



Daily Newswatch

Market Review

The FBMKLCI close lower yesterday with a lack of catalysts and external risk remain the main cause renewed geopolitical concerns weighing on sentiment. Market participants remain edgy and uncertain. Speculation remains rife – fed probably strategically by the Trump administration - that the US will intervene, something that would mark a material escalation and could invite direct retaliation against the US by Iran. Such a scenario would raise the risk of a greater regional conflict, with implications for global energy supply and probably economic growth. As expected, the Fed meeting conclude yesterday with maintaining the current interest rate. The decision has given mixed result in wall street last night. Among key index constituents, notable losers are SIME (-4.1%), PPB (-4.0%), and PETCHEM (-3.4%). Sector wise, Industrial Products & Services (-1.2%) was the top performer, followed by Consumer Products & Services (-1.5%), and Construction (-0.8%). Market breadth turned more negative, with 298 gainers and 660 losers.

Asian stocks ended mostly lower on Thursday after a hawkish commentary from the U.S. Federal Reserve and amid an ongoing geopolitical unrest in Middle East. The Federal Reserve Open Markets Committee's economic projections showed unemployment and inflation rising higher than officials previously thought due to tariff-related uncertainties. SHANGHAI CI fell 0.8% to 3,362.1 as the latest stimulus announcements made at Shanghai's Lujiazui Forum fell short of expectations. HSI tumbled 2.0% to 23,237.7, with tech and property stocks leading declines amid Trump's Iran rhetoric.

Major European indices closed lower on Thursday, as market sentiment turned cautious amid growing speculation over potential United States involvement in the ongoing Israel and Iran conflict. On the economic front, Eurozone construction output posted a notable rebound, rising 1.7% MoM in April. This marked the fastest pace of expansion in over two years and reversed the 0.2% contraction recorded in March, based on Eurostat estimates. Meanwhile, the Bank of England opted to maintain its policy rate at 4.25 percent, following a 25-basis point cut last month. The Monetary Policy Committee voted 6 to 3 in favor of holding the rate, with three members advocating for an additional cut. This decision marks the fourth-rate reduction since August 2024, signaling a more measured approach as policymakers balance inflation concerns with a softening economic outlook. Therefore, the STOXX 50 closed lower (-1.3%).

US market was closed in conjunction with the celebration of Juneteenth National Independence Day.

Macro Snapshots

- MY:** Anwar says Malaysia firm against unilateral tariffs, reaffirms support for multilateral trade
- MY:** Tariff talks with US went well, says Anwar
- US:** Fed's Powell says rate path unclear after hold, but tariff impact is coming
- US:** Trump tells Supreme Court no need to rush to consider tariffs
- US:** Fed officials hold rates again, still see two cuts by year end
- EU:** ECB's Lagarde says more regional trade can offset global losses
- UK:** Bank of England keeps rates steady, sees further loosening as jobs market weakens

Corporate Snapshots

- Deleum:** Clinches turbine maintenance contract from Hess

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,501.4	(0.7)	(8.6)
Dow Jones	42,171.7	(0.1)	(0.9)
Nasdaq CI	19,546.3	0.1	1.2
S&P 500	5,980.9	(0.0)	1.7
SX5E	5,197.0	(1.3)	6.1
FTSE 100	8,791.8	(0.6)	7.6
Nikkei 225	38,488.3	(1.0)	(3.5)
Shanghai CI	3,362.1	(0.8)	0.3
HSI	23,237.7	(2.0)	15.8
STI	3,894.2	(0.7)	2.8
Market Activities	Last Close	% Chg	
Vol traded (m shares)	2,816.1	15.9	
Value traded (RM m)	1,696.7	(5.7)	
Gainers	298		
Losers	660		
Unchanged	460		
Top 5 Volume	Last Close	Daily chg %	Vol (m)
PUC	0.020	(33.3)	75.9
TANCO	0.955	(2.6)	49.3
MYEG	0.905	(2.7)	34.5
SNS	0.545	1.9	27.6
BORNOIL	0.010	0.0	25.0
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	6.580	(1.1)	85.6
TENAGA	14.220	0.0	85.4
TANCO	0.955	(2.6)	47.3
GAMUDA	4.770	(1.0)	43.9
PBBANK	4.190	(1.2)	43.3
Currencies	Last Close	% Chg	
USD/MYR	4.261	(0.2)	
USD/JPY	145.520	(0.0)	
EUR/USD	1.150	0.0	
USD/CNY	7.188	0.0	
US Dollar Index	98.905	0.0	
Commodities	Last Close	% Chg	
Brent (USD/barrel)	78.9	2.8	
Gold (USD/troy oz)	3,365.6	(0.2)	
CPO (MYR/metric t)	4,114.0	0.9	
Bitcoin (USD/BTC)	104,634.5	0.3	



- **Petron Malaysia:** Sued again by ex-transport provider over alleged misrepresentation
- **CTOS Digital; Infomina:** To gain real-time access to SSM corporate data
- **MSM:** Flags cost pressures from 5% SST on raw sugar; still in talks with govt on price mechanism
- **Berjaya Corp:** Acquires 1.7% stake in Berjaya Assets for RM12.8m

Macro News

MY: Anwar says Malaysia firm against unilateral tariffs, reaffirms support for multilateral trade

Malaysia remains firmly opposed to unilateral tariffs and continues to uphold a multilateral, rules-based international trading system, Prime Minister Datuk Seri Anwar Ibrahim said on Thursday. He said the government does not support or condone any form of unilateral trade action, including those proposed by US President Donald Trump. He also disclosed that Malaysia is actively pursuing dialogue with the US to resolve ongoing trade concerns. "I just received a note from [Investment, Trade and Industry] Minister [Tengku Datuk Seri] Zafrul [Abdul Aziz] this morning about a series of meetings with the commerce secretary and the US trade representative — progressing very well in our negotiations on tariffs," he revealed. Anwar said Asean remains united in defending its economic interests, especially in response to protectionist measures that could disrupt regional supply chains and trade flows. At the same time, he acknowledged that the US remains Malaysia's largest trading partner in several key sectors, including electrical and electronics (E&E). "Sixty per cent of our E&E exports go to the US. Our ties remain strong despite differences in foreign policy or trade matters," he noted. The prime minister said Malaysia, as part of Asean, will work closely with regional partners, including Japan, China, and South Korea, to respond to any moves that may harm the global trade ecosystem. (*Bernama*)

MY: Tariff talks with US went well, says Anwar

Prime Minister Datuk Seri Anwar Ibrahim said discussions between Malaysia and the US on the imposition of US unilateral tariffs went smoothly. Anwar, who is also the finance minister, said he was informed of the positive progress earlier on Thursday by Investment, Trade and Industry (Miti) Minister Tengku Datuk Seri Zafrul Abdul Aziz and Finance Minister II Datuk Seri Amir Hamzah Azizan, who are currently in the US. "This morning, I received a message from the Miti minister and the [second] finance minister that their meeting with the US secretary of commerce, who has been extremely busy, [went] excellently," he said in his keynote address at the 38th Asia-Pacific Roundtable: Recalibrating Asia's Frontiers here. The prime minister stressed that Malaysia has consistently relied on sound reasoning and principles to pursue what is fair and just, and he urged fellow Asean member states to adopt a similar approach. Zafrul arrived in the US on Tuesday to initiate discussions on US reciprocal tariffs, ahead of the July 8 expiry of a temporary 90-day suspension. Malaysia currently faces a 24% tariff on selected exports to the US. The trade minister said his delegation's priority is to negotiate improved market access and address supply chain-related challenges. (*Bernama*)

US: Fed's Powell says rate path unclear after hold, but tariff impact is coming

There are a lot of unknowns about the outlook for the economy and interest rates, but US Federal Reserve (Fed) chair Jerome Powell signalled at least one thing seems certain: Higher prices are coming. Policymakers voted unanimously to hold interest rates steady for a fourth straight meeting on Wednesday as they await clarity on whether tariffs will leave a one-time or more lasting mark on inflation. Powell said it's still unclear how much of the bill will fall on the shoulders of consumers, but he expects to learn more about tariffs this summer. "Ultimately the cost of the tariff has to be paid, and some of it will fall on the end consumer," Powell said. "We know that's coming, and we just want to see a little bit of that before we make judgements prematurely." But policymakers' latest economic projections suggest a growing divide on the committee. While the median forecast in the so-called dot plot continued to show two rate cuts this year, seven officials now see no reductions in 2025. That compared with 10 policymakers who foresee two or more. (*Bloomberg*)

US: Trump tells Supreme Court no need to rush to consider tariffs

US President Donald Trump's administration urged the US Supreme Court to turn away a request for fast-track review of his sweeping tariffs, saying the justices should give lower courts more time to weigh in. The filing comes a day after two family-owned businesses asked the court to hear their challenge on an unusually quick schedule, without waiting for a federal appeals court to rule. The companies suggested the justices decide before their summer recess starts in about two weeks whether to hear the case. In a seven-page response on Wednesday, US Solicitor General D John Sauer said the companies "have not justified such a stark departure from established practice". The request by educational-toy makers Learning Resources Inc and hand2mind Inc put Trump's tariffs, which have worldwide economic implications, before the justices for the first time. A federal district judge agreed with the companies that Trump lacked authority under the 1977 International Emergency Economic Powers Act to issue the import taxes. (*Bloomberg*)

US: Fed officials hold rates again, still see two cuts by year end

Federal Reserve (Fed) officials continued to pencil in two interest-rate cuts in 2025, though new projections showed a growing divide among policymakers over the trajectory for borrowing costs as tariffs make their way through the US economy. The Federal Open Market Committee voted unanimously on Wednesday to hold the benchmark federal funds rate in a range of 4.3%-4.5%, as they have since the beginning of



the year. They also released new economic forecasts, their first since President Donald Trump unveiled a sweeping set of tariffs in April, showing they expect weaker growth, higher inflation and higher unemployment this year. Speaking to reporters following the decision, chair Jerome Powell repeated his view that the central bank was "well positioned to wait to learn more about the likely course of the economy before considering any adjustments to our policy stance". Interest-rate projections released alongside the decision show a split: Seven officials now foresee no rate cuts this year, compared with four in March, and two others pointed to one cut. At the same time, 10 officials expect it will be appropriate to lower rates at least twice before the end of 2025. (*Bloomberg*)

EU: ECB's Lagarde says more regional trade can offset global losses

European Central Bank president Christine Lagarde said greater trade in the region could help compensate for losses suffered as a result of global fragmentation. Speaking in a surprise visit to Kyiv, she recalled that the bulk of the eurozone's exports go to other European countries, including the UK, Switzerland and Norway. "By deepening economic ties — more closely linking neighboring economies — we can reduce our exposure to external shocks," Lagarde said in a speech. "Rising trade within our region can help offset losses in global markets." Lagarde's appearance in the Ukrainian capital — previously billed as happening only remotely — is in line with her previous support for the country as it fights against Russia's invasion. The ECB has consistently labelled the war "unjustified" in its official communication and the president called the attack a "watershed" for Europe in the immediate aftermath. (*Bloomberg*)

UK: Bank of England keeps rates steady, sees further loosening as jobs market weakens

The Bank of England held interest rates at 4.3% as expected on Thursday but said it was focused on risks from a weaker labour market and higher energy prices as conflict in the Middle East escalates. Noting the elevated global uncertainty and persistent inflation, the Monetary Policy Committee voted 6-3 to keep rates on hold, with deputy governor Dave Ramsden joining Swati Dhingra and Alan Taylor to vote for a quarter-point reduction. A *Reuters* poll of economists had forecast a 7-2 vote to keep rates on hold after the central bank cut borrowing costs last month for the fourth time since August 2024. "Interest rates remain on a gradual downward path," BOE governor Andrew Bailey said, although policymakers added that interest rates were not on a pre-set path. "The world is highly unpredictable. In the UK we are seeing signs of softening in the labour market. We will be looking carefully at the extent to which those signs feed through to consumer price inflation," he added. The central bank said rising tensions in the Middle East as it held its meeting over the past week had not been key to June's decision to hold rates but would be closely monitored going forward. (*Reuters*)

Corporate News

Deleum: Clinches turbine maintenance contract from Hess

Deleum Bhd announced it has been awarded a five-year contract by Hess Exploration and Production Malaysia BV. The contract, which was secured via its 90%-owned indirect subsidiary Turboservices Sdn Bhd and began on June 10, involves providing maintenance services and supplying materials for solar gas turbine generators in the North Malay Basin. The value of the contract was not disclosed. Under the agreement, Turboservices Sdn Bhd will supply service parts, provide field service call-outs, exchange engines, manage equipment health, and offer other maintenance services for the solar gas turbines as needed, on a reimbursable cost basis. (*The Edge*)

Petron Malaysia: Sued again by ex-transport provider over alleged misrepresentation

Petron Malaysia Refining & Marketing Bhd said it has been sued by its former transportation services provider over alleged negligent misrepresentation. The oil and gas company said Konsortium Lord-Saberkat Sdn Bhd (Lord Saberkat) is seeking a court declaration of negligent misrepresentation, along with RM135m in special damages, RM5m in aggravated damages and RM34m in restitution. The claim relates to services provided under a transportation agreement between the two parties that expired in November 2013, said Petron Malaysia in a filing with Bursa Malaysia on Thursday. This marks the second time Lord Saberkat has pursued legal action against Petron Malaysia in relation to the same agreement. In 2018, the company filed a suit seeking RM109.2m in damages, as well as general damages, interest and costs, over an alleged breach of contract. However, that suit was struck out by the Kuala Lumpur High Court, and Lord Saberkat's subsequent appeal to the Federal Court was also dismissed. Addressing the latest legal challenge, Petron Malaysia said it believes that Lord Saberkat's claims have no legal basis and denies any allegation of negligent misrepresentation. (*The Edge*)

CTOS Digital; Infomina Bhd: CTOS partners Infomina to gain real-time access to SSM corporate data

Credit information provider CTOS Digital Bhd has entered into a strategic partnership with Infomina Bhd, one of only four authorised service providers for Suruhanjaya Syarikat Malaysia (SSM) data, to gain access to real-time corporate data. The collaboration will enable CTOS to get direct Application Programming Interface (API) access to SSM data via Infomina's advanced search platform, allowing real-time integration of company information into CTOS' credit reporting ecosystem, according to a joint statement from both companies. Under the agreement, Infomina will provide seamless access to corporate and business information, supporting not only credit assessments but also broader data-driven applications. The partnership is also expected to pave the way for product enhancements powered by analytics and AI from both companies. "By offering direct API integration, we are enabling more businesses to access real-time SSM data efficiently and affordably," said Infomina Bhd chief executive officer (CEO) and managing director Yee Chee Meng. The company added that it aims to foster similar collaborations in the fintech and corporate services sectors to further expand use and accessibility of SSM data. (*The Edge*)

MSM: Flags cost pressures from 5% SST on raw sugar; still in talks with govt on price mechanism

MSM Malaysia Holdings Bhd expects the 5% sales and service tax (SST) on raw sugar to pressure input costs, which could in turn push up prices of refined sugar for industrial buyers. MSM group chief executive officer Syed Feizal Syed Mohammad said although the tax only applies to raw sugar and not refined sugar, it would still indirectly push up the cost of production for local refiners. "We believe that even if it is still imposed, we can pass it on, of course, to industries which are not under the controlled ceiling price," Syed Feizal said. "But what we will not be able to pass on is to the consumer products which are on the retail shelf [refined sugar]," he said at a press conference after the group's annual general meeting (AGM) on Thursday. MSM, one of only two sugar refiners in the country, is currently seeking clarification from the government regarding the tax imposed on raw sugar effective July 1. "Clarity is required and we are engaging the government accordingly," he said. Retail sugar prices in Malaysia have been capped at RM2.8 per kilogramme since 2011, despite rising global raw sugar prices in recent years. (*The Edge*)

Berjaya Corp: Acquires 1.7% stake in Berjaya Assets for RM12.8m

Berjaya Corp Bhd's (BCorp) wholly-owned subsidiary, Inter-Pacific Credits Sdn Bhd (IPCredits), has acquired 42.5m ordinary shares, representing about a 1.7% equity interest in Berjaya Assets Bhd for RM12.7m in cash, or 30 sen per share. Following the acquisition, BCorp and its subsidiaries' shareholding in BAssets increased to approximately 13.9%, comprising 357.1m shares. "The acquisition was funded through the internal funds of IPCredits. There is no liability to be assumed by the BCorp arising from the acquisition. "The acquisition enabled the BCorp to increase its stake in BAssets," BCorp said in a filing with Bursa Malaysia. (*The Star*)

Upcoming key economic data releases	Date
US – Q12025 GDP Growth (QoQ)	Jun 26
US – May's Core PCE (MoM)	Jun 27
<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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