



Daily Newswatch

Market Review

The FBM KLCI continued the rebounded on Thursday, spurred by optimism after the US and China agreed upon a framework, which could ease trade disputes and revive the flow of critical goods between the two countries. Blue chips should extend gains supported by optimism over de-escalating US-China trade tensions, but upside may be capped by lingering concerns regarding President Trump's erratic trade policy shifts and a lack of clear progress in achieving a US-Malaysia trade deal. Among key index constituents, notable gainers included QL (+3.7%), PETCHEM (+3.1%), and MISC (+1.3%). Sector wise, Utilities (+0.4%) led gains, followed by Energy (+0.3%), and Transportation & Logistics (+0.3%). Market breadth turned neutral tone, with 344 gainers and 433 losers.

Asian equities delivered a mixed performance on Thursday, as investor sentiment remained cautious amid a lack of clarity surrounding the latest U.S.-China trade developments. While high-level talks in London concluded with U.S. President Donald Trump announcing a "deal," the absence of corroborating details from Chinese officials underscored the fragility of any potential truce. Market participants appeared unconvinced by the outcome, with risk appetite tempered by the lack of transparency and concrete deliverables. Further dampening sentiment, President Trump signalled plans to unilaterally set new tariff rates for select trading partners within the coming week, an announcement that adds a fresh layer of policy uncertainty. Concurrently, escalating tensions in the Middle East contributed to the risk-off tone, leaving regional markets directionless as investors weighed geopolitical and trade-related risks. That said, Shanghai CI closed flat while HSI closed lower (-1.4%) and settled at 24,035.4.

European stocks modest weakness during trading on Thursday, with lingering U.S.-China trade uncertainty and escalating tensions in the Middle East keeping investors worried. There was no relief from the U.S.-China trade truce as the much-hyped framework agreement lacked specifics. Elsewhere, U.S. President Donald Trump expressed diminished confidence in reaching a nuclear deal with Iran, emphasizing that Iran must not acquire nuclear weapons. Also, the U.S. has initiated a partial evacuation of its embassy in Iraq and authorized voluntary departures from Bahrain and Kuwait, citing heightened security concerns. The European STOXX 50 fell by 0.6% to 5,360.8.

Stocks recovered from an early move to the downside to move modestly higher over the course of the trading session on Thursday. The S&P 500 ended the day up 0.4% at 6,045.3, the DOW climbed 0.2% to 42,967.6 and the NASDAQ rose 0.2% to 19,662.5. The turnaround on U.S. came as investors digested the latest U.S. inflation data, with a report from the Labor Department showing producer prices crept up by less than expected in the month of May. The Labor Department said its producer price index for final demand inched up by 0.1% after slipping by a revised 0.2% in April. Economists had expected producer prices to rise by 0.3% compared to the 0.4% decline originally reported for the previous month.

Macro Snapshots

- US:** Trump says again he'll set unilateral tariffs in two weeks
- China:** Affirms trade deal with US, says it always keeps its word
- India:** Tighten remittance rules, bar offshore time deposits
- UK:** Economy shrinks by the most since 2023 as US tariffs hit
- Malaysia:** Asean to deepen regional tax cooperation from 2026 under five-year plan
- US:** Weekly jobless claims steady at higher levels

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,526.6	0.2	(7.0)
Dow Jones	42,967.6	0.2	1.0
Nasdaq CI	19,662.5	0.2	1.8
S&P 500	6,045.3	0.4	2.8
SX5E	5,360.8	(0.6)	9.5
FTSE 100	8,884.9	0.2	8.7
Nikkei 225	38,173.1	(0.6)	(4.3)
Shanghai CI	3,402.7	0.0	1.5
HSI	24,035.4	(1.4)	19.8
STI	3,922.2	0.1	3.6
Market Activities	Last Close	% Chg	
Vol traded (m shares)	2,731.8	(16.5)	
Value traded (RM m)	2,067.5	(20.2)	
Gainers	344		
Losers	433		
Unchanged	632		
Top 5 Volume	Last Close	Daily chg %	Vol (m)
MYEG	0.965	(0.5)	44.8
PDZ	0.030	0.0	39.4
JIANKUN	0.030	20.0	33.5
TANCO	0.955	(2.1)	33.0
YTL	2.200	0.9	28.3
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	4.780	0.4	102.4
CIMB	9.770	0.7	96.9
YTL	6.890	(0.1)	88.9
MYEG	14.260	0.1	72.6
YTLPOWR	2.800	(0.4)	67.2
Currencies	Last Close	% Chg	
USD/MYR	4.220	0.4	
USD/JPY	143.440	0.0	
EUR/USD	1.159	0.1	
USD/CNY	7.173	0.2	
US Dollar Index	97.921	(0.7)	
Commodities	Last Close	% Chg	
Brent (USD/barrel)	69.4	(0.6)	
Gold (USD/troy oz)	3,383.4	(0.1)	
CPO (MYR/metric t)	3,847.0	0.0	
Bitcoin (USD/BTC)	106,099.4	0.1	



- **US:** Muted US producer prices add to string of tame inflation reports

Corporate Snapshots

- **UEM Edgenta:** Forms JV to expand presence in Dubai's property management sector
- **JcbNext:** Reduces stake in Taiwan-listed firm
- **Country Height:** To sell South Africa-based unit for RM600,000
- **Berjaya Land:** Sells 80% stake in Vietnamese property developer for RM202m
- **Thong Guan:** Scraps F&B biz sale to major shareholder

Macro News

US: Trump says again he'll set unilateral tariffs in two weeks

President Donald Trump said he intended to send letters to trading partners in the next one to two weeks setting unilateral tariff rates, ahead of a July 9 deadline to reimpose higher duties on dozens of economies. "We're going to be sending letters out in about a week and a half, two weeks, to countries, telling them what the deal is," Trump told reporters Wednesday at the John F Kennedy Center for the Performing Arts in Washington where he was attending a performance. "At a certain point, we're just going to send letters out. And I think you understand that, saying this is the deal, you can take it or leave it," he added. It's unclear if Trump will follow through with his pledge. The president has often set two-week deadlines for actions, only for them to come later or not at all. The president on May 16 said he would be setting tariff rates for US trading partners "over the next two to three weeks". Trump in April announced higher tariffs on dozens of trading partners only to pause them for 90 days as markets swooned and investors feared the levies would spark a global downturn. Yet despite the ongoing negotiations, the only trade framework the US has reached is with the UK, along with a tariff truce with China. (*The Edge*)

China: Affirms trade deal with US, says it always keeps its word

China on Thursday affirmed a trade deal announced by US President Donald Trump, saying both sides needed to abide by the consensus and adding China always kept its word. The deal, reached after Trump and China's President Xi Jinping spoke on the telephone last week, brings a delicate truce in a trade war between the world's two largest economies. "China has always kept its word and delivered results," Lin Jian, a foreign ministry spokesperson, said at a regular news conference. "Now that a consensus has been reached, both sides should abide by it." The Trump-Xi telephone call broke a standoff that had flared just weeks after a preliminary deal was reached in Geneva. The call was quickly followed by more talks in London that Washington said had put "meat on the bones" of the Geneva agreement to ease bilateral retaliatory tariffs. The Geneva deal had faltered over China's continued curbs on minerals exports, prompting the Trump administration to respond with export controls preventing shipments of semiconductor design software, jet engines for Chinese-made planes and other goods to China. (*The Edge*)

India: Tighten remittance rules, bar offshore time deposits

India's central bank plans to tighten rules for overseas remittances by resident Indians, barring them from holding foreign currency deposits with lock-in periods, two government sources said. The Reserve Bank of India (RBI) will amend regulations to prevent overseas transfers from being used to park money in time deposits or other interest-bearing accounts abroad, one of the sources said. "This is akin to passive wealth shifting, which is a red flag for the RBI in a still-controlled capital regime," the first source familiar with the thinking of the central bank said. The proposed changes reflect India's cautious stance on a rise in outward remittances and full convertibility of the rupee, as authorities strive to safeguard foreign exchange reserves and manage currency volatility, the sources said. Overseas investments by individuals fall under the central bank's Liberalised Remittance Scheme (LRS) — which allows resident Indians to remit up to US\$250,000 (RM1m) in a single year — for purposes ranging from foreign education, travel, equity and debt investments to medical treatments. (*Reuters*)

UK: Economy shrinks by the most since 2023 as US tariffs hit

Britain's economic output fell sharply in April, reflecting shockwaves from US President Donald Trump's announcement of wide-ranging tariffs and the end of a tax break on property sales, official data showed on Thursday. Gross domestic output shrank by a larger-than-expected 0.3% in April from March — the biggest monthly drop since October 2023 and more than the 0.1% fall forecast in a Reuters poll, following 0.2% growth in March. "After increasing for each of the four preceding months, April saw the largest monthly fall on record in goods exports to the United States with decreases seen across most types of goods, following the recent introduction of tariffs," Liz McKeown, the Office for National Statistics' director of economic statistics, said. A fall in real estate and legal activity in April after the end of a temporary tax break on house purchases contributed 0.2 percentage points of the 0.3 percentage point fall in output in April, the ONS said. Car makers also reported lower output and exports to both the United States and the European Union. British goods exports to the US fell by 2 billion pounds



(US\$2.7bn) in April, the largest drop since monthly records began in 1997. Sterling fell by a quarter of a cent against the dollar on the back of the figures. *(Reuters)*

US: Weekly jobless claims steady at higher levels

The number of Americans filing new applications for unemployment benefits was unchanged at higher levels last week as labour market conditions continued to steadily ease. Initial claims for state unemployment benefits held steady at a seasonally adjusted 248,000 for the week ended June 7, the Labor Department said on Thursday. Economists polled by *Reuters* had forecast 240,000 claims for the latest week. Claims could remain elevated, with the school year ending this month as some states allow non-teaching staff to collect benefits during the long summer holidays. Though there have been no widespread layoffs as employers hoard workers amid economic uncertainty spawned by President Donald's aggressive tariffs, the labour market is steadily losing steam. An immigration crackdown by the White House is also slowing employment gains. Non-farm payrolls increased by 139,000 jobs in May, down from 193,000 a year ago. *(Reuters)*

Malaysia: Asean to deepen regional tax cooperation from 2026 under five-year plan

Asean member states are seeking to intensify tax cooperation in the next five years, through actions like joint enforcement and information exchange to address standing issues like double taxation, according to the latest strategic blueprint published by the association. The move comes as multinational corporations and digital platforms navigate increasingly complex tax regimes across Southeast Asia, including varied treatments of e-commerce revenues, withholding tax rates, and transfer pricing policies. The Asean Economic Community (AEC) Strategic Plan 2026–2030 is part of a broader push to create a more transparent and equitable fiscal environment that fosters economic growth and resilience, deters tax evasion, and promotes sustainable development. According to the blueprint, several key measures being taken for the regional tax strategy include addressing double taxation, enhancing withholding tax structures to improve investment flows, and widening the investor base in Asean debt markets. Further, the initiatives will also focus on promoting best practices for tax reform in the digital economy, strengthening tax administrations, and facilitating knowledge-sharing across the region, in line with internationally recognised standards. *(Bloomberg)*

US: Muted US producer prices add to string of tame inflation reports

U.S. Producer Price Index (PPI) data for May came in weaker than expected, with both headline and core readings showing slower growth, raising doubts about sustained inflationary momentum. The annual PPI rose 2.6% and core PPI 3.0%, both missing market hopes for a stronger print to justify the Fed's hawkish stance. This underperformance increases speculation of a potential shift toward interest rate cuts, especially if labor market or consumer demand also weakens in the coming months. *(Bloomberg)*

Corporate News

UEM Edgenta: Forms JV to expand presence in Dubai's property management sector

UEM Edgenta Bhd has formed a joint venture (JV) company in Dubai, United Arab Emirates, to manage large-scale real estate projects there, marking a strategic expansion into the region. The company said in a statement Thursday (June 12) that its 60%-owned subsidiary Kaizen Owner Association Management Services LLC (Kaizen) has signed an agreement with 21 Estates Group FZCO — an indirect wholly-owned subsidiary of Expo City Dubai FZCO — to establish a 40:60 JV named DuaSatu. It said DuaSatu will offer a range of services, including owners' association and property management, property management consultancy and advisory, leasing services, and other real estate advisory offerings. These services will cater to master development projects in Dubai, properties within or owned by Expo City Dubai (ECD), and potentially selected sites globally. UEM Edgenta's entry into the Middle East's premium property management sector began with its acquisition of Kaizen from NW Kaizen Holdings Ltd for about RM55m in February last year. *(The Edge)*

JcbNext: Reduces stake in Taiwan-listed firm

JcbNext Bhd has sold a 1.95% stake (647,846 shares) in Taiwan-based 104 Corp for RM20.05m via the Taiwan Stock Exchange, reducing its holding to 11.5%. The disposal is part of JcbNext's strategy to diversify its investment portfolio and mitigate concentration risk. Proceeds will be reinvested into listed equities or private investments aligned with the company's objectives. *(The Star)*

Country Height: To sell South Africa-based unit for RM600,000

Country Heights Holdings Bhd is selling its South African property-holding unit, Versatile Champion Sdn Bhd, for RM600,000 to raise cash and focus on core operations, marking its second asset sale involving buyer Tang Kiah Ming in under a year. The disposal will generate a gain of RM596,147 and proceeds will go toward working capital needs. Separately, subsidiary Tindak Murni Sdn Bhd is facing a winding-up petition over a RM1.24m debt, which the company is disputing, though it asserts the matter has no immediate material impact on the group. *(The Edge)*

Berjaya Land: Sells 80% stake in Vietnamese property developer for RM202m

Berjaya Land Bhd said the group is divesting its entire 80% stake in a company undertaking a mixed-use development in Hanoi, Vietnam for 1.239tn dong (RM201.96m) in cash. The proceeds from the disposal will be allocated for loan repayments and general working capital



within Berjaya Land, according to a bourse filing on Thursday (June 12). The group said its wholly-owned subsidiary, Berjaya Leisure (Cayman) Ltd, is divesting the 80% stake in Berjaya-Handico12 Co Ltd (BHandico12) to two Vietnamese firms, namely Dong Thinh Phat Land JSC and Green Hill Construction Investment JSC. BHandico12’s flagship project, Hanoi Garden City, is an integrated mixed-use development spanning 78 acres in Thach Ban Ward, Long Bien district, Hanoi. Berjaya Land said the sale consideration represents a 32.5% premium to BHandico12’s net assets as of March 31. The carrying value of BHandico12 within the BLand Group stands at RM196m, with an expected disposal gain of RM5.96m upon completion. *(The Edge)*

Thong Guan: Scraps F&B biz sale to major shareholder

Plastic packaging product maker Thong Guan Industries Bhd has scrapped its plan to sell its food and beverage (F&B) business to its largest shareholder, Foremost Equals Sdn Bhd (FESB). The decision comes after both parties failed to reach an agreement on the final sale price, which exceeded the RM60m initially proposed when the deal was announced in November last year. As a result, they have mutually agreed to terminate the sale and purchase agreement on Thursday (June 12). “Pursuant thereto, the company will continue its operations in the F&B business segment,” RHB Investment Bank said on behalf of Thong Guan in the company’s bourse filing. Under the terms of termination, Thong Guan will refund the RM6 million deposit paid by FESB, free of interest, within 14 days of the termination agreement. The termination is not expected to have any impact on Thong Guan’s earnings, net assets, or gearing for the financial year ending Dec 31, 2025. When the deal was first announced, Thong Guan had earmarked RM30m from the gross proceeds for a special dividend, RM29.2m for working capital and the remainder to cover disposal-related expenses. *(The Edge)*

Upcoming key economic data releases	Date
MY – Retail Sales (Apr)	Jun 13
Source: Bloomberg	



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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