



Daily Newswatch

Market Review

The FBMKLCI closed lower yesterday, reversing earlier gains as selling pressure emerged in the final hour of trading. The weakness in the broader index was largely attributed to cautious investor positioning ahead of further developments in the ongoing US-China trade negotiations, now entering their second day. While initial commentary from both sides has been constructive, market participants are adopting a wait-and-see approach, with risk appetite tempered by uncertainty over the outcome and timeline of any potential tariff relief. Among key index constituents, notable gainers included QL (+3.7%), PETCHEM (+3.1%), and MISC (+1.3%). On the downside, SDG (-1.7%), IOICORP (-1.6%), and CDB (-1.3%) were the primary laggards. Sector wise, Healthcare (+1.5%) led gains, followed by Consumer Products & Services (+0.8%). Conversely, the Plantation (-0.5%) and Transportation & Logistics (-0.4%) sectors underperformed. Market breadth was broadly neutral, with 441 decliners narrowly outpacing 437 advancers.

Asian stocks advanced on Tuesday ahead of a second day of talks in London between China and the US to resolve tariff disputes and strengthen economic relations. US officials expressed optimism after the first day of negotiations, boosting investor sentiment. Nonetheless, regional gains were capped amid caution ahead of key US inflation readings due this week and the Federal Reserve's interest-rate decision, which is slated for June 18. SHANGHAI CI traded within a tight range before ending 0.4% lower at 3,384.8 amid prevailing tensions over shipments of technology and rare earth elements. HSI slipped marginally to close at 24,162.9.

European equities posted a mixed performance on Tuesday, as investor sentiment remained cautious ahead of the outcome of ongoing Sino-US trade negotiations taking place in London. Investor sentiment remained subdued across most European markets, underpinned by the absence of meaningful macroeconomic data or corporate earnings catalysts from the region. As a result, The European STOXX 50 extended its downward movement (-0.1%) and closed at 5,415.4.

US equities edged modestly higher on Tuesday, with gains tempered by investor caution as markets await further developments from the ongoing US-China trade discussions in London. Negotiations between the world's two largest economies began on Monday, and while US Commerce Secretary Howard Lutnick characterized the talks as "going well," no material progress or breakthrough has been reported to date. On the macro front, the NFIB Small Business Optimism Index rose to 98.8 in May 2025, marking a three-month high and outperforming consensus expectations of 95.9. This compares to a prior reading of 95.8 in April, reflecting improved sentiment among US small businesses. However, the broader market impact was limited, as the absence of high-impact US economic data kept many investors on the sidelines. The major U.S. indices posted modest gains on Tuesday, with the Dow advancing 105.11 points (+0.25%) to close at 42,866.9. The Nasdaq outperformed, rising 123.75 points (+0.63%) to 19,715.0, while the S&P 500 added 32.93 points (+0.55%) to finish at 6,038.8.

Macro Snapshots

- US:** Commerce secretary says trade talks with China going well on second day
- US:** Appeals court to let Trump tariffs remain for longer
- Malaysia:** Eye stronger Asean-EU partnership, economic ties with Poland
- China:** Solar industry gathers as gloom deepens over demand
- UK:** Loses 276,000 jobs since Reeves' tax-raising budget
- US:** Trump to keep White House Starlink as Musk feud dissipates

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,517.0	(0.2)	(7.6)
Dow Jones	42,866.9	0.2	0.8
Nasdaq CI	19,715.0	0.6	2.1
S&P 500	6,038.8	0.5	2.7
SX5E	5,415.4	(0.1)	10.6
FTSE 100	8,853.1	0.2	8.3
Nikkei 225	38,211.5	0.3	(4.2)
Shanghai CI	3,384.8	(0.4)	1.0
HSI	24,162.9	(0.1)	20.5
STI	3,933.8	(0.1)	3.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,719.5	4.3
Value traded (RM m)	2,089.2	13.6
Gainers	437	
Losers	441	
Unchanged	533	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MYEG	0.950	0.5	77.3
NEXG	0.360	(2.7)	45.4
TANCO	0.965	(2.5)	44.9
HM	0.180	0.0	41.6
TOPGLOV	0.815	3.2	32.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.700	0.0	101.4
MAYBANK	9.660	(0.2)	92.9
CIMB	6.850	(0.6)	88.7
TENAGA	14.240	(0.3)	76.2
MYEG	0.950	0.5	73.9

Currencies	Last Close	% Chg
USD/MYR	4.239	(0.2)
USD/JPY	144.870	0.0
EUR/USD	1.143	0.0
USD/CNY	7.188	(0.1)
US Dollar Index	99.098	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	66.9	(0.3)
Gold (USD/troy oz)	3,321.1	(0.1)
CPO (MYR/metric t)	3,876.0	(1.1)
Bitcoin (USD/BTC)	109,954.8	(0.0)



Corporate Snapshots

- **NCT Alliance:** Seeks to boost Sabah land bank via majority stake acquisition
- **Niche Capital:** Seals deal for exclusive rights to develop gold mining area in Kelantan
- **Encorp:** Names Ahmad Harzimi as new group CEO
- **Capital A:** In final stages of PN17 exit plan, says Fernandes
- **Sunway:** Clement Chen named as new chief financial officer
- **Destini:** Bags three-year tubular services contract to support Hibiscus ops in PM3-CAA field

Macro News

US: Commerce secretary says trade talks with China going well on second day

US Commerce Secretary Howard Lutnick said on Tuesday trade talks with China are going well as the two sides meet for a second day in London, seeking a breakthrough on export controls that have threatened a fresh rupture between the superpowers. Having agreed to step back from a full-blown trade embargo at a first round of talks in Geneva in May, the two sides are now seeking agreement after they accused each other of trying to throttle supply chains with a raft of export controls. White House economic adviser Kevin Hassett said on Monday that the US could lift recently imposed export controls on goods such as semiconductors if China speeds up the delivery of rare earths and magnets that are crucial to its economy. The blow-up over rare earths, which has sparked alarm in boardrooms and factory floors around the world, came after last month's preliminary deal in Geneva to cut tariffs, which eased investor fears that a trade war would lead to a global slowdown. *(Reuters)*

US: Appeals court to let Trump tariffs remain for longer

A federal appeals court is closer to ruling on whether to keep most of US President Donald Trump's global tariffs in place longer, while the legal battle over them continues. The US Justice Department on Monday (June 9) asked the US Court of Appeals for the Federal Circuit to extend its earlier short-term pause on a lower court's May 28 ruling that most of Trump's tariffs are illegal. The government said that the ruling harmed the president's ability to conduct foreign policy. The Federal Circuit could now rule at any time on whether or not to pause the order for the duration of an appeals process, that's likely to last months. The administration has also indicated that it will go to the US Supreme Court if the appeals court lifts the current hold. In its filing, the administration argued that allowing the tariffs to be blocked would diminish "America's bargaining position during sensitive trade negotiations, encouraging other countries to hold our nation hostage and catastrophically harm our economy". *(Bloomberg)*

Malaysia: Eye stronger Asean-EU partnership, economic ties with Poland

Malaysia and Poland have expressed readiness to deepen cooperation between Asean and the European Union (EU), leveraging their respective chairmanships to drive a more strategic and long-term inter-regional partnership. Prime Minister Datuk Seri Anwar Ibrahim said the ongoing alignment, with Malaysia chairing Asean this year and Poland assuming the EU Council presidency in the first half of 2025, has created a unique diplomatic opportunity to foster closer Asean-EU relations, particularly in trade. "This visit by President Andrzej Duda is very special because he currently holds the presidency of the EU Council, while Malaysia is the chair of Asean. Our discussions touched on both bilateral matters and broader Asean-EU issues," Anwar told a joint press conference with the Polish leader here on Tuesday. He noted that talks between Asean and the EU, particularly on a free trade agreement, have gained new momentum after years of slow progress. "The negotiations had been protracted, perhaps due to differing priorities in the past. But over the last year and especially in recent months, we have seen an accelerated process. I am pleased that under the EU presidency, we are witnessing this fast-tracked approach," he said. *(Bernama)*

China: Solar industry gathers as gloom deepens over demand

China's despondent solar manufacturers face a new threat — an imminent drop-off in demand for their products that's likely to heap pressure on an already oversupplied market. Investors will have an opportunity to gauge the industry's underlying mood amid the glitz of the world's biggest solar fair in Shanghai this week. The conference and exhibition kicks off on Tuesday and typically attracts hundreds of thousands of visitors. The solar industry's record growth in China masks some brutal economics confronting equipment makers. Margins have collapsed as fierce competition forces them to sell at a loss. Mounting protectionism is choking off exports. Those circumstances will become even more difficult to navigate once a policy-driven rush to install panels in China peters out in the second half of the year. In April alone, China installed about 45GW of solar power, more than triple the amount in the same month last year. It brings the country's total to just a few gigawatts shy of 1TW, roughly half the world's total. *(Bloomberg)*



UK: Loses 276,000 jobs since Reeves' tax-raising budget

UK employment plunged by the most in five years and wage growth slowed more than forecast, in the clearest sign yet that Chancellor of the Exchequer Rachel Reeves' budget was fuelling a deterioration in the British jobs market. Tax data showed the number of employees on payroll tumbled 109,000 in May, the biggest decline since May 2020, the Office for National Statistics said Tuesday. The fall was much worse than the 20,000 decrease predicted by economists, with the largest contractions coming in sectors most exposed to Reeves' policy moves, like retail and hospitality. Signs of a dramatic loosening in the labour market fed speculation that the Bank of England would continue easing, with traders fully pricing in one rate cut by September and bolstering bets for a second by year-end. The pound fell as much as 0.7% to US\$1.3456 (RM5.70), underperforming all Group-of-10 peers, while gilts outperformed European peers. Tuesday's figures took the number of jobs lost since Reeves' budget in October to 276,000 and indicated that the employment picture had worsened since her £26bn (RM148.56bn) tax hike on businesses took effect in April. Still, the payroll number is often revised and the ONS said May data should be treated with caution as the estimate was based on partial figures. *(Bloomberg)*

US: Trump to keep White House Starlink as Musk feud dissipates

US President Donald Trump reiterated his desire to end his public spat with Elon Musk, telling reporters he would retain Starlink internet service at the White House, and that he wished his billionaire backer "very well". Still, the US president suggested he may remove the Tesla Inc car he purchased from White House grounds, and suggested the onus was on Musk to reach out after an explosive week that saw the pair trade insults and threats in a dispute that began over the president's signature tax bill. Trump said he had not observed a confrontation between Musk and Treasury Secretary Scott Bessent getting physical, and said he hoped Musk had not been using recreational drugs during his time working for the government, after a *New York Times* report that the onetime head of the Department of Government Efficiency effort had been using ketamine. The president's relatively restrained comments came after Musk over the weekend deleted a series of social media posts, including multiple suggestions that Trump was mentioned in unreleased files related to disgraced New York financier Jeffrey Epstein. Tesla stock plummeted during the dispute, and Trump threatened to cut government contracts to Musk's companies. *(Bloomberg)*

Corporate News

NCT Alliance: Seeks to boost Sabah land bank via majority stake acquisition

Property outfit NCT Alliance Bhd has proposed another acquisition of a majority stake in a Sabah landowner. The RM36m acquisition will be settled via a share transfer. NCT Alliance said its wholly owned unit NCT Panorama Sdn Bhd has entered into an agreement with Datuk Yap Yiw Sin and his wife Datin Ang Guan to acquire a 55.72% stake in Gorich Corp Sdn Bhd, which owns a parcel of land in Putatan, Sabah. "The proposed acquisition reaffirms the group's expansion efforts to increase its land bank in strategic locations in Malaysia and widen its development portfolio," NCT said in a filing with Bursa Malaysia on Tuesday. Upon completion of the deal, NCT Alliance will seek relevant approvals to develop the Putatan land. The RM36m purchase will be fully settled via a transfer of NCT's shares which includes RM3.6m via 7.5m treasury shares valued at 48 sen each and another RM32.4m via the issuance of 67.5m new NCT shares, also at 48 sen per share. *(Bloomberg)*

Niche Capital: Seals deal for exclusive rights to develop gold mining area in Kelantan

Gold miner Niche Capital Emas Holdings Bhd said it has secured exclusive rights to develop and operate the KK Hill gold mining area in Jeli, Kelantan, under a joint venture agreement signed on Tuesday with another mining company. The joint venture agreement with Enrich Mining Sdn Bhd follows a memorandum of understanding inked between the two sides in August 2024 that granted exclusive exploration rights to Niche Capital over the Sejana mining and mineral exploration project, encompassing an area of 3,255ha distributed over five pieces of land in Kelantan. The KK Hill mining area spans 97.12ha within the Sejana Project, according to Niche Capital's filing with Bursa Malaysia. The group said an independent mineral resource estimate prepared by RSC Consulting Ltd estimates 7.64m tonnes of ore at an average grade of 0.69 grams per tonne of gold, comprising 169,300 troy ounces of in-situ gold resources at KK Hill. *(The Edge)*

Encorp: Names Ahmad Harzimi as new group CEO

Property development company Encorp Bhd, an indirect subsidiary of the Federal Land Development Authority (Felda), has appointed Ahmad Harzimi Mohd Taib as its new group CEO, with immediate effect. He is filling the post vacated by Hazurin Harun, who was removed as group CEO in December last year. Suspended in August 2024, Harun was charged with two counts of criminal breach of trust by the Malaysian Anti-Corruption Commission in November that year. This prompted an internal probe led by Encorp's board of directors, which led to Hazurin's removal. In a statement Tuesday, Encorp said Ahmad Harzimi has over 25 years in legal, governance, and property development across both public and private sectors. Encorp also noted his involvement in the development of Putrajaya, where he handled legal concession negotiations between the government and Putrajaya Holdings Sdn Bhd, the city's master developer. Before joining Encorp, Ahmad Harzimi served as the head of legal and governance at TH Properties Sdn Bhd, the real estate arm of Lembaga Tabung Haji. He holds a Bachelor of Laws from the International Islamic University Malaysia. *(The Edge)*

Capital A : In final stages of PN17 exit plan, says Fernandes

Capital A Bhd is in the final stages of its regularisation plan to exit the Practice Note 17 (PN17) status, with only 15% to 20% of the process remaining, expected to be completed the latest by the end of July, said its chief executive officer Tan Sri Tony Fernandes. "Building an airline



was very tough; getting out of PN17 is tougher. We are on the last 15% to 20%. I can see the finishing line. "I think it is an exciting time for Capital A. We just have to cross that PN17 barrier, which I think we are almost there. It is out of my control, but I think our latest target is the end of July," he told *Bernama* on Tuesday. Capital A fell into Bursa Malaysia's PN17 category of financially distressed entities in January 2022. Fernandes said the group is working through a few final tasks before concluding its PN17 exit plan — among them is to finalise the proposed disposal of its entire 100% stake in AirAsia Aviation Group Ltd (AAAGL) and AirAsia Bhd (AAB) to AirAsia X Bhd. (*The Edge*)

Sunway: Clement Chen named as new chief financial officer

Clement Chen Kok Peng, who started as a trainee over two decades ago at Sunway Group, has been appointed as the chief financial officer of Sunway Bhd. Chen, 42, will take on the new role at the construction-to-healthcare conglomerate beginning June 16, according to an exchange filing. He will step down as the CEO of Sunway Real Estate Investment Trust on the same day. Ng Bee Lien, the current finance chief of Sunway REIT, will temporarily fill in Chen's role until a suitable candidate is identified and appointed, the trust said. Trained as an accountant, Chen joined Sunway Group as a finance trainee in 2004 before moving up through Sunway's various subsidiaries. Over the years, he has held several key roles, including financial controller of Sunway Hatay Co Ltd in Vietnam and assistant general manager of corporate finance and investor relations at Sunway from 2009 to 2015. Chen later advanced to become general manager of business development at Sunway Integrated Properties Sdn Bhd, where he was involved in evaluating real estate ventures across Malaysia, Singapore, the United Kingdom (UK) and Australia. (*The Edge*)

Destini: Bags three-year tubular services contract to support Hibiscus ops in PM3-CAA field

Engineering solutions provider Destini Bhd has secured a contract from Hibiscus Petroleum Bhd to provide tubular handling equipment and services to support Hibiscus's field operations in the PM3 Commercial Arrangement Area (PM3-CAA) field, which is located in the Malaysia-Vietnam offshore waters. The three-year contract that started on April 24, 2025 was awarded to Destini Oil Services Sdn Bhd by Hibiscus Oil & Gas Malaysia Ltd (HML), Destini said in a filing with Bursa Malaysia. The value of the contract will be based on work orders issued by Hibiscus Oil & Gas (PM3) Ltd throughout the contract period. Both HML and Hibiscus Oil & Gas Malaysia (PM3) are indirect wholly owned subsidiaries of Hibiscus Petroleum. The field is a part of a joint exploration and development agreement between Malaysia and Vietnam. Hibiscus Petroleum has a 35% interest in the PM3 CAA field, which is operated by HML. Petronas Carigali Sdn Bhd and PetroVietnam Exploration Production Corporation Ltd are the non-operating partners. In April this year, HML and Hibiscus Oil & Gas Malaysia (PM3) signed a key principles agreement with Petronas (via Malaysia Petroleum Management) and the Vietnam Oil and Gas Group to extend the PM3-CAA production-sharing contract and the Upstream Gas Sales Agreement (UGSA) from December 2027 to December 2047. (*The Edge*)

Upcoming key economic data releases	Date
US – Core CPI (May)	Jun 11
MY – Industrial Production (Apr)	Jun 11
MY – Unemployment Rate (Apr)	Jun 11
US – Core PPI (May)	Jun 12
US – Initial Jobless Claims (May)	Jun 12
MY – Retail Sales (Apr)	Jun 13
<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		
Cuckoo International (Mal) Bhd	Main Market	1.29	143.3	222.1	5 Jun	24 Jun
Pan Merchant Bhd	ACE Market	0.27	232.2	18.0	17 Jun	26 Jun
Arrow Systems Group Berhad	ACE Market	0.17	128.3	53.5	19 Jun	02 Jul
PMCK Group Berhad	ACE Market	0.22	272.6	32.7	25 Jun	09 July

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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