



Daily Newswatch

Market Review

The FBMKLCI extended its downtrend and closed lower (-0.5%) at 1,526.2, pressured by continued foreign fund outflows as investor sentiment remained cautious amid persistent global trade tensions. This was despite comments from Minister Tengku Zafrul indicating that the US may revise its proposed tariffs on Malaysian exports to a reduced baseline of 10%, a potentially positive development that was not sufficient to materially improve market sentiment. Between the index constituents, SIME led the decline (-12.6%), followed by MAXIS (-3.5%) and YTLP (-3.4%). Sector wise, the top 3 underperforming sectors were Energy (-1.0%), REIT (-0.7%) and Financial Services (-0.7%). The broader market breadth remained in negative tone with 501 decliners outpacing 328 gainers.

Asian markets ended mixed on Tuesday amid cautious investor sentiment, as market participants weighed potential tariff developments and the broader implications of U.S. President Donald Trump's policy stance on global economic growth. Sentiment was further tempered by a resurgence in Covid-19 cases across Southeast Asia, prompting concerns over regional recovery momentum. Shanghai CI edged down 0.2% to 3,340.69, as investor sentiment remained cautious despite stronger April industrial profit growth. Meanwhile, HSI reversed early weakness to close 0.4% higher at 23,381.99, supported by bargain hunting ahead of key China PMI data. On the macro front, Moody's reaffirmed China's A1 sovereign credit rating with a negative outlook, citing structural headwinds from subdued domestic consumption and persistent trade tensions.

European equities ended higher on Tuesday, extending gains as markets responded positively to a temporary de-escalation in trade tensions. Sentiment was buoyed by U.S. President Donald Trump's decision to delay the implementation of the proposed 50% tariffs on EU imports until July 9th, providing near-term relief and reducing immediate concerns over a potential transatlantic trade conflict. Investors also weighed improving macro data, including an uptick in German consumer sentiment and a moderation in France's May consumer price inflation, which helped underpin sentiment across European equities. As a result, EURO 50 closed 0.4% higher.

US stocks close higher on Tuesday, tracking the rise for Treasury securities as markets pared back concerns that a fresh trade war could hamper the corporate outlook. The S&P 500 gained 2% while the Dow jumped 1.8% and the Nasdaq 100 advanced 2.4%. President Donald Trump delayed his 50% tariffs against the European Union to the original July 9th date and struck a positive tone on the possibility of a trade deal to avert new barriers. In the meantime, long-dated Treasuries enjoyed some respite as Japan signaled it may pull back on long-curve issuance, aiding credit-sensitive stocks in the US. Nvidia added 3% to set the pace for chipmakers ahead of its earnings this week. Lastly, US Steel closed 2% higher at \$53 on news that it may be acquired by Nippon Steel for \$55 with a golden share for the US government.

Macro Snapshots

- Malaysia:** Zafrul sees reducing the US' proposed tariff to 10% as a good outcome
- Malaysia:** Asean and Gulf Cooperation Council strengthen strategic ties, aim for US\$180bn trade by 2032
- Thailand:** Clears plan to exit US intellectual property watch list ahead of trade talks
- US:** Plummeting US core capital goods orders point to weak business spending
- China:** Summons top carmakers over 'zero-mileage' used vehicles
- China:** Calls on Asean, Gulf states to create 'big market'

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,526.2	(0.5)	(7.1)
Dow Jones	42,343.7	1.8	(0.5)
Nasdaq CI	19,199.2	2.5	(0.6)
S&P 500	5,921.5	2.0	0.7
SX5E	5,415.5	0.4	10.6
FTSE 100	8,778.1	0.7	7.4
Nikkei 225	37,724.1	0.5	(5.4)
Shanghai CI	3,340.7	(0.2)	(0.3)
HSI	23,382.0	0.4	16.6
STI	3,896.1	0.5	2.9
Market Activities	Last Close	% Chg	
Vol traded (m shares)	2,659.4	(14.8)	
Value traded (RM m)	1,851.0	13.3	
Gainers	328		
Losers	501		
Unchanged	558		
Top 5 Volume	Last Close	Daily chg %	Vol (m)
PERMAJU	0.020	(33.3)	55.2
TANCO	1.010	1.0	39.7
SINARAN	0.030	(70.0)	32.0
SFPTECH	0.205	(6.8)	31.2
VELESTO	0.165	(2.9)	30.4
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	6.900	(0.9)	135.1
MAYBANK	9.850	(0.7)	108.1
RHBBANK	6.850	(0.4)	68.1
PBBANK	4.380	(0.7)	58.2
SIME	1.870	(12.6)	55.6
Currencies	Last Close	% Chg	
USD/MYR	4.2387	(0.5)	
USD/JPY	144.25	0.1	
EUR/USD	1.1333	0.0	
USD/CNY	7.1953	(0.1)	
US Dollar Index	99.58	0.7	
Commodities	Last Close	% Chg	
Brent (USD/barrel)	64.3	(0.7)	
Gold (USD/troy oz)	3,304	0.1	
CPO (MYR/metric t)	3,858	(0.2)	
Bitcoin (USD/BTC)	109,169.5	(0.4)	



• Corporate Snapshots

- **Astral Asia:** Unit obtains iron ore mining rights on 40.47 hectare land in Pahang
- **Sentral REIT:** Acquires retail units in Mont Kiara for RM70m
- **DSR Taiko:** Chairman Ng Soh Kian redesignated as executive director
- **Solarvest:** EPF trims stake to below 5%
- **Shin Yang:** Gets letter of intent from home ministry to build two patrol vessels for maritime agency
- **Sime Darby:** Flags lower FY2025 core profit, 3Q earnings down 43%
- **MN Holdings:** 3Q net profit more than triples, wins another RM52.5m data center job
- **Tenaga Nasional:** Lower opex, forex gains lift Tenaga's 1Q earnings

Macro News

Malaysia: Zafrul sees reducing the US' proposed tariff to 10% as a good outcome

The US reducing its proposed tariff on Malaysia to a 10% baseline would be seen as a positive move, Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said, conceding that a previously hoped for levy of zero may not be possible. "To be fair, and the US has also been public about this, that the 10% is not negotiable — it seems to be the floor," he said in an interview with *Bloomberg TV* on Tuesday on the sidelines of a regional summit in Kuala Lumpur. "So for us, anything that can go below 24%, or at least 10%, the minimum" levy proposed by US President Donald Trump last month "would be good for our industries and for our exporters", he said. (*The Edge*)

Malaysia: Asean and Gulf Cooperation Council strengthen strategic ties, aim for US\$180bn trade by 2032

Leaders from the Gulf Cooperation Council (GCC) have agreed to strengthen their broad strategic partnership with the Association of Southeast Asian Nations (Asean) to confront global challenges and seize shared economic opportunities. Kuwait's Crown Prince Sheikh Sabah Khaled Al-Hamad Al-Sabah said the GCC is now Asean's seventh-largest trading partner, with total trade reaching US\$130.7bn (RM552.5bn) in 2023. "We aim to increase this figure to US\$180bn by 2032, as there remains substantial untapped potential in bilateral trade and investment," he said. (*The Edge*)

UK: King Charles visits Canada as country rattled by Trump's taunts

King Charles III arrived in Canada to open a new parliamentary session at the invitation of Prime Minister Mark Carney, a move designed in part to send a message to US President Donald Trump about the northern country's sovereignty. A greeting party of Canadian officials, Indigenous leaders, schoolchildren and an army regiment known as the Royal Canadian Dragoons met the King at Ottawa's airport Monday, along with a large contingent of TV cameras and journalists. The pageantry of the occasion also came with subtle nods to the fraught politics, coming after Trump's repeated calls for Canada to become the 51st US state. Queen Camilla wore the Queen Mother's Diamond Maple Leaf Brooch, which was first gifted by King George VI to his wife, ahead of their 1939 royal tour to Canada. (*The Edge*)

Thailand: Clears plan to exit US intellectual property watch list ahead of trade talks

Thailand's Cabinet has approved a new framework for enforcement of intellectual property (IP) rights as the Southeast Asian nation seeks to exit from a US watch list ahead of tariff talks with Washington. The so-called Thailand IP Work Plan has been prepared in coordination with the office of the US Trade Representative (USTR), and its adoption should pave the way for Thailand's removal from the watch list, Commerce Minister Pichai Naripthaphan told reporters after a Cabinet meeting in Bangkok on Tuesday. The framework "is a demonstration of Thailand's determination to solve the problem of IP infringements", Pichai said, adding the plan will now be shared with the USTR office and various Thai agencies to take remedial steps. (*The Edge*)

US: Plummeting US core capital goods orders point to weak business spending

New orders for key US-manufactured capital goods plunged in April amid mounting uncertainty over the economy because of tariffs, suggesting business spending on equipment weakened at the start of the second quarter. The report from the Commerce Department on Tuesday also showed shipments of these goods falling last month. Economists said President Donald Trump's flip-flopping on import duties was making it difficult for businesses to plan ahead. That has been evident in the deterioration in sentiment among businesses. "I have predicted for months that business investment will be the main driver of a softer economic performance this year, as executives postpone their capital projects until they have more clarity on policy," said Stephen Stanley, chief US economist at Santander US Capital Markets. "These data offer the first confirming evidence of that hypothesis." (*The Edge*)



China: Summons top carmakers over 'zero-mileage' used vehicles

China's Ministry of Commerce is meeting with some of the country's biggest automakers to discuss whether the industry is using a loophole to mask weakening sales. The meeting, which was set to take place Tuesday afternoon, also included industry bodies such as the China Automobile Dealers Association and online car distribution channels, according to a memo shared by Li Yanwei, an official at the dealers' association, on Weibo. A representative for Dongfeng Motor Group Co said officials from the company attended the gathering. Invitations were extended to carmakers on Sunday and the event wasn't an inquiry. *(The Edge)*

China: Calls on Asean, Gulf states to create 'big market'

Chinese Premier Li Qiang rallied a group of Southeast Asian and Gulf states to deepen cooperation, as the Asian nation ramps up its charm offensive abroad to counter US efforts to isolate the economy. "We should firmly expand regional opening up and develop a big market," Li said at a meeting with leaders from Southeast Asia and the Middle East in Kuala Lumpur on Tuesday. "We should effectively manage differences in the spirit of mutual understanding." The inaugural joint summit offers Beijing yet another chance to sway countries caught between the world's two largest economies. Li's visit to Southeast Asia comes on the heel of President Xi Jinping's tour last month, when he called for a united Asian family in an apparent effort to counter US containment. *(The Edge)*

Corporate News

Astral Asia: Unit obtains iron ore mining rights on 40.47 hectare land in Pahang

Astral Asia Bhd (AAB) wholly-owned subsidiary, Astral Chem Sdn Bhd (AC) has been granted iron ore mining rights from AAB's 65 per cent subsidiary, Astral Asia Plantation Sdn Bhd (AAP). In a filing with Bursa Malaysia today, AAB said AC has been granted the exclusive rights to explore and mine iron ore on AAP's land, spanning 40.47 hectares, in Ladang Bukit Kuin, Kuantan, Pahang. "The rights are granted commencing from the date of the agreement and may be terminated by mutual consent. "AC shall compensate AAP through a royalty payment rate to be agreed upon by both parties, and AC shall be fully responsible for all costs related to mining operations, including regulatory approvals and environmental compliance," AAB said. *(The Star)*

Sentral REIT: Acquires retail units in Mont Kiara for RM70m

Sentral Real Estate Investment Trust (Sentral REIT) is acquiring 38 stratified retail units and 1,432 car park bays as part of the Arcoris Plaza Development from UEM Sunrise Bhd for RM70m. In a filing with Bursa Malaysia, Sentral REIT said the property is strategically located in Mont Kiara, Kuala Lumpur. "Mont Kiara is a mature neighbourhood with a large expatriate population, and it fulfils the criteria of a strategic location with good infrastructure, reputable international schools, bustling commercial centres, entertainment and leisure facilities. "Sentral REIT will be able to take advantage of greater economies of scale in the Mont Kiara neighbourhood with the purchase of the property. This enables the company to leverage its existing resources to manage the operations at the property." *(The Star)*

DSR Taiko: Chairman Ng Soh Kian redesignated as executive director

DSR Taiko Bhd has redesignated its executive chairman Ng Soh Kian as the executive director of the durian plantation company. In a bourse filing on Tuesday, the company said Ng, 57, entered the durian plantation business by acquiring several plots of land in Raub, Pahang, between June 2017 and May 2018. In June 2018, he established DSR Fruits Sdn Bhd together with Datuk Ng Lian Poh. Their respective plantation lands were consolidated under DSR Fruits, a subsidiary of DSR Taiko, in March 2021. *(The Edge)*

Solarvest: EPF trims stake to below 5%

Solarvest Holdings Bhd said on Tuesday that the Employees Provident Fund Board has ceased to be a substantial shareholder of the company. According to a bourse filing, EPF disposed of six million shares — representing a 0.79% stake in the renewable energy company — last Thursday. Based on the closing price of RM1.71 that day, the stake is estimated to be worth RM10.3m. After the sale, EPF is left with 33.4m shares or a 4.4% stake in Solarvest, which is below the 5% threshold required for substantial shareholding status. *(The Edge)*

Shin Yang: Gets letter of intent from home ministry to build two patrol vessels for maritime agency

Shin Yang Group Bhd said its subsidiary, Shin Yang Shipyard, has received a letter of intent (LOI) from the Ministry of Home Affairs to build two offshore patrol vessels (OPV 2 and OPV 3) for the Malaysian Maritime Enforcement Agency (MMEA). In a filing with the bourse, the group said the LOI, received on May 20, shows the ministry's interest in appointing the shipyard for the project, but a formal contract will only be signed after final negotiations on details like pricing and payment. Shin Yang Group said the LOI is not legally binding, so there is no guarantee the contract will be awarded. If it is, the project is expected to boost the group's earnings and assets. *(The Edge)*

Sime Darby: Flags lower FY2025 core profit, 3Q earnings down 43%

Sime Darby Bhd said it expects to deliver weaker core financial performance in the financial year ending June 30, 2025 (FY2025), compared to the previous year, after posting a 43% decline in net profit in its latest quarter. In a filing with Bursa Malaysia, the conglomerate said the ongoing global economic uncertainty and volatility in financial markets are expected to pose challenges for both its industrial and motors



divisions, which respectively contributed 37% and 17% of the group's pre-tax profit in the current financial year-to-date. The motors division — for which Sime Darby holds the distribution rights to several luxury car brands including BMW — continues to be impacted by soft consumer demand and growing competition, particularly from Chinese automakers, it said. *(The Edge)*

MN Holdings: 3Q net profit more than triples, wins another RM52.5m data centre job

MN Holdings Bhd more than tripled its net profit to RM16.7m in the third quarter ended March 31, 2025 — up from RM4.8m a year before — representing its highest ever quarterly profit. The company also announced that it had won yet another data centre job, this time worth RM52.5m. The company attributed its improved profits to faster progress in major construction projects for underground utilities and substations. In a filing with Bursa Malaysia, the company said its strategic growth plans also boosted its overall financial results. *(The Edge)*

Tenaga Nasional: Lower opex, forex gains lift Tenaga's 1Q earnings

Tenaga Nasional Bhd posted a strong start to the financial year 2025, supported by foreign exchange gains and lower operating expenses, though partially offset by higher tax expenses. Net profit for the three months ended March 31, 2025 (1QFY2025), rose nearly 48% to RM1.1bn from RM715.7m a year earlier, the utility giant said in a filing with Bursa Malaysia. *(The Edge)*

Upcoming key economic data releases	Date
US – FOMC Minutes	May 29
US – Q2's GDP Growth Rate	May 29
US – April's Core PCE Price Index	May 30
<i>Source: Bloomberg</i>	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Bermaz Auto	Consumer	1.11	0.15	13.78
Amway (M)	Consumer	5.07	0.47	9.27
British American Tobacco (M)	Consumer	6.21	0.54	8.70
Sentral REIT	REIT	0.78	0.06	8.26
YTL Hospital REIT	REIT	1.04	0.08	7.98
REXIT	Technology	0.63	0.05	7.94
KIP REIT	REIT	0.87	0.07	7.75
Hektar REITS	REIT	0.49	0.04	7.63
CapitaLand Malaysia Trust	REIT	0.64	0.05	7.56
Paramount Corporation	Property	1.03	0.07	7.28
MBM Resources	Consumer	5.43	0.39	7.24
Taliworks Corporation	Utilities	0.70	0.05	7.14
MAG Holdings	Consumer	1.23	0.08	6.67
Magnum	Consumer	1.23	0.08	6.67
Ta Ann Holdings	Plantation	3.92	0.26	6.58

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		
ICT Zone Asia Berhad	ACE Market	0.20	133.0	21.0	20 May	3 Jun
Signature Alliance Group Berhad	ACE Market	0.62	260.0	0.0	21 May	5 Jun
Hartanah Kenyalang Berhad	ACE Market	0.16	120.9	77.5	27 May	09 Jun
Paradigm REIT	Main Market	1.00	865.3	0.0	23 May	10 Jun
Cuckoo International (Mal) Bhd	Main Market	1.29	143.3	222.1	5 Jun	24 Jun

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