



Daily Newswatch

Market Review

The FBMKLCI ended the day lower as investors weighed the escalating Israel-Iran tensions, following President Trump's call for the immediate evacuation of Tehran. The renewed geopolitical volatility has once again positioned the Middle East as a central axis of global market unease. Equities retreated on mounting concerns that an intensification of military conflict in the region could disrupt oil supply chains, thereby heightening global inflationary pressures. Meanwhile, retail sales rose 6.4% YoY in May, beating expectations of a 4.9% increase, while the unemployment rate edged lower to 5.0% from 5.1% in the previous month, pointing to a more resilient domestic economy despite external headwinds.

Among key index constituents, notable losers are PETCHEM (-2.9%), SDG (-2.6%), and IOICORP (-2.4%). Sector wise, Energy (-1.8%) was the top performer, followed by Healthcare (-1.5%), and Plantation (-1.4%). Market breadth was remained negative, with 307 gainers and 447 losers.

Asian stocks ended on a muted note Tuesday as the Israel-Iran war continued to dominate risk markets. A cautious undertone prevailed after U.S. President Donald Trump left the G7 summit in Canada a day early amid the escalating conflict in the Middle East. The Japanese yen recovered some ground after the Bank of Japan left interest rates unchanged and announced that it would decelerate the reduction of its government bond purchases beginning in April 2026. SHANGHAI CI fluctuated before finishing marginally lower at 3,387.4. HSI fell 0.3% to 23,980.3, dragged down by tech and EV stocks.

European stocks dropped on Tuesday after U.S. President Donald Trump urged residents of Tehran to 'immediately evacuate,' signaling potential escalation of the conflict. U.S. involvement in the Iran/Israel conflict appears to be escalating after Trump said the U.S. has total control of Iranian airspace. Also, Israel's military claimed today it had killed Ali Shadmani, who it identified as Iran's wartime chief of staff and said was the most senior military commander. The Euro STOXX 50 fell 1% to 5,288.7.

Stocks moved notably lower during trading on Tuesday, giving back ground following the rebound seen in the previous session. The NASDAQ slid 0.9% to 19,521.1, the S&P 500 decreased 0.8% to 5,982.7 and the DOW fell 0.7% to 42,215.8. The early pullback on US came as investors looked to cash in on yesterday's strong gains amid renewed concerns about the ongoing clash between Israel and Iran. While reports hinting at an end to hostilities contributed to a rally on Monday, news that President Donald Trump left a G7 summit early to focus on the conflict has led to worries about further escalation. Moving on, the weakness on US also came following the release of a Commerce Department report showing U.S. retail sales fell by more than expected in the month of May. The Commerce Department said retail sales slid by 0.9% in May after edging down by a revised 0.1% in April. Economists had expected retail sales to decline by 0.6% compared to the 0.1% uptick originally reported for the previous month.

Macro Snapshots

- EU:** Refuse to meet with China on lack of trade progress
- JP:** BOJ holds rates, plans slower withdrawal from bond market
- US; JP:** Trump, Ishiba fail to reach US-Japan trade deal at G7 Summit
- US:** Trump says EU not offering fair trade deal, Japan being 'tough' too
- CN:** China's consumer rush for subsidies overloads stimulus programme
- MY:** Anwar says Shell to boost its investments in Malaysia by RM9bn

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,511.6	(0.5)	(8.0)
Dow Jones	42,215.8	(0.7)	(0.8)
Nasdaq CI	19,521.1	(0.9)	1.1
S&P 500	5,982.7	(0.8)	1.7
SX5E	5,288.7	(1.0)	8.0
FTSE 100	8,834.0	(0.5)	8.1
Nikkei 225	38,536.7	0.6	(3.4)
Shanghai CI	3,387.4	(0.0)	1.1
HSI	23,980.3	(0.3)	19.5
STI	3,930.6	0.6	3.8
Market Activities	Last Close	% Chg	
Vol traded (m shares)	3,032.5	6.8	
Value traded (RM m)	1,929.1	(5.8)	
Gainers	307		
Losers	447		
Unchanged	657		
Top 5 Volume	Last Close	Daily chg %	Vol (m)
BORNOIL	0.010	0.0	48.8
TOPGLOV	0.715	(5.3)	44.0
MYEG	0.935	0.5	41.8
TANCO	0.975	2.1	39.2
VELESTO	0.185	(2.6)	22.9
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	9.550	(0.4)	99.7
CIMB	6.660	(1.3)	68.7
PBBANK	4.220	(0.2)	65.4
GAMUDA	4.800	0.0	64.4
TENAGA	14.300	(0.4)	57.2
Currencies	Last Close	% Chg	
USD/MYR	4.243	(0.1)	
USD/JPY	145.280	0.0	
EUR/USD	1.148	0.0	
USD/CNY	7.187	(0.1)	
US Dollar Index	98.820	0.8	
Commodities	Last Close	% Chg	
Brent (USD/barrel)	76.5	4.4	
Gold (USD/troy oz)	3,392.0	0.1	
CPO (MYR/metric t)	4,078.0	0.3	
Bitcoin (USD/BTC)	104,640.2	0.2	



Corporate Snapshots

- **Yinson:** Secures initial US\$300m investment from consortium
- **MAA Group:** 10Star Cinemas to open flagship outlet in Hextar World at Empire City next year
- **Apollo Food :** To add capacity, step up marketing as sales soar to new highs
- **Chin Hin:** Scraps RM51m data centre acquisition due to unmet conditions
- **Berjaya Land:** To jointly develop rare earth mining and plantation projects in Perlis

Macro News

EU: Refuse to meet with China on lack of trade progress

The European Union (EU) is refusing to hold an economic meeting with China due to a lack of progress on trade disputes, the *Financial Times (FT)* reports, underscoring tensions between the two sides even as Beijing tries to warm ties. European officials decided to spurn the flagship EU-China High-Level Economic and Trade Dialogue, the *FT* reported citing four people familiar with the matter. The economic meeting would lay the groundwork for a leaders' summit set for July 24-25 in China, the newspaper reported. One of the people told the *FT* that Beijing wants to have the dialogue but the EU is seeing no progress in talks. The disruption exposes the challenges facing President Xi Jinping as he looks to shore up ties with the EU, which have been tested by his support for Russia's war in Ukraine and accusations of dumping. Beijing is trying to position itself as a more reliable partner than US President Donald Trump, who is alienating allies over issues from tariffs to defence. (*Bloomberg*)

JP: BOJ holds rates, plans slower withdrawal from bond market

The Bank of Japan (BOJ) left its benchmark rate unchanged and unveiled a plan to slow its withdrawal from the bond market from next year in a sign of caution following heightened market volatility. The BOJ board led by governor Kazuo Ueda kept its benchmark policy rate steady at 0.5% at the end of a two-day meeting, according to a statement on Tuesday. The central bank plans to ease the pace at which it trims monthly bond purchases from next fiscal year to quarterly reductions of ¥200bn (RM5.9bn) from the current ¥400bn, the bank said. That would lower the volume of monthly buying to around ¥2bn in broad terms in the first quarter of 2027, roughly the same amount the bank bought to ensure market liquidity before it launched a massive monetary easing programme in 2013. The board's cautious approach was expected by most BOJ watchers after recent volatility in Japanese Government Bonds rippled across global debt markets. (*Bloomberg*)

US; JP: Trump, Ishiba fail to reach US-Japan trade deal at G7 Summit

US President Trump and Japanese PM Shigeru Ishiba failed to reach an agreement on a trade package on the sidelines of the Group of Seven Summit, an outcome that leaves the Asian nation inching closer to a possible recession as the pain of US tariffs hits its economy. "There are still some points on which the two sides are not on the same page, so we have not yet reached an agreement on the trade package," Ishiba said to reporters on Monday in Calgary in between G7 meetings. An agreement that delivered concessions on some of Japan's top concerns including auto tariffs would likely have given a boost to Ishiba's government and his leadership. The PM has been on the back foot after sustaining a bruising result in a national election last October that left him with a minority government. Still, Ishiba will be able to tout his resolve to protect Japan's best interests rather than rushing into a deal that might have proved unsatisfactory. (*Bloomberg*)

US: Trump says EU not offering fair trade deal, Japan being 'tough' too

US President Donald Trump said on Tuesday that Treasury Secretary Scott Bessent had stayed at the G7 meeting in Canada, and suggested Japan was being "tough" in trade talks and the European Union had not yet offered what he considered a fair deal. Trump left the G7 meeting early to deal with developments in the Middle East from the White House. Speaking to reporters on the trip back on Air Force One, the president said the 27-nation EU had been tough over the years with the US. "We're talking, but I don't feel that they're offering a fair deal yet," Trump said. "They're either going to make a good deal or they'll just pay whatever we say they have to pay." Trump also said there was a chance of a trade deal between Washington and Japan. "They're tough, the Japanese are tough, but ultimately you have to understand we're just going to send a letter saying 'this is what you're going to pay, otherwise you don't have to do business with us'. But there's a chance," he said. Trump also said pharmaceutical tariffs were coming very soon. "We're going to be doing pharmaceuticals very soon. That's going to bring all the companies back into America," he said. "It's going to bring most of them back into, at least partially back in." (*Bloomberg*)

CN: China's consumer rush for subsidies overloads stimulus programme

China is testing the limits of what its consumer stimulus can accomplish by subsidising purchases of select goods, fuelling a shopping spree that boosted retail sales growth to the strongest in more than a year but threatening to overwhelm authorities even in the richest regions. Consumer participation in the home goods trade-in programme has seen provinces quickly running out of funds the national government has so far distributed to pay for the subsidies. Henan and Chongqing have been forced to suspend the granting of subsidies or receiving



applications for the handouts, according to recent local government announcements and Chinese media reports, while Jiangsu and Guangdong imposed restrictions on the programme, such as managing its daily quota. The disruptions are putting Beijing at a crossroads as it looks for a longer-term fix to a crisis of confidence among households. Officials have made expanding consumption their top economic priority this year in anticipation of US tariffs, doubling the amount of ultra-long special sovereign bonds to finance subsidies for the cash-for-clunkers drive from last year to RMB300bn (RM177.2bn). Just over half of the total has been distributed or is in the process of being disbursed to local governments. (*Bloomberg*)

MY: Anwar says Shell to boost its investments in Malaysia by RM9bn

Shell will increase its investment in Malaysia by more than RM9bn over the next two to three years, which is expected to create high-skilled jobs, said Prime Minister Datuk Seri Anwar Ibrahim. Anwar, who is also finance minister, said the plan was conveyed by Shell's global chief executive officer Wael Sawan during a meeting today. "This investment reflects international investors' confidence in our sound economic policies and clear leadership. Malaysia will continue to chart a prosperous and competitive future," he said in a post on X on Tuesday. Anwar added that aside from being a prominent player in the global energy industry, Shell has long been a key investment partner and part of Malaysia's economic journey. "I took the opportunity to share the Madani government's strategic approach in positioning Malaysia as a stable, sustainable, and resilient investment destination, not just for today, but for future generations," the prime minister said, adding that Sawan also expressed his confidence in the country's direction. Earlier, Sawan was quoted as saying that demand for liquefied natural gas in Southeast Asia, particularly in Malaysia, Brunei, the Philippines and Thailand is expected to grow steadily from now until 2035. (*Bloomberg*)

Corporate News

Yinson: Secures initial US\$300m investment from consortium

Yinson Holdings Bhd said it has closed the first tranche of US\$300m (RM1.3bn) from US\$1bn committed by a consortium of international investors. The financial close follows the issuance of 300,000 redeemable convertible preference shares (RCPS) and 300,000 warrants to the investors by its UK-based holding company Yinson Production Offshore Holdings Ltd, according to an exchange filing. Out of the first tranche's US\$300m, Yinson said it received US\$200m from a special distribution and US\$100m is retained as capital expenditure at Yinson Production. The remaining US\$700m in committed RCPS will be drawn down in up to three instalments by December 2026. The agreement with Abu Dhabi Investment Authority and funds managed by British Columbia Investment Management Corporation and RRJ Group provides for the option to issue additional RCPS of up to US\$500m within 24 months from closing, subject to agreement. On January 14, the consortium signed a definitive agreement that valued Yinson Production at US\$3.7bn after the investment. (*The Edge*)

MAA Group: 10Star Cinemas to open flagship outlet in Hextar World at Empire City next year

10Star Cinemas, a subsidiary of MAA Group Bhd, has signed a memorandum of understanding (MOU) with Hextar World to open its flagship cinema in Hextar World at Empire City at Damansara Perdana, Selangor early next year. According to a statement dated June 13, the flagship cinema is set to open in the first quarter of 2026 (1Q2026), following the opening of Hextar World at Empire City slated in 4Q2025. "This MOU marks a new chapter for 10Star Cinemas. We're proud to bring our signature experience, affordable luxury, while also uplifting young creators and supporting local film development right in the heart of the Klang Valley," said 10Star Cinemas chief executive officer Onn Nishal Hamzah in the statement. (*The Edge*)

Apollo Food : To add capacity, step up marketing as sales soar to new highs

Apollo Food Holdings Bhd, maker of the eponymous chocolate cake, plans to expand capacity and step up its marketing efforts following record high sales. In the next 12 months ending April 30, 2026 (FY2026), the Johor-based company said it plans to improve its manufacturing facility on top of expanding its capacity. The initiatives are crucial for boosting productivity and maximising cost efficiency, the company said in a statement. "That said, we remain cautious of ongoing fluctuations in raw material prices as well as broader macroeconomic uncertainties and will continue to manage input costs and operating risks prudently," said Apollo managing director Cheah Jia Ming. Net profit for its final three months (4QFY2025) was RM9.5m, a 50% surge from the same period last year thanks to higher sales and lower operating expenses. Revenue was up 28% year-on-year to RM73.3m. For the full FY2025, net profit was RM40.2m, a decline of nearly 26% as the company booked a one-off gain of RM18.6m from the disposal of properties in the previous financial year. Revenue however rose 17% to an all-time high of RM298.4m. (*The Edge*)

Chin Hin: Scraps RM51m data centre acquisition due to unmet conditions

Chin Hin Group Bhd has called off its planned acquisition of data centre-related firms after the target companies failed to secure an order book of at least RM380m, a key condition for completion. According to an exchange filing, the share sale agreement has been revoked as both the vendors and promoters were unable to fulfil the required conditions. The acquisition, announced in August 2024, involved the purchase of a 65% stake in CSS Engineering & Construction Sdn Bhd (CEC) and Critical System Specialist Sdn Bhd (CSS) for RM51.5m via a combination of cash and shares. CEC specialises in engineering and construction, while CSS focuses on facilities and project management. The deal was structured with RM26.5m in cash and 7.9m Chin Hin shares valued at RM3.2 each, totalling RM25m. The consideration share price would have been at a significant premium, considering Chin Hin's recent weak share performance, which saw a

sharp decline in late September last year. (*The Edge*)

Berjaya Land: To jointly develop rare earth mining and plantation projects in Perlis

Berjaya Land Bhd has signed a memorandum of understanding (MOU) with Impianan Utara Sdn Bhd to jointly explore and develop two economic projects in Perlis. The projects comprise the exploration and development of rare earth and other strategic minerals within Perlis and a large-scale plantation project involving Napier hybrid grass and Blackthorn durians. Both projects will be carried out in collaboration with Menteri Besar Incorporated (MBI) Perlis, the state's investment arm. In the signing ceremony today, Impianan Utara executive director Datuk Haji Syed Tajul Arif Baharoon Jumrud told the press that the mining exploration is targeted to begin in July 2025, with a licence application in January 2026 and mining activities to begin in November of the same year. The project has an initial investment of RM15m, with an additional RM120m for a processing factory. As for the grass and durian plantations, they will be developed at a 3,000-acre site in Mukim Titi Tinggi over several phases. As of early September 2024, there are some 25,000 durian trees planted with a capital expenditure of RM60m. (*The Edge*)

Upcoming key economic data releases	Date
UK – CPI (YoY)	Jun 18
EU – CPI (YoY)	Jun 18
US – Initial Jobless Claims	Jun 18
US – Fed Interest Rate Decision	Jun 18
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



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 reliability 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 similar 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 liability 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 research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility 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