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 (0.7%) at 1,748.5 points on Wednesday, in line with most regional markets, as lower oil prices eased inflationary pressure and improved risk appetite, with buying interest mainly focused on YTL-related and banking counters. Utillities (+3.5%), Technology and Construction (+1.2%) led sectoral gains, driven by YTL Power (+9.9%), YTL Corp (+6.6%) and Petronas Dagangan (+2.6%). Market breadth, however, was Bullish, with 776 gainers ahead of 463 losers, while 586 counters closed unchanged.

Asian markets closed bullish on Wednesday as oil prices have fallen further on renewed hopes of the Strait of Hormuz, a vital passage for almost 20% of global energy supply, reopening. South Taiwan's TAIEX led regional gain, 1.5% to 45,832.6, followed by South Korea's KOSPI, which gain by 1.0% to 6,808.2, Japan's Nikkei 225 by 0.6% to 66,262.3, China's Shanghai Composite gain by 0.6% to 3,912.5 and Hong Kong's Hang Seng gain by 0.6% to 25,653.0. In Taiwan gain were led by Process Industries (+4.5%), Technology Services (+3.2%) and Health Technology (+3.2%) driven Lydsec Digital (+35.00%), WaveSplitter (+19.7%) and Bison Electronics (+16.0%), while South Korea saw Industrial Services (+5.4%), Utilities (+4.1%) and Retail Trade (+3.5%) led the gain, with Enplus (+900.0%), Daeho AI (+400.0%) and E-WORLD (+29.9%) among the top performers.

European stocks closed slightly higher on Wednesday as gains in financials offset weakness elsewhere. The Euro STOXX 50 rose 0.2% to 6,471, while the STOXX Europe 600 edged higher to 656.4. Deutsche Bank (+4.3%) led financials after launching its €500 m share buyback, while UniCredit (+2.5%) advanced ahead of CEO Andrea Orcel's meeting with Germany's finance minister. Safran and Rheinmetall gained over 2.0%, while SAP (-3.0%) fell following weak signals from Intuit earnings in the US.

Wall Street closed mixed on Wednesday ahead of Nvidia's earnings report. The S&P 500 was near flat, the Nasdaq CI edged higher, while the Dow fell 113 points. Technology stocks mostly advanced, with Nvidia (-1.6%), Microsoft (+0.9%), Meta (+1.1%), Micron (+0.6%), and AMD (+0.4%) in focus ahead of Nvidia's results. Intuit (-3.2%) declined after its outlook fell short of expectations, while stronger consumer spending and higher PCE readings reinforced expectations for a restrictive Fed. Meanwhile, in extended trading US stock futures climbed after Nvidia delivered a bullish sales outlook, signaling that artificial intelligence-driven demand could remain strong through 2028. Nasdaq 100 futures jumped 1%, while Dow and S&P 500 futures each gained around 0.5% Nvidia surged more than 4% after delivering better-than-expected Q2 results and a bullish sales outlook, signalling that AI-driven demand could remain strong through 2028.

Macro Snapshots

- **US:** Inflation remains sticky in July; 2Q GDP unrevised at 1.5%
- **CN:** Quality, effectiveness of financial services in focus
- **JP:** BOJ chief Ueda to skip Jackson Hole, shifts market focus to G20
- **MY:** Higher production costs seen to weigh on inflation

Corporate Snapshots

- **UOADEV:** 2Q profit up 4% as higher taxation weighs on gains
- **PMW:** Bags additional RM19.31m TNB contract; 2Q net profit at RM4.99m
- **LSH:** 3Q profit drops 42.7% on lower revenue, margin compression
- **KEYFIELD:** Buys mega dredger for US$25m, ventures into dredging biz

Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,748.5	0.7	4.1
Dow Jones	53,463.9	(0.2)	11.2
Nasdaq CI	26,130.2	(0.1)	12.4
S&P 500	7,675.7	0.0	12.1
SX5E	6,470.7	0.2	11.7
FTSE 100	10,878.1	(0.1)	9.5
Nikkei 225	66,262.2	0.6	31.6
Shanghai CI	3,912.5	0.6	(1.4)
HSI	25,653.0	0.6	0.1
STI	5,721.6	(0.2)	23.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,173.1	15.6
Value traded (RM m)	4,230.9	39.2
Gainers	776	
Losers	463	
Unchanged	586	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NATGATE	1.700	14.1	172.1
ZETRIX	0.660	0.8	104.8
OPPSTAR	0.810	15.7	94.0
NHR	0.180	24.1	65.5
VSI	0.225	2.3	55.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
NATGATE	1.700	14.1	293.8
MAY	10.720	1.5	240.2
YTLPWR	N/A	N/A	NA
PBK	5.150	1.0	147.0
KPJ	2.700	(3.6)	139.2

Currencies	Last Close	Daily chg %
USD/MYR	4.026	0.4
USD/JPY	159.310	(0.1)
EUR/USD	1.165	(0.2)
USD/CNY	6.722	0.0
US Dollar Index	99.132	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	87.3	(1.4)
Gold (USD/troy oz)	4,593.1	(1.4)
CPO (MYR/metric t)	4,639.0	0.2
Bitcoin (USD/BTC)	78,401.4	0.3

Source: Bloomberg

Macro News

US: Inflation remains sticky in July; 2Q GDP unrevised at 1.5%

Annual US inflation unexpectedly held steady in July well above the Federal Reserve's 2% target for the 65th straight month, and the pause in the decline from a recent Iran-war induced peak is likely to add to the central bank's tense debate over whether interest rates should be lifted or held steady. The Personal Consumption Expenditures Price Index increased 3.7% in the 12 months through July unchanged from June, the Commerce Department's Bureau of Economic Analysis said on Wednesday. Economists polled by Reuters had forecast a reading for PCE, which the Fed uses to set its target, of 3.6%. *(Reuters*)

US: IMF chief urges govts to tackle rising fiscal risks

As the global economy faces mounting pressures, International Monetary Fund (IMF) Managing Director Kristalina Georgieva urged governments to address growing fiscal challenges and central bankers to stay committed to lowering inflation. “All countries need to tackle their fiscal problems and formulate and present credible plans to ensure their debt and deficits are on sustainable path,” Georgieva told reporters in prepared remarks Tuesday at the lender’s Washington-based headquarters. “Central banks must be laser focused on their price stability mandates,” she added. *(Reuters*)

US: Consumer Spending Eases Less Than Expected

US personal spending increased by $36.3bn, or 0.2%, in July 2026 from the previous month, slowing from a 0.3% gain in June but exceeding expectations for a 0.1% increase, as an increase in services spending was partially offset by a decline in spending of most goods. Goods spending decreased $49.9bn, driven by a lower spending on gasoline and other energy goods (down $14bn), recreational goods and vehicles (down $13.6bn), motor vehicles and parts (down $9.4bn) and furnishings and durable household equipment (down $3.8bn). *(U.S. Bureau of Economic Analysis*)

US: Durable Goods Orders Growth Beats Forecasts

New orders for US-manufactured durable goods rose by 1.1% month-over-month to $339.3bn in July 2026, following an upwardly revised 0.5% increase in June and overshooting market forecasts of a 0.5% gain. This marked the strongest increase since April, mainly due to higher orders for transportation equipment (2.3%), primarily nondefense (12.7%) and defense aircraft and parts (4.9%). Solid gains were also seen for capital goods (1.3%), primary metals (1.5%) and machinery (1.2%). *(U.S. Census Bereau*)

US: Mortgage Rates Hold Near One-Year Highs

The average contract rate for a 30-year fixed mortgage in the US edged up to 6.78% in the week ending August 21, 2026, from 6.77% the previous week, remaining near the one-year highs reached in late July, according to the Mortgage Bankers Association. The increase followed a rise in Treasury yields as persistent inflation concerns continued to weigh on bond markets, despite the US Treasury Department’s unexpected announcement of a larger bond buyback last week, which had been expected to support demand for government debt. *(Trading Economics*)

CN: Quality, effectiveness of financial services in focus

Chinese lawmakers have proposed making it a legislative goal to improve the quality and effectiveness of financial services in the real economy as part of a major overhaul of the country's banking supervision and administration law. The Constitution and Law Committee of the National People's Congress reported to the NPC Standing Committee on Tuesday on revisions to the draft amendment to the law and recommended that the draft be submitted to the 24th session of the 14th NPC Standing Committee for further deliberation. The overhaul would be the most extensive revision to the law since it took effect on Feb 1, 2004. (*China Daily*)

JP: Energy plan includes backing pipelines to bypass Hormuz

Japan plans to support the construction of pipelines that bypass the Strait of Hormuz after the US-Iran war laid bare the country’s vulnerability to disruptions in Middle Eastern oil supplies. The plan is part of a new energy strategy that’s aimed at strengthening supply security, according to documents from Japan’s Cabinet Office on Wednesday. Other measures include diversifying oil procurement sources and providing support with shipping costs, the documents show. (*Bloomberg*)

JP: BOJ chief Ueda to skip Jackson Hole, shifts market focus to G20

Bank of Japan (BOJ) board member Naoki Tamura will attend the US Federal Reserve's annual gathering in Jackson Hole, Wyoming, this week on behalf of governor Kazuo Ueda, the central bank said on Wednesday. Ueda will not attend the conclave this week due to scheduling conflicts, the BOJ said. There will be no media opportunity for Tamura during the meeting, it said. (*Reuters*)

SK: Chip windfall fund to back long-term growth, not welfare spending — official

A new South Korean fund fuelled by record tax windfalls from a semiconductor boom would finance projects over a three- to four-year period, rather than recurring spending like welfare programmes, a presidential official said on Wednesday. The Future Response Fund will be used both to support long-term growth projects and help stabnise public finances against swings in tax revenue, the official said. *(Reuters*)

MY: Higher production costs seen to weigh on inflation

Inflation is expected to face modest upward pressure in the coming months, although targeted subsidies and subdued demand-driven price pressures should prevent a broad-based acceleration. With consumer price index (CPI) remaining broadly manageable at around 2%, Bank Negara Malaysia is likely to keep the overnight policy rate (OPR) at 2.75% through 2026. *(The Star*)

MY: Miti to drive low-altitude economy development

The Investment, Trade and Industry Ministry or Miti will implement the Unmanned Valley Ecosystem pilot project to drive the development of the low-altitude economy (LAE). LAE refers to economic activities and public services conducted within a low-altitude airspace ecosystem using technologies such as drones, advanced air mobnity, air logistics, infrastructure inspection, smart farming, and emergency services. *(The Star*)

Corporate News

MEDIAC: Posts wider 1Q net loss on continued demand slowdown, rising costs

Kuala Lumpur Kepong Bhd slipped into the red in its latest quarterly results after making a massive RM1.62bn impairment charge to slash the carrying value of its investment in loss-making UK-listed specialty chemicals associate Synthomer plc to reflect its depressed market valuation. The non-cash and non-operational accounting adjustment is to "decisively remove recurring and uncertain drag on KLK's earnings ahead, with no expected impact on cash flow and dividend outlook", the plantation giant said in a statement on Monday. *(The Edge*)

UOADEV: 2Q profit up 4% as higher taxation weighs on gains

UOA Development Bhd's net profit for the second quarter edged up 4.2%, despite a surge in revenue, as higher taxation offset gains. Net profit for the three months ended June 30, 2026 (2QFY2026), rose to RM95.59m from RM91.71m a year earlier, according to the developer's bourse filing on Wednesday. Earnings per share rose to 3.60 sen from 3.50 sen. *(The Edge*)

MNHLDG: 4Q profit nearly doubles on strong substation segment, impairment reversal

MN Holdings Bhd, an infrastructure utilities construction and engineering company, saw its net profit nearly double in its recently closed financial quarter on a strong showing from its substation engineering segment, coupled with a reversal of impairment losses. Net profit for the fourth quarter ended June 30, 2026 (4QFY2026) surged 98.8% to RM23.98 m from RM12.06 m a year earlier, according to the group's bourse filing on Wednesday. *(The Edge*)

PMW: Bags additional RM19.31m TNB contract; 2Q net profit at RM4.99m

PMW International Bhd has secured an additional RM19.31m contract from Tenaga Nasional Bhd to supply spun concrete poles, raising the total value of its contracts with the utility firm to RM83.68m. The optional contract was awarded to its wholly-owned subsidiary PMW Concrete Industries Sdn Bhd on Aug 25, the concrete products manufacturer said in a filing on Wednesday. *(The Edge*)

LSH: 3Q profit drops 42.7% on lower revenue, margin compression

Property developer and construction firm Lim Seong Hai Capital Bhd posted a 42.7% drop in third-quarter net profit amid margin compression and lower revenue recognition from its LSH Segar project that was nearing completion. Higher costs and increased credit loss allowances also weighed on its earnings for the three months ended June 30 (3QFY2026), which fell to RM14.97m from RM26.12m a year earlier, its bourse filing showed. Quarterly revenue dropped 7.5% to RM112.73 m from RM121.88 m.. *(The Edge*)

CBHB: Wins RM60m data centre electrical works contract in Johor

CBH Engineering Holding Bhd has secured a RM59.61m work order for electrical infrastructure works at a data centre in Johor. Its unit CBH Engineering Sdn Bhd (CBHESB) was awarded the contract by a private company on Wednesday, CBH said in a filing with Bursa Malaysia. It did not identify the customer, citing a non-disclosure agreement. CBH did share that the customer is principally involved in providing infrastructure for hosting and data processing services. *(The Edge*)

IGBB: 2Q profit nearly doubles on broad segment improvements, associate's land disposal

IGB Bhd logged a near twofold rise in net profit for the second quarter, driven by broad improvement across the group's segments, as well as a one-off overseas land disposal by an associate. Net profit for the three months ended June 30, 2026 (2QFY2026) rose 94.7% to RM146.66m from RM75.33m a year earlier, according to the group's bourse filing on Wednesday. Earnings per share rose to 7.37 sen from 3.78 sen. *(The Edge*)

KEYFIELD: Buys mega dredger for US$25m, ventures into dredging biz

Keyfield International Bhd is venturing into the dredging industry through the acquisition of a mega trailing suction hopper dredger (TSHD) at a price 61% below its independently assessed fair-market value. The offshore support vessel operator on Wednesday entered into a deal with Inai Rimba Sdn Bhd, which has receivers and managers appointed, to acquire the 10-year-old Inai Kenanga on an "as-is, where-is" basis for US$24.67m (RM99.7m), according to the group's filing with Bursa Malaysia. *(The Edge)*

KPJ: Drops further, RM1.9bn market cap wiped out in three trading days as president steps down

KPJ Healthcare Bhd extended its losses on Wednesday, as its shares fell as much as 4.3% or 12 sen to RM2.68, their lowest since early January. At market close, KPJ Healthcare pared some losses to close 10 sen or 3.57% lower at RM2.70, making it among the top decliners (by value) on Bursa Malaysia. At RM2.70, the healthcare group, in which Johor Corp controls a 45.2% stake, is valued at RM11.95bn *(The Edge)*

MAHSING: Expands Ampang footprint with RM186 m land acquisition

Mah Sing Group Bhd is expanding its presence in Ampang through the acquisition of 14.3775 acres of land for RM186.17m, according to a statement on Wednesday. Located opposite AEON BiG Ampang, the site marks the group's third project in the area following M Suites and M City. The acquisition comprises three adjoining land parcels. The site is predominantly freehold, with 1.983 acres currently held under leasehold tenure. Mah Sing intends to apply to convert the leasehold parcel to freehold status, subject to authority approvals. *(The Edge)*

IJM: Unit secures semiconductor and medical technology projects worth RM909.5 m

IJM Corporation Bhd's wholly owned subsidiary, IJM Construction Sdn Bhd, has secured two fast-track semiconductor and medical technology projects worth a combined RM909.5m for its contract wins in the financial year ending March 31, 2027 (FY2027). One project is a RM455m contract for the civil, structural and architectural works of an automated storage and retrieval system (ASRS) warehouse for a multinational technology company's semiconductor facility in Kulim, Kedah. *(Bernama)*

PBBANK: 2Q net profit rises nearly 4%, declares 10.5 sen dividend

Public Bank Bhd saw its net profit rise 3.7% year-on-year in the second quarter ended June 30, 2026 (2QFY2026), as higher non-interest income more than offset increased impairment charges. The country's third-largest bank by total assets recorded net profit of RM1.82bn for 2QFY2026, up RM64.4m from RM1.76bn a year earlier, while revenue increased 3.5% to RM7.61bn from RM7.35bn. *(The Edge)*

Upcoming key economic data releases	Date
S&P Global Manufacturing PMI (Aug)	Sept 1
ISM Manufacturing Prices (Aug)	Sept 1
ISM Manufacturing PMI (Aug)	Sept 1
JOLTS Job Openings (Jul)	Sept 1
ADP Nonfarm Employment Change (Aug)	Sept 2
Initial Jobless Claims	Sept 3
S&P Global Services PMI (Aug)	Sept 3
ISM Non-Manufacturing Prices (Aug)	Sept 3
ISM Non-Manufacturing PMI (Aug)	Sept 4
Average Hourly Earnings (MoM) (Aug)	Sept 4
Nonfarm Payrolls (Aug)	Sept 4
Unemployment Rate (Aug)	Sept 4
Source: Investing.com	

Research Team
research@mersec.com.my

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.68	0.06	9.41
CapitaLand Malaysia Trust	REIT	0.59	0.05	8.81
MBM Resources	Consumer	4.96	0.43	8.75
Bermaz Auto	Consumer	0.94	0.08	8.72
YTL Hospital REIT	REIT	1.01	0.09	8.71
KIP REIT	REIT	0.85	0.07	8.71
Sports Toto	Consumer	1.36	0.10	7.43
Paramount Corporation	Property	1.01	0.07	7.23
TIME dotCom	Telco	6.01	0.40	6.64
Al-Salam REIT	REIT	0.61	0.04	6.56
UOA Development	Property	1.65	0.11	6.42
Al-Aqar Healthcare REIT	REIT	1.16	0.07	6.38
Ta Ann Holdings	Plantation	6.11	0.39	6.32
MAG Holdings	Consumer	1.28	0.08	6.25
Magnum	Consumer	1.28	0.08	6.25

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		
GTA Holdings Berhad	ACE Market	0.35	205.00	124.00	26 Aug	8 Sept
United Asiapac Energy Berhad	ACE Market	0.35	139.22	-	5 Aug	14 Sept
Butterfield FB Berhad	ACE Market	0.48	150.00	72.00	2 Sept	15 Sept
Pioneer Heat Holdings Berhad	ACE Market	0.25	86.70	17.35	3 Sept	17 Sept

Source: Bursa Malaysia

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 reliabnity 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 simar 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 liabnity 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 report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibnity 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