



Daily Newswatch

Market Review

Last Friday, the FBMKLCI found some near-term support and closed higher (+0.1%), underpinned by the renewed market optimism following the US decision to delay any potential involvement in the Israel-Iran conflict. The overall market sentiment remained uncertain amid the lack of new strong positive catalysts. Between the major index constituents, HLFG (+3.6%) appeared be the best performer and followed by MAXIS (+1.9%) and KLK (+1.4%). Sector wise, Financial Services (+0.8%) was the best performing sector underpinned by positive buying strength on banking names, Transportation & Logistics (+0.8%) and Consumer Products & Services (+0.3%). However, the overall market breadth remained in cautious mode, with 518 decliners outpacing 319 gainers.

Asian equities closed mixed on Friday as geopolitical tensions remained elevated, with the White House indicating a final decision on potential U.S. support for Israeli military action against Tehran could emerge within two weeks. In China, the Shanghai Composite Index edged slightly lower to close at 3,359.90 after a volatile session, as the People's Bank of China held its benchmark lending rates steady, in line with market expectations following recent policy easing. Meanwhile, Hong Kong's Hang Seng Index outperformed, rising 1.3 percent to 23,530.48, supported by selective buying interest despite broader uncertainty.

European equity markets closed the week on a mixed note, with Germany and France holding gains while the UK market ended in negative territory. Early optimism was buoyed by comments from the White House suggesting a "substantial chance of negotiations" with Iran, although uncertainty lingers with a potential decision on U.S. military action. On the macro front, UK retail sales disappointed, falling 2.7% month on month in May (consensus: -0.5%), reversing a 1.3 percent gain in April. Public sector net borrowing also rose to GBP17.7bn in May despite higher receipts. In Germany, producer prices declined 1.2% YoY in May, marking the largest drop since September 2023, while Eurozone consumer sentiment unexpectedly deteriorated in June, with the European Commission's flash index falling to -15.3 (vs. -15.0 expected), as Middle East tensions and trade tariff concerns weighed on confidence. Nonetheless, the STOXX 50 ended on higher note (+0.7%).

US equity markets closed mixed on Friday as investors continue to monitor escalating tensions in the Middle East keeping geopolitical risk premium elevated. On the data front, the Philadelphia Fed's regional manufacturing index remained in contractionary territory in June, holding steady at -4.0, falling short of consensus expectations for a modest improvement to -1.0. More notably, the survey's future activity index saw a sharp pullback to 18.3 from 47.2 in May, suggesting a softening outlook over the next six months. Investors will next look to the Conference Board's Leading Economic Index (LEI) for May, due shortly after the market opens. Consensus expects a marginal 0.1% decline following a 1.0% drop in April, reinforcing concerns around moderating economic momentum. In the prior session, equities traded higher early on but failed to sustain gains, ending largely flat. The Nasdaq gained 0.1% to close at 19,546.27, while the S&P 500 slipped marginally by 1.85 points to 5,980.87. The Dow fell 0.1% to settle at 42,171.66, as investors weighed macro headwinds against geopolitical uncertainty.

Macro Snapshots

- JP:** Scraps US meeting after Washington demands more defence spending, FT reports
- US:** Trump says he may change his mind about firing Fed chair Powell
- MY:** Maintains anti-dumping duties on cold rolled coil imports from China, Japan
- US:** Supreme Court refuses to expedite challenge to Trump's tariffs

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,502.7	0.1	(8.5)
Dow Jones	42,206.8	0.1	(0.8)
Nasdaq CI	19,447.4	(0.5)	0.7
S&P 500	5,967.8	(0.2)	1.5
SX5E	5,233.6	0.7	6.9
FTSE 100	8,774.7	(0.2)	7.4
Nikkei 225	38,155.5	(0.6)	(4.4)
Shanghai CI	3,359.9	(0.1)	0.2
HSI	23,530.5	1.3	17.3
STI	3,883.4	(0.3)	2.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,608.3	(7.4)
Value traded (RM m)	3,377.3	99.1
Gainers	319	
Losers	518	
Unchanged	505	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PUC	0.020	0.0	104.7
TANCO	0.940	(1.6)	65.5
MYEG	1.630	(0.6)	57.7
SNS	2.120	(1.9)	49.7
BORNOIL	0.905	0.0	47.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	4.210	0.5	168.9
TENAGA	14.220	0.0	167.5
TANCO	6.650	1.1	164.9
GAMUDA	9.660	0.6	131.5
PBBANK	17.480	(3.0)	130.8

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



- **US:** Waller says US Fed could cut interest rates as soon as July
- **MY:** Electricity tariffs to be adjusted monthly, instead of twice a year
- **UK:** BOE's Bailey raises doubts over digital pound for consumers

Corporate Snapshots

- **MBSB Bank:** Partners with Bayo Pay to digitalise construction sector payroll
- **Ecobuilt:** CEO Lim Chin Yen resigns after four months
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- **SD Guthrie; Sime Darby:** Co-develop 2,000 acres on Carey Island into industrial, logistics hub
- **Gadang:** Bags RM92.5m contract to widen KL-Karak Highway

Macro News

JP: Japan scraps US meeting after Washington demands more defence spending, FT reports

Japan has cancelled a regular high-level meeting with its key ally the US after the Trump administration demanded it spend more on defence, the *Financial Times (FT)* reported on Friday. Secretary of State Marco Rubio and Defence Secretary Pete Hegseth had been expected to meet Foreign Minister Takeshi Iwaya and Defence Minister Gen Nakatani in Washington on July 1 for the annual 2+2 security talks. But Tokyo scrapped the meeting after the US asked Japan to boost defence spending to 3.5% of gross domestic product (GDP), higher than an earlier request of 3%, the newspaper said, citing unnamed sources familiar with the matter. Japan's *Nikkei* newspaper reported on Saturday that US President Donald Trump's government was demanding that its Asian allies, including Japan, spend 5% of GDP on defence. A Japanese Foreign Ministry official, who asked not to be named, told *Reuters* on Saturday that Japan and the US had never discussed 3.5% or 5% targets for defence spending. The official also said he had no information about the *FT* report. It is generally difficult to coordinate such four-way meetings, especially as Hegseth is busy with the crisis in the Middle East, he said. (*Reuters*)

US: Trump says he may change his mind about firing Fed chair Powell

US President Donald Trump on Friday again floated the idea of firing Jerome Powell, the Federal Reserve (Fed) chair he has long attacked over interest rates he wants lowered. "I don't know why the board doesn't override [Powell]," Trump wrote in a lengthy post on Truth Social criticising Fed policy. "Maybe, just maybe, I will have to change my mind about firing him? But regardless, his term ends shortly." Trump added: "I fully understand that my strong criticism of him makes it more difficult for him to do what he should be doing, lowering rates, but I have tried it all different ways." Fed chairs have long been seen as insulated from presidential dismissal for reasons other than malfeasance or misconduct, but Trump has threatened to test that legal premise with frequent threats to fire Powell. Trump nearly as frequently reverses course on those threats. "I am not going to fire him," he said at the White House on June 12. The Fed held rates steady on Wednesday in the 4.3%-4.5% range and forecast slower growth as well as higher unemployment and inflation by year end. (*Reuters*)

MY: Maintains anti-dumping duties on cold rolled coil imports from China, Japan

The government has completed the administrative (sunset) review and made an affirmative final determination to continue imposing anti-dumping duties on imports of cold rolled coils (CRC) of iron or non-alloy steel (over 1,300mm wide) from China and Japan, excluding those used for automotive and transformer finwall applications, or tin mill black plate. The Ministry of Investment, Trade and Industry (Miti) said the rate of anti-dumping duties for the Chinese companies are: Angang Steel Company Ltd at 4.8%, Maanshan Iron and Steel Co Ltd at 4.8%, Shougang Jingtang United Iron & Steel Co Ltd at 8.7%, and other producers and exporters at 26.4%. "The rate of anti-dumping duties for Japanese producers and exporters will be imposed at 26.4%." The Royal Malaysian Customs Department will enforce the collection of the anti-dumping duties on the imports of the subject merchandise for a period of five years, effective from June 23, 2025 to June 22, 2030," it said in a statement on Saturday. Miti also noted that the government had made a negative final determination to terminate the imposition of anti-dumping duties and the investigations on the imports of the subject merchandise originating or exported from South Korea and Vietnam, effective from Monday, June 23, 2025. (*Bernama*)

US: Supreme Court refuses to expedite challenge to Trump's tariffs

The US Supreme Court refused to put a challenge to President Donald Trump's sweeping tariffs on an ultra-fast track. The justices on Friday rejected a scheduling request from two family-owned businesses seeking to invalidate many of Trump's import taxes. The rebuff means the administration will have the normal 30 days to file a full response, not the much shorter period the companies sought in their filing on Tuesday. The companies want the court to take the unusual step of considering the case without waiting for a federal appeals court to rule. The administration says the Supreme Court should let the normal appellate process play out. The clash is putting Trump's tariffs before the



justices for the first time. A federal district judge agreed with educational-toy makers Learning Resources Inc and hand2mind Inc that Trump lacked authority under the 1977 International Emergency Economic Powers Act to issue the import taxes. A federal appeals court in a separate case has said the tariffs could stay in effect at least until that panel hears arguments on July 31. *(Bloomberg)*

US: Waller says US Fed could cut interest rates as soon as July

Federal Reserve governor Christopher Waller said the central bank can lower interest rates as soon as next month. "We could do this as early as July," Waller said Friday in an interview on *CNBC*. The Federal Open Market Committee next meets July 29-30 in Washington. "I think we've got room to bring it down, and then we can kind of see what happens with inflation," he said, adding the central bank could pause cuts if needed. Waller's comments follow the decision by Fed policymakers on Wednesday to keep interest rates on hold. Officials also continued to signal their expectation for two rate cuts before the end of 2025, according to their median projection. Seven policymakers signalled they expect no cuts this year, pointing to an apparent split in the committee. *(Bloomberg)*

MY: Electricity tariffs to be adjusted monthly, instead of twice a year

Peninsular Malaysia's electricity tariffs will be adjusted on a monthly basis from July onwards, instead of twice a year. Tariff revisions due to swings in fuel and generation costs will be done through automatic fuel adjustment system, the Energy Commission (EC) said. The agency also confirmed the base tariff per kilowatt-hour (kWh) will be raised to 45.4 sen under the fourth regulatory period (RP4) from 39.9 sen under RP3. The new system will take effect from July this year until December 2027. Under the new system, the tariff will be adjusted up or down, depending on the difference between actual fuel prices and benchmarked fuel prices. However, the automatic increase is capped at three sen per kWh — and anything exceeding this threshold will require Cabinet approval. *(The Edge)*

UK: BOE's Bailey raises doubts over digital pound for consumers

Bank of England governor Andrew Bailey cast doubt on the need for a digital pound for consumers, calling into question whether the UK will push ahead with its plans. Bailey said on Friday he is not yet "convinced that we need to create new forms of money" to benefit from technological advances in payments, such as smart contracts and fraud-fighting measures. It was one of the strongest signals yet from the governor that there are major doubts among UK officials over whether to push ahead with so-called "Bitcoin" for consumers. Bailey was addressing a conference in Kyiv, Ukraine, in which he spoke of his "awe" for the country's central bank and people in the face of Russia's invasion. *(Bloomberg)*

Corporate News

MBSB Bank: Partners with Bayo Pay to digitalise construction sector payroll

MBSB Bank Bhd said it has teamed up with Bayo Pay to digitise payroll disbursement for Malaysia's construction sector, offering contractors "a safer and more efficient alternative to cash-based wage payments". By offering a digital-first payroll system, MBSB Bank aims to protect contractors and workers alike while aligning with national goals to accelerate cashless adoption, the bank said in a statement on Thursday. Bayo is a homegrown financial technology company, and it is regulated by Bank Negara Malaysia under the Payment System Act 2003, the company's website showed. The solution is built on Bayo's regulated e-money platform, which allows wages to be credited directly into workers' e-wallets, thus eliminating the operational and security risks of carrying physical cash to worksites. MBSB Bank said the move addresses a persistent challenge in the construction industry. It noted that in recent years, there has been a rise in robberies targeting contractors transporting large sums of cash, resulting in serious injuries, unpaid workers and stalled projects. *(The Edge)*

Ecobuilt: CEO Lim Chin Yen resigns after four months

Ecobuilt Holdings Bhd's chief executive officer Lim Chin Yen has resigned after just four and a half months at the helm of the construction company. In a bourse filing on Friday (June 20), the company said Lim, 48, resigned "to dedicate more time to family and pursue personal interest". Lim is succeeded by Fong Tuck Yong, 52, effective June 20. The company said Fong has more than 30 years of experience in leading and overseeing construction projects. Ecobuilt has been in the red for the past three years. It posted a loss after tax of RM44.5m in FY2024, RM31.1m in FY2023 and RM13.6m in FY2022, according to its annual report. The FY2024 result reflects a 15-month financial period — from June 1, 2023, to Aug 31, 2024 — following a change in the company's financial year-end from May 31 to August 31. The company remained in the red for its latest quarter. It posted a net loss of RM584,000 for the second quarter ended Feb 28, 2025 (2QFY2025) on the back of revenue of RM15.5m. There is no comparative year-on-year figure due to the change in the company's financial year. *(The Edge)*

Vanzo: Taps Taiwanese market via local distributor, Watsons

Vanzo Holdings Bhd is making its entry into Taiwan's fast-moving consumer goods (FMCG) market by appointing Taiwan-based Xishangxi International Marketing Co Ltd (XIMCL) as its exclusive distributor. In a bourse filing on Friday, the air fragrance maker said its wholly-owned subsidiary Vanzo Asia Sdn Bhd (VASB) has signed an agreement with XIMCL to distribute VASB products through both online platforms and physical retail stores via health and beauty retailer Watsons Taiwan. The two-year agreement takes effect from June 20, 2025, and runs through June 19, 2027. Vanzo products are expected to hit the shelves of some 500 Watsons outlets in Taiwan by September this year. The agreement will be automatically renewed unless either party provides written notice of its intention not to do so at least three months before the expiration date. It will also be automatically terminated if Watsons places no orders for three consecutive months or if the products are

delisted by Watsons. (*The Edge*)

Maxim Global: Files appeal to overturn court order halting high-rise project

Maxim Global Bhd has filed an appeal to overturn a stay order granted by the High Court this week that temporarily halts its high-rise residential project here. In a filing on Friday, Maxim said the stay applied to the development order issued by the Kuala Lumpur City Hall (DBKL) back in October 2017 for the development of five blocks of 30-storey apartments. According to Maxim, the stay was granted pending the outcome of a judicial review initiated by a petitioner against DBKL. The petitioner is challenging the development order on the grounds that it allegedly conflicts with the Kuala Lumpur Structure Plan 2020 and the Kuala Lumpur City Plan 2020. Maxim said that it only became aware of the legal action in August 2024, and applied to be included as a respondent to safeguard its interests in the development. The developer added that it has now filed an appeal to the Court of Appeal seeking to vacate the stay order. (*The Edge*)

SD Guthrie; Sime Darby: Co-develop 2,000 acres on Carey Island into industrial, logistics hub

Palm oil producer SD Guthrie Bhd, formerly known as Sime Darby Plantation Bhd, and its sister company Sime Darby Property Bhd have entered into an agreement to jointly develop up to 2,000 acres of land on Carey Island, Selangor. The two parties said the agreement, following discussions that began in 2023, will be formalised through the establishment of a special purpose vehicle (SPV), which aims to support the Selangor state government's aspiration to transform Carey Island into an industrial and logistics hub. The development will co-exist with the integrated palm oil operations on the island and complement the activities at Westport and Northport in Port Klang. While the shareholding structure of the JV was not disclosed, the companies noted that PNB will nominate the chairman of the newly formed SPV. SD Guthrie currently owns 79% of Carey Island, or approximately 28,646 acres, which include two palm oil estates, palm oil mills, a kernel crushing plant, a biodiesel plant, research and development facilities, a robotics and innovation centre, and a nursery. (*The Star*)

Gadang: Bags RM92.5m contract to widen KL-Karak Highway

Gadang Holdings Bhd, via its wholly owned subsidiary Gadang Engineering (M) Sdn Bhd, has secured a RM92.5m contract from AFA Construction and Engineering Sdn Bhd for Package 2A of the Kuala Lumpur-Karak Highway widening project, covering KM39.00 to KM61.50. The 18-month contract involves earthworks and associated works, with completion targeted in 4Q2026. (*The Star*)

Upcoming key economic data releases	Date
US – Q12025 GDP Growth (QoQ)	Jun 26
US – May's Core PCE (MoM)	Jun 27
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
A1 A.K. Koh Group Berhad	ACE Market	0.25	109.2	109.2	30 Jun	11 July

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