr DIY (-3.1%), Sime Darby (-2.9%) and Petronas Chemicals (-2.0%) emerged as the biggest losers. Overall market breadth remained in negative territory as losers outweighed gainers by 632-to-462, with 576 unchanged. Over the week, 99 Speedmart (+4.9%) and Axiata (+4.2%) emerged as top gainers, meanwhile Mr DIY (-3.8%) and Petronas Chemicals (-3.4%) were the top losers.

Asian stock markets ended the week with a bearish tone on Friday as a growing number of Federal Reserve policymakers are indicating reluctance for a December rate cut as well as growing concerns about the AI-bubble. The Shanghai Composite declined by 1.0 % to 3,990.5 points, echoed by the Nikkei 225 fell by 1.8% to 50,376.5 points, the Hang Seng slumped 1.9% to 26,572.5 points and Taiwan's TAIEX dropped by 1.8% to 27,397.5 points. The Chinese bourse saw Information Technology (-2.8%), Materials (-1.3%) and Consumer Staples (-1.0%) led losses in the index. Among the index top losers were Biwin Storage (-11.0%), Jilin OLED (-10.7%) and Hangzhou Raycloud (-10.3%). To sum the week, the Shanghai Composite marginally trimmed 0.2%, Nikkei 225 slight increase by 0.2%, the Hang Seng gained 1.3% and the TAIEX declined 2.1%.

European markets closed substantially lower for a second session on Friday, under pressure from overblown valuations of US IT giants, as Federal Reserve members pushed back against the certainty of a rate drop at their next meeting. Heavyweight banks led the losses in the Eurozone, hit by a strong increase in benchmark bond yields, with UniCredit falling 4.5% and Intesa Sanpaolo, Santander, and BBVA falling between 3.5% and 2.5%. Meanwhile, SAP, Prosus, Infineon, and Nokia tracked their US counterparts, falling between 4% and 1.5%. The STOXX 50 jumped 2.3% this week, while the STOXX 600 rose 1.8%, with both indices reaching record highs earlier in the week.

Wall Street rebounded from severe early losses on Friday but closed flat to lower as investors bought back key tech companies and reassessed the chances of a December rate drop, leaving the S&P 500 and Nasdaq Composite roughly unchanged while the Dow fell 280 points. Defensive stocks underperformed, with United Healthcare falling 3.2% and Home Depot down 1.6%. Breadth remained uneven, with several large caps reaching new highs and an equal number falling to new yearly lows, highlighting a market still dealing with stretched AI valuations, increased funding demands, and a shift in expectations for near-term easing. Over the week, the S&P 500 gained 0.6%, the Nasdaq Composite inched 3 bp higher and the Dow rose 0.8%.

Macro Snapshots

- **US:** Trump cuts tariffs on beef, coffee and others as inflation concerns mount
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Corporate Snapshots

- **ABMB:** Launches Innovation Impact Lab to support SMEs
- **CRESNDO:** Sells another piece of land in Johor for RM201m
- **HI:** Eyes purchase of commercial vehicle assembly companies from founder
- **TCHONG:** To rent assembly lines to Perodua for EV project

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,625.7	(0.4)	(1.0)
Dow Jones	47,147.5	(0.7)	10.8
Nasdaq CI	22,900.6	0.1	18.6
S&P 500	6,734.1	(0.1)	14.5
SX5E	5,693.8	(0.9)	16.3
FTSE 100	9,698.4	(1.1)	18.7
Nikkei 225	50,376.5	(1.8)	26.3
Shanghai CI	3,990.5	(1.0)	19.1
HSI	26,572.5	(1.8)	32.5
STI	4,546.1	(0.7)	20.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,642.3	(7.9)
Value traded (RM m)	2,682.9	(3.4)
Gainers	462	
Losers	632	
Unchanged	576	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TANC	0.955	1.1	73.1
GENM	2.370	0.9	55.5
ZETRIX	0.845	(0.6)	52.2
IAB	0.900	(10.9)	39.4
PHRM	0.260	0.0	39.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAM	5.170	0.2	146.5
GENM	2.370	0.9	130.9
CIMB	7.530	(0.5)	94.5
SDG	5.380	(0.4)	92.9
MAY	9.930	(0.2)	90.4

Currencies	Last Close	% Chg
USD/MYR	4.132	(0.1)
USD/JPY	154.550	0.0
EUR/USD	1.162	(0.1)
USD/CNY	7.099	(0.0)
US Dollar Index	99.299	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	64.4	2.2
Gold (USD/troy oz)	4,084.1	(2.1)
CPO (MYR/metric t)	4,100.0	0.3
Bitcoin (USD/BTC)	96,045.1	1.1

Source: Bloomberg

Macro News

US: Trump cuts tariffs on beef, coffee and other foods as inflation concerns mount

US President Donald Trump on Friday rolled back tariffs on more than 200 food products, including such staples as coffee, beef, bananas and orange juice, in the face of growing angst among American consumers about the high cost of groceries. The new exemptions — which took effect retroactively at midnight on Thursday — mark a sharp reversal for Trump, who has long insisted that the sweeping import duties he imposed earlier this year are not fuelling inflation. "They may in some cases" raise prices, Trump said of his tariffs when asked about the move aboard Air Force One on Friday evening. But he insisted that overall, the US has "virtually no inflation". (*Reuters*)

US: Weapons makers have 'conned' US military into buying expensive equipment, Army Secretary says

Large defence companies have "conned" the US military into buying expensive equipment when cheaper commercial options would have been available, US Army Secretary Dan Driscoll said. Government accountability advocates and some lawmakers have long argued that defence contractors have overcharged the military. But Driscoll's comments were unusually blunt for a sitting government official speaking out against companies that supply the largest military in the world. Large weapons makers provide the US military with all types of systems, from Lockheed Martin's F-35 fighter jets to missile defence systems from companies like RTX, Northrop Grumman and Boeing. *(Reuters*)

CN: Vows to boost consumption, better balance demand and supply

China's cabinet pledged on Friday to boost consumption by better aligning supply with demand and relying on consumption upgrades to drive industrial upgrades, according to a meeting readout aired by state broadcaster CCTV. The cabinet also said it would create a favourable environment for consumption, and improve consumer finance products and services. Chinese leaders have signalled a sharper shift towards supporting consumption over the next five years, as trade tensions and limited room for investment have exposed vulnerabilities. China's economy slowed further in October and structural imbalances persisted. Industrial output grew 4.9% year-on-year in October, hitting the lowest in over a year but still outpacing retail sales — a key gauge of consumption — which rose just 2.9%. (*Reuters*)

CN: To tighten oversight on new cars exported as used vehicles

China will strengthen oversight of used-car exports and strictly control the export of new cars under the guise of used vehicles, according to a notice issued by the country's commerce ministry on Friday. From the start of next year, vehicles that apply to be exported less than 180 days after they were registered will be required to submit information needed for after-sales maintenance services, the Ministry of Commerce said. Used car exporters will also be more closely scrutinised by local commerce authorities for dishonest behaviour or for failures to provide quality assurance obligations, it said. *Reuters* reported in June that China's auto industry has inflated car sales for years through a grey market that registers new cars right off the assembly line and then ships them overseas as "used" vehicles. (*Reuters*)

MY: On track for higher end-2025 growth after strong 3Q GDP, says Anwar

Malaysia's strong 5.2% gross domestic product (GDP) growth in the third quarter of 2025 (3Q2025) places the country firmly on track to achieve the higher end of the 2025 growth target of 4.0% to 4.8%, said Prime Minister Datuk Seri Anwar Ibrahim. Anwar, who is also finance minister, said with resilient domestic demand, a stable labour market, and continued investments in high-growth high-value sectors, the country is building a solid foundation for sustained economic momentum through the rest of the year. "Malaysia's economy expanded in 3Q2025 by 5.2% versus 4.4% in the second quarter of 2025 (2Q2025), driven by robust performance across all sectors. Resilient domestic demand continued to anchor growth despite lingering external headwinds and global uncertainties," he said in a statement on Saturday. (*Bernama*)

MY: Moratorium on raw rare-earth element exports aimed at supporting midstream industry development, Parliament hears

The government has decided to impose a moratorium on the export of raw rare-earth elements (REE) for a short-term phase from 2025 to 2027 to support the development of the midstream industry. The Ministry of Natural Resources and Environmental Sustainability (NRES) said that at the same time, discussions are being actively conducted with various local and international parties to ensure local processing plants for REE purification and separation, REE metal or alloy production plants, as well as super magnet manufacturing facilities are set up in Malaysia. "Government-linked companies are encouraged to participate in this effort to ensure the transfer of technology and the development of local expertise," the ministry said in a written reply published on the Parliament website on Thursday. (*Bernama*)

EU: Pushes to centralise oversight of region's crypto businesses

The European Union's (EU) executive arm is pressing for its markets regulator to get new powers to oversee all crypto businesses operating in the bloc, a move that could upend years of work by national watchdogs and businesses to regulate the industry. Draft plans circulated by EU officials ahead of an announcement next month propose the European Securities and Markets Authority (ESMA) as the direct supervisor for all cryptoasset service providers. It would also become responsible for authorising new businesses. Currently, crypto firms are required to gain authorisation in at least one member state, under the EU's 2023 Markets in Cryptoassets (MiCA) rules. Once granted, that permission allows companies to "passport" their services across the bloc. After years of work by local regulators and companies to get the new process in place, the implementation window is due to end next year. (*Bloomberg*)

Corporate News

ABMB: Launches Innovation Impact Lab to support SME sustainability, tech adoption

Alliance Bank Malaysia Bhd has launched the Innovation Impact Lab, a cross-sector platform that aims to help accelerate sustainable and technology-driven growth among small and medium enterprises (SMEs). The Innovation Impact Lab is set up to bring the government, academia and the financial sector together to create a structured platform where SMEs can test solutions, validate ideas, access funding pathways and tap into expert networks to scale their businesses, according to the bank's statement. The platform is developed in partnership with Cradle Fund Sdn Bhd and Monash University Malaysia. (*The Edge*)

CRESNDO: Sells another piece of land in Johor for RM201m, offers buyer option for second plot at RM249m

Johor-based property developer Crescendo Corp Bhd is divesting another parcel of land in the state for RM200.88 million and has granted the purchaser the right to buy an adjoining parcel worth RM249.1m. Crescendo said its wholly-owned subsidiary Crescendo Development Sdn Bhd (CDSB) has signed a conditional sale and purchase agreement (SPA) with Pioneer Real Estate Development Sdn Bhd (PRED) for the disposal of a piece of vacant industrial land measuring 40.10 acres in Kota Tinggi, Johor, for RM200.9m, according to its filing with Bursa Malaysia on Friday. Separately, CDSB also signed a right-of-first-refusal and SPA with PRED, granting the buyer the option to acquire an adjacent industrial parcel measuring 49.72 acres for RM249.1m anytime up till May 31, 2026. (*The Edge*)

ERDASAN: Backs former MD and CFO facing loss-related charges, calls them victims

Erdasan Group Bhd has thrown its weight behind former managing director Choong Lee Aun and ex-chief financial officer Yong Man Chai, who are facing charges of causing losses to the company, calling them victims of actions by former executive director Mak Siew Wei. The company filed a RM46.5m lawsuit against Mak in March 2025 in seeking to recover diverted funds, declare him a trustee of the stolen money and trace his assets. “The company is extremely perplexed why the former executives were charged, while they are the victims of Mak alongside the company. In this regard, the company fully supports their claims of innocence in the court,” Erdasan said in its filing with the stock exchange. (*The Edge*)

AZRB: Subsidiary gets two more winding-up petitions, company expects minimal impact

Ahmad Zaki Sdn Bhd (AZSB), a wholly-owned subsidiary of AZRB Bhd, has received two winding-up petitions over alleged unpaid monies. The group said in a filing with Bursa Malaysia on Friday that the petitions were filed by Perunding ZKR Sdn Bhd and Mentari Kencana Sdn Bhd, claiming that AZSB had failed to settle a sum amounting to RM5.3m. AZSB received the first petition from Perunding ZKR on October 8 over an alleged unpaid sum of RM5.2m. The second petition, from Mentari Kencana, was received on November 3 for an outstanding amount of RM109,860. (*The Edge*)

APB: Executive director Soon Boon Fei resigns less than three months into tenure

APB Resources Bhd announced the resignation of its executive director (ED) Soon Boon Fei, less than three months after his appointment. The group, in its filing with the stock exchange on Friday, said Soon resigned due to “personal reasons and other commitments”. He was appointed to the board on Aug 29. Soon, 42, has over 18 years of experience in business development, marketing and sales. Before joining APB Resources, he had held senior roles including head of business development at MHealth Management Sdn Bhd, national sales manager at Wise Ways Marketing Sdn Bhd, and business development and marketing manager at ICT Utopia Sdn Bhd. (*The Edge*)

HI: Eyes purchase of commercial vehicle assembly companies from founder for RM82.5m

HI Mobility Bhd is venturing into commercial vehicle manufacturing and assembly with its proposed acquisition of Acacia Motor Services Sdn Bhd and Handal BCM Sdn Bhd for RM82.5m through an all-shares deal. In a filing with Bursa Malaysia on Friday, the company said it has signed conditional share sale agreements to acquire both entities, which are linked to its founder and controlling shareholder Lim Han Weng and his spouse Bah Kim Lian, via the issuance of 34.4m new shares of HI Mobility at RM2.40 apiece. Lim is the founder of HI Mobility and Yinson Holdings Bhd. He is also the father of Lim Chern Chuen, who is the executive director cum chief executive officer of HI Mobility. *(The Edge)*

TCHONG: To rent assembly lines to Perodua for EV project

Tan Chong Motor Holdings Bhd has signed a letter of intent (LOI) with Perusahaan Otomobil Kedua Sdn Bhd (Perodua) to rent out some of its assembly lines for the national carmaker’s upcoming electric vehicle (EV) project. In a bourse filing on Friday, the group said the LOI was signed by its 70%-owned subsidiary Tan Chong Motor Assemblies Sdn Bhd and Perodua’s wholly-owned subsidiary Perodua Sales Sdn Bhd. Tan Chong Motor Assemblies will be responsible for providing ED (electro deposition) coating, which is used to prevent corrosion for EV parts, and painting line services, as well as rental and use of designated assembly lines to Perodua. *(The Edge)*

TROP: Raises RM300m via sukuk to fund projects

Tropicana Corp Bhd has issued a RM300m tranche under its 2024 Islamic medium-term note (IMTN) programme to fund its township projects and support expansion next year. In a statement on Friday, the group said the tranche had been increased from RM200m due to strong demand and oversubscription, mainly by government-linked investors. Tropicana said the issuance supports its plans to strengthen financial management and drive growth. *(The Edge)*

TENAGA: Wins court nod to enforce RM73m arbitration award against Sinohydro

The High Court here has granted Tenaga Nasional Bhd or TNB permission to enforce a RM73.4m arbitration award against China's Sinohydro Corp Ltd and its Malaysian unit Sinohydro Corp (M) Sdn Bhd over performance failures at a power plant project in Selangor. Judicial Commissioner Rajesh Raghavi ruled in favour of TNB's bid to enforce the arbitration tribunal award and dismissed both Sinohydro companies' applications to set it aside, saying the challenge amounted to "an appeal in disguise" against the tribunal's findings. The arbitration stemmed from Sinohydro's construction of a power plant at Connaught Bridge that allegedly failed to meet the guaranteed net heat rate, which is a contractual performance benchmark that measures plant efficiency. *(The Edge)*

Upcoming key economic data releases	Date
US Building Permits	Nov 19
US Housing Starts	Nov 19
US FOMC Minutes	Nov 20
US Existing Home Sales	Nov 20
Source: Bloomberg	

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Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
REXIT	Technology	0.52	0.05	9.71
Taliworks Corporation	Utilities	0.53	0.05	9.52
British American Tobacco (M)	Consumer	4.55	0.43	9.38
Bermaz Auto	Consumer	0.57	0.05	8.67
MBM Resources	Consumer	5.18	0.42	8.07
Sentral REIT	REIT	0.79	0.06	7.90
KIP REIT	REIT	0.89	0.07	7.64
CapitaLand Malaysia Trust	REIT	0.63	0.05	7.36
Ta Ann Holdings	Plantation	4.19	0.31	7.30
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
YTL Hospital REIT	REIT	1.11	0.07	6.67
Sports Toto	Consumer	1.40	0.09	6.64
RHB Bank	Finance	6.88	0.45	6.53

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		
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
Foodie Media Berhad	ACE Market	0.30	138.0	112.0	19 Nov	28 Nov
PSP Energy Berhad	ACE Market	0.16	213.8	74.8	21 Nov	04 Dec
BMS Holdings Berhad	ACE Market	0.22	364.0	156.0	19 Nov	08 Dec

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