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Daily Newswatch

Market Review

The FBM KLCI closed marginally lower (-0.4%) at 1,741.7 points on Thursday, as investors digested a slew of corporate earnings, while the broader market remained mixed. Construction (+1.3%), Energy (+1.3%) and Technology (+1.2%) led sectoral gains, driven by Hong Leong (+3.8%), Gamuda (+2.0%) and Telekom (+1.5%). Market breadth, however, was Bullish, with 609 gainers ahead of 590 losers, while 577 counters closed unchanged.

Asian markets closed Mixed on Thursday as central bank hiked its key rate by a quarter percentage point, as expected, to combat inflation and support the peso, while South Korean and Taiwan equities closed higher on Nvidia results. South Korea's KOSPI led regional gain, 1.5% to 6,912.4, followed by China's Shanghai, which gain by 1.1% to 3,956.6, Taiwan's TAIEX by 0.6% to 66,262.3, Japan's Nikkei 225 loss by 0.2% to 66,132.0 and Hong Kong's Hang Seng lose by 0.3% to 25,565.7. In South Korea gain were led by Producer Manufacturing (+3.5%), Electronic Technology (+2.3) and Process Industries (+2.4%) driven KUKYOUNG G&M (+904.1%), ChoA Pharmaceutical (+385.5%) and WooDeumGee Farm (+376.2%), while China saw Electronic Technology (+3.9%), Technology Services (+2.6%) and Process Industries (+2.5%) led the gain, with Novaray Corporation (+20.00%), DapuStor (+20.00%) and Shanghai (+20.00%) among the top performers.

European stocks closed sharply lower on Thursday amid pressure from banks and industrial stocks. The Euro STOXX 50 fell 0.75% to 6,422, while the STOXX Europe 600 dropped 0.7% to 651.8. Banks declined, led by UniCredit (-3.2%) and BNP Paribas (-5.0%), while Santander, ING, and BBVA fell over 2.0%. Safran and Airbus dropped over 1.0%, while AI infrastructure stocks also declined despite strong Nvidia results, with ASML and Siemens Energy both falling close to 1.0%.

Wall Street closed higher on Thursday as strong Nvidia results boosted technology stocks. The S&P 500 rose 0.7%, the Nasdaq CI gained 1.6%, and the Dow added 105 points. Nvidia (+8.7%) surged after strong AI demand drove its forecast for a 70% increase in revenue next fiscal year, supporting Broadcom (+4.5%), Intel (+4.4%), Microsoft (+1.7%), and Oracle (+2.1%). Software stocks also rallied, with Palantir (+4.7%), Salesforce (+22.6%), CrowdStrike (+20.5%), and Palo Alto (+12.8%) higher, while elevated long-term yields kept broader sectors under pressure.

Macro Snapshots

- **US:** Inflation remains sticky in July; 2Q GDP unrevised at 1.5%
- **US:** Mortgage Rates Edge Higher
- **CN:** Industrial profit growth cools as AI-linked sectors outpace
- **EU:** ECB Sees Future Hike as Likely as Inflation Risks Persist
- **MY:** Business confidence rebounds in 3Q — DOSM
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Corporate Snapshots

- **SUNWAY:** 2Q profit rises 17% as property, healthcare offset construction slowdown
- **IOIPG:** Doubles FY2026 dividend to 16 sen despite 4Q profit decline
- **IHH:** 2Q Profit up 29% on demand and patient mix, declares 5.5 sen dividend
- **PMETAL:** Logs best-ever quarterly earnings, declares 2.5 sen dividend

Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,741.7	(0.4)	3.7
Dow Jones	53,569.4	0.2	11.5
Nasdaq CI	26,541.4	1.6	14.2
S&P 500	7,731.0	0.7	12.9
SX5E	6,424.7	(0.7)	10.9
FTSE 100	10,792.5	(0.8)	8.7
Nikkei 225	66,132.0	(0.2)	31.4
Shanghai CI	3,956.6	1.1	(0.3)
HSI	25,565.7	(0.3)	(0.3)
STI	5,684.1	(0.7)	22.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,859.1	(7.5)
Value traded (RM m)	3,467.3	(18.0)
Gainers	609	
Losers	590	
Unchanged	577	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZETRIX	0.595	(9.8)	257.6
NHR	0.200	11.1	64.4
NATGATE	1.810	6.5	59.2
JAK	0.125	0.0	58.2
ECOSHOP	1.450	(0.7)	57.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	10.620	(0.9)	226.6
PBK	5.000	(2.9)	224.8
ZETRIX	0.595	(9.8)	159.8
YTLPWR	N/A	N/A	N/A
NATGATE	1.810	6.5	105.1

Currencies	Last Close	Daily chg %
USD/MYR	4.033	(0.2)
USD/JPY	159.380	0.0
EUR/USD	1.165	0.0
USD/CNY	6.720	0.0
US Dollar Index	99.136	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	89.5	1.9
Gold (USD/troy oz)	4,604.4	0.3
CPO (MYR/metric t)	4,623.0	0.7
Bitcoin (USD/BTC)	79,996.3	2.0

Source: Bloomberg

Macro News

US: Jobless claims dip in latest week; goods trade deficit widens in July

The number of Americans filing new claims for unemployment benefits fell for a second straight week while the overall number of people on jobless relief rolls slid to the lowest level in a month, suggesting the labour market remains stable despite a surprise drop in employment in July. Meanwhile, the US trade deficit in goods, which President Donald Trump is trying to reduce through his aggressive use of tariffs on imported goods, was the widest in 16 months in July as exports fell for a third straight month and capital goods imports surged on the back of the artificial intelligence build-out. *(Reuters)*

US: Mortgage Rates Edge Higher

US 30-year fixed mortgage rates averaged 6.66% as of August 27th, 2026, slightly up from 6.65% in the prior week. "Mortgage rates changed little this week averaging 6.66%," said Sam Khater, Freddie Mac's Chief Economist. The economy remains resilient, supported by steady consumer spending and rising household incomes, while increased housing supply and slower price growth in many areas are giving buyers more options and helping create a more balanced housing market. A year earlier, the 30-year fixed-rate mortgage averaged 6.56%. Meanwhile, the 15-year fixed-rate mortgage averaged 5.98%, up from 5.95% in the previous week. *(Freddie Mac)*

US: Oil Fluctuates on Thursday

Crude oil traded around $82 a barrel on Thursday after three consecutive sessions of losses, as markets weighed improving supply prospects through the Strait of Hormuz against growing disruptions to Russian energy exports. Iran's military said it had reached a revenue-sharing agreement with Oman over the strategic waterway, raising hopes that shipping disruptions could ease. However, Tehran stressed that the arrangement does not guarantee an immediate reopening of the strait, keeping uncertainty elevated. Saudi Arabia also appears to be increasing oil loadings from Persian Gulf terminals as it seeks alternatives to routes exposed to Houthi attacks in the Red Sea. *(Trading Economics)*

US: Goods Trade Deficit Largest Since March 2025

The US goods trade deficit widened to $118.8bn in July 2026 from $101.4bn in June, according to preliminary data. It was the largest deficit since March 2025, when it reached a record $158.7 bn. Imports rose 3.7% to a 16-month high of $318.2bn, driven by higher purchases of capital goods (11.3%) and consumer goods (0.1%), which more than offset declines in industrial supplies (-3.9%), automotive vehicles (-1.6%), and foods, feeds, and beverages (-0.9%). *(U.S. Census Bureau)*

CN: Industrial profit growth cools as AI-linked sectors outpace

China's industrial firms reported slower profit growth in July, with export-focused sectors riding the global AI boom, while industries reliant on domestic demand remained under pressure. Weakening demand at home has strained a broader recovery in the US$20tn economy, and external uncertainties including trade tensions and geopolitical risks continue to cloud the outlook, pressuring margins and profitability. (*Reuters*)

EU: ECB Sees Future Hike as Likely as Inflation Risks Persist

All ECB policymakers agreed to leave rates unchanged at the July meeting, following the first rate hike since 2023 in June, citing elevated uncertainty and the fact that the full inflationary impact of the energy shock had yet to emerge, according to the latest minutes. However, some said they would not have opposed another hike, noting that the likelihood of further tightening becoming unnecessary remained low. Policymakers saw upside risks to inflation and downside risks to growth from geopolitical developments in the Middle East and the Russia-Ukraine war, while stressing that communication should remain clear to avoiding any pre-commitment to a September move. *(European Central Bank)*

JP: Yen rescue has echoes of Asian financial crisis, ex-FX diplomat says

Japan's latest effort to prop up the yen revives memories of the Asian financial crisis, with the operation bearing little resemblance to traditional coordinated interventions, former top currency diplomat Naoyuki Shinohara said on Thursday. In announcing this month that Washington had joined Tokyo's efforts to arrest yen declines, US Treasury Secretary Scott Bessent encouraged Japan to use dollar swap lines rather than sell US Treasuries to finance future intervention. (*Reuters*)

JP: Home prices dip, snap longest growth run since 2018

Hong Kong home prices eased in July, ending the longest winning streak since 2018, underscoring weakening sentiment in the residential market. The price index for private domestic homes slid 0.5% in July from a month earlier, according to figures released by the Rating and Valuation Department on Thursday. That snaps a 13-month streak of gains. The index is still up 7.3% from the end of last year through July. (*Bloomberg*)

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SK: BOK delivers back-to-back rate hikes, remains hawkish

The Bank of Korea (BOK) on Thursday raised its benchmark interest rate by a quarter percentage point to 3.00%, as expected, delivering a second straight increase as inflation stays above target and financial stabnity risks persist. The seven-member monetary policy board at the BOK voted to raise the seven-day repurchase rate to the highest level since February 2025, a decision predicted by 18 of 35 economists surveyed in a Reuters poll. *(Reuters)*

MY: Business confidence rebounds in 3Q — DOSM

Malaysian businesses turned more optimistic about the third quarter of 2026 (3Q2026), with confidence improving across all major sectors, according to the Department of Statistics Malaysia (DOSM). The overall confidence indicator rose to 5.9% from negative 1.8% in the previous quarter, reflecting stronger expectations for domestic and external economic activity, DOSM said in a statement on Thursday. Industry recorded the strongest improvement, with its confidence indicator rising to 8.2% from negative 3.7% in 2Q2026. *(The Edge)*

Corporate News

NEXG: Swings into the red in 1Q on fair value loss, weaker demand for passport and smart cards

NexG Bhd, Malaysia's sole supplier of MyKad identity cards and passport booklets, swung to a net loss of RM2.82m for the quarter ended June 30, 2026 (1QFY2027), from a net profit of RM64.88m a year earlier. This was mainly due to a fair value loss on other investments and lesser supply of smart cards and passports *(The Edge)*

TENAGA: 2Q profit drops 23% on forex losses despite stronger electricity sales, declares 25 sen dividend

Tenaga Nasional Bhd saw its earnings decline more than 23%, dragged by foreign exchange losses. Lower taxation partly cushioned the impact. Net profit for the quarter ended March 31, 2026 (2QFY2026) stood at RM888.8m, compared with RM1.16bn a year ago, the utility giant said in a bourse filing. *(The Edge)*

INARI: Fire incident, lower revenue drag Inari Amertron's 4Q profit to 14-year low

Inari Amertron Bhd posted its worst results in 14 years as a fire incident and lower revenue sent earnings at the semiconductor firm down 88% in the recently-ended quarter. Net profit for the three months ended June 30, 2026 (4QFY206) was RM6.15m, the lowest since the final quarter of FY2012. The company booked provisions totalling RM41.9m for write-off of property, plant, equipment, inventories and other costs related to its Philippines plant. *(The Edge)*

SUNWAY: 2Q profit rises 17% as property, healthcare offset construction slowdown

Conglomerate Sunway Bhd saw its second-quarter net profit rise 17%, as stronger performances from its property development and healthcare businesses more than offset a sharp decline in construction revenue. Net profit for the three months ended June 30, 2026 (2QFY2026) increased 16.7% to RM318.59m from RM272.95m a year earlier, while revenue rose 13.4% to RM2.91 bn from RM2.56 bn, according to its Bursa Malaysia filing on Thursday. *(The Edge)*

BJFOOD: Ends FY2026 with narrower loss as Starbucks operations improve

Berjaya Food Bhd ended its financial year with a narrower loss, underpinned by improved performance from its Starbucks operations, coupled with cost optimisation and store rationalisation. Net loss for the full year ended June 30, 2026 (FY2026) stood at RM105.7m, compared with RM287m a year earlier, according to a bourse filing. Revenue edged up 5% to RM503.7m from RM479.5m. *(The Edge)*

TIMECOM: Declares special dividend as 2Q net profit hits 10-year high

Time dotCom Bhd declared a special dividend after the Internet service provider reported its best quarterly earnings in 10 years. Entitled shareholders will receive 5.41 sen per share with the special payout supported by profitabnity and available cash position, the company said in an exchange filing. The dividend, amounting to RM100m, will be paid out on Sept 25. "Balance sheet optimisation and capital management initiatives remain central to driving long-term value creation and sustainable shareholder returns," Time dotCom said in a statement. *(The Edge)*

IOIPG: Doubles FY2026 dividend to 16 sen despite 4Q profit decline

IOI Properties Group Bhd has doubled its dividend for its recently ended financial year to 16 sen per share from eight sen a year earlier, after full-year net profit more than doubled and revenue hit a record RM4.44bn. The property developer declared an interim dividend of eight sen per share and a special dividend of another eight sen, even as net profit for the fourth quarter ended June 30, 2026 (4QFY2026) fell 36.5% to RM523.11m from RM823.93m a year earlier, according to a bourse filing on Thursday. *(The Edge)*

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CAPITALA: Posts second straight quarterly profit after aviation disposal

Capital A Bhd reported its second straight quarterly profit after completing the disposal of its aviation business in January, with growth in its aircraft maintenance business and a turnaround in the logistics segment helping offset softer travel demand. The group posted a net profit of RM23.87m for the three months ended June 30, 2026 (2QFY2026) from RM1.45bn a year earlier. The year-earlier figure was boosted by a RM1.66bn gain from its now-disposed aviation business, which was classified as discontinued operations. Earnings per share fell to 0.5 sen from 33.5 sen. *(The Edge)*

IHH: 2Q Profit up 29% on demand and patient mix, declares 5.5 sen dividend

Private healthcare group IHH Healthcare Bhd saw its net profit for the second quarter rise 29.3%, underpinned by sustained demand, a more complex patient case mix and price adjustments to counter inflation. Net profit for the three months ended June 30, 2026 (2QFY2026) rose to RM573m from RM443m in the same quarter a year earlier, according to its bourse filing on Thursday. Earnings per share rose to 6.48 sen from 5.02 sen. *(The Edge)*

PMETAL: Logs best-ever quarterly earnings, declares 2.5 sen dividend

Press Metal Aluminium Holdings Bhd booked record earnings in the second quarter on the back of higher revenue as well as a gain from the dilution of its investment in an associate company. Net profit for the three months ended June 30, 2026 (2QFY2026) came in at RM801m, a 66% increase from RM483.6m a year earlier, the aluminium smelter said in a bourse filing. *(The Edge)*

PETRONM: Posts another quarter in red amid refinery shutdown

Petron Malaysia Refining & Marketing Bhd remained in the red in the second quarter due to its reliance on imported products amid the shutdown of its Port Dickson refinery. Net loss for the three months ended June 30, 2026 (2QFY2026) stood at RM34.48m compared with a net profit of RM40.51m in the same quarter a year earlier, according to the refiner's bourse filing on Thursday. Petron's second straight quarter in the red comes despite a 44.7% surge in revenue to RM4.72bn from RM3.26bn a year earlier, driven by higher oil prices. *(The Edge)*

CHINHIN: 2Q net profit falls 64% on fair value loss, lowest in nearly five years

Chin Hin Group Bhd's net profit for the second quarter ended June 30, 2026 (2QFY2026) fell 63.87% year-on-year to RM7.68m from RM21.26m — its weakest quarterly earnings in nearly five years — as a fair value loss on other investments weighed on the bottom line. Revenue, however, rose 10.27% to RM1.05bn from RM954.53m a year earlier, driven by higher contributions from its property, construction and building materials businesses, a bourse filing showed. *(The Edge)*

MFLOUR: 2Q net profit jumps 53% on better margins, stronger JV contributions

Staple food producer Malayan Flour Mils Bhd (MFM) saw its second-quarter net profit jump 53% year-on-year, thanks to better margins in its flour and grain trading business and stronger contributions from its joint ventures (JV). Share of profit from equity-accounted joint ventures more than quadrupled to RM13.38 m from RM3.16 m a year earlier, underpinned by stronger results at its 51%-owned poultry unit Dindings Tyson Sdn Bhd and 30%-owned PT Bungasari Flour Mils Indonesia. *(The Edge)*

HLBANK: Turns cautious on FY2027 despite beating loan growth target

Hong Leong Bank Bhd is taking a more cautious stance on loan growth in its current financial year, citing inflationary pressures from the conflict in the Middle East and intense competition for deposits. The bank is maintaining its loan growth target at 6%-7% for the financial year ending June 30, 2027 (FY2027), despite having beaten that target with a 7.7% growth in FY2026. *(The Edge)*

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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	

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
Bermaz Auto	Consumer	0.94	0.08	8.72
KIP REIT	REIT	0.86	0.07	8.65
MBM Resources	Consumer	5.04	0.43	8.63
YTL Hospital REIT	REIT	1.02	0.09	8.63
Sports Toto	Consumer	1.34	0.10	7.54
Paramount Corporation	Property	1.03	0.07	7.09
TIME dotCom	Telco	6.01	0.40	6.64
Al-Salam REIT	REIT	0.61	0.04	6.56
UOA Development	Property	1.66	0.11	6.39
Ta Ann Holdings	Plantation	6.05	0.39	6.38
Al-Aqar Healthcare REIT	REIT	1.17	0.07	6.32
MAG Holdings	Consumer	1.27	0.08	6.30
Magnum	Consumer	1.27	0.08	6.30

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.

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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

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