



Daily Newswatch

Market Review

The FBMKLCI opened the week higher, recovering from an early dip below a key psychological level as markets reacted impulsively to the U.S. strikes on 3 Iranian nuclear facilities over the weekend. While the initial sell-off reflected heightened geopolitical anxiety, the index rebounded strongly, supported by bargain hunting and sustained local investor interest. Historically, markets tend to absorb such shocks relatively quickly, with the direct impact of geopolitical risks often proving short-lived. Malaysia's May inflation data-scheduled for release today and is expected to remain stable. Although trade tariffs and geopolitical tensions can exert upward pressure on prices, their impact on inflation will depend on the duration and severity of the disruptions.

Among key index constituents, notable gainers are NESTLE (+5.4%), PBB (+5.0%), and PETCHEM (+4.0%). Sector wise, Energy (+1.4%) was the top performer, followed by Financial Services (+1.2%), and Plantation (+0.1%). Market breadth turned neutral, with 282 gainers and 553 losers.

Asian stocks ended mixed on Monday as markets apparently took the U.S. strikes against nuclear targets in Iran in their stride and waited to see how Iran reacts and what happens to Tehran's nuclear program. It remains to be seen whether Iran will close the Strait of Hormuz, through which much of the world's crude passes. Much of East Asia relies heavily on oil imported through the Strait of Hormuz. Mainland China and Hong Kong markets reversed initial losses to end higher. SHANGHAI CI rose 0.7% to 3,381.6 while the HSI settled 0.7% higher at 23,689.1.

European stocks finished modestly lower on Monday as investors waited for Iran's response to the weekend U.S. air strikes on its nuclear sites. Media reports suggest that Iran is mulling blocking the Strait of Hormuz, a key artery for global oil and gas supplies being sent around the world from Middle East. Meanwhile, Israeli officials have signaled that the country is prepared to halt its military campaign against Iran if Supreme Leader Ayatollah Ali Khamenei ceases hostilities and seeks a resolution to the conflict. EURO STOXX 50 fell 0.2%.

In the US after some early indecision, investors rallied late in the day to push the market higher on Monday. Reports suggesting that Iran may block the Strait of Hormuz sent the markets briefly back into the red, as did reports of an Iranian attack on a U.S. base in Qatar. But the markets spiked going into the close after Federal Reserve Vice Chair Michelle Bowman indicated support for a rate cut as early as July, citing concerns about the job market and potential easing of inflationary pressures related to tariffs. Additionally, reports of potential tariff reductions between the U.S. and China helped ease market anxieties. For the day, the DOW jumped 0.9% to finish at 42,581.8, while the NASDAQ rallied 0.9% to close at 19,631.0 and the S&P 500 climbed 1.0% to end at 6,025.2.

Macro Snapshots

- CN:** Land sales income hits decade low, widening budget deficit
- MY; SG :** Johor-Singapore SEZ success depends on fixing wage gaps and worker movement, say policymakers
- MY; KR:** Anwar, Lee discuss free trade agreement, expanding Malaysia-South Korea cooperation
- IND:** Growth firm as export orders soar in June, flash PMIs show
- JP:** No US demand for defence spending worth 3.5% of GDP
- CN:** Asks state-owned developers to avoid public debt defaults

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,516.6	0.9	(7.7)
Dow Jones	42,581.8	0.9	0.1
Nasdaq CI	19,631.0	0.9	1.7
S&P 500	6,025.2	1.0	2.4
SX5E	5,221.9	(0.2)	6.7
FTSE 100	8,758.0	(0.2)	7.2
Nikkei 225	38,354.1	(0.1)	(3.9)
Shanghai CI	3,381.6	0.6	0.9
HSI	23,689.1	0.7	18.1
STI	3,879.3	(0.1)	2.4
Market Activities		Last Close	% Chg
Vol traded (m shares)		3,094.2	18.6
Value traded (RM m)		1,912.5	(43.4)
Gainers		282	
Losers		553	
Unchanged		626	
Top 5 Volume	Last Close	Daily chg %	Vol (m)
PUC	0.015	(25.0)	113.4
RL	0.430	16.2	57.8
MYEG	0.900	(0.6)	51.9
TANCO	0.920	(2.1)	47.3
GOCEAN	0.265	15.2	43.3
Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
KPJ	2.620	1.6	73.8
PBBANK	4.420	5.0	68.2
YTL	2.070	(2.4)	62.7
CIMB	6.800	2.3	51.8
GAMUDA	4.700	(0.4)	51.7
Currencies		Last Close	% Chg
USD/MYR		4.295	(1.0)
USD/JPY		146.170	(0.0)
EUR/USD		1.158	(0.0)
USD/CNY		7.179	0.0
US Dollar Index		98.390	(0.3)
Commodities		Last Close	% Chg
Brent (USD/barrel)		70.3	(8.7)
Gold (USD/troy oz)		3,368.5	0.0
CPO (MYR/metric t)		4,041.0	(1.1)
Bitcoin (USD/BTC)		103,823.5	0.0



- **US:** Attack on Iran adds to economic uncertainty

Corporate Snapshots

- **Hiap Huat:** Acquires Terengganu assets for RM9.5m
- **Enra:** Secures RM136.6m contract to supply storage tanker solution
- **Mulpha:** Australian unit secures loan to fund New South Wales project
- **Cuckoo :** Teams up with Samsung for smart home solutions ahead of IPO
- **AAX:** RM1bn cash call 'nearly there', end-July deadline unchanged, said by CEO
- **CAB Cakaran:** Cyberattack on unit has no material impact on group's ops, financials

Macro News

CN: Land sales income hits decade low, widening budget deficit

China's revenue from selling land plunged to the lowest in a decade, contributing to the widening of budget deficit as the government ramped up spending in support of the economy. Land sales revenue slumped 14.6% on year to 194.1bn yuan (RM115.6bn) last month, the lowest since May 2015. The figure, based on *Bloomberg* calculations from Ministry of Finance (MOF) data released last Friday, reversed a 4.3% growth in April, which had been the first increase in three months. The contraction contributed to a decline in overall government income, which reached 11.2tn yuan in the first five months of the year. The MOF only releases combined figures for January and February, which are averaged for comparing monthly land sales values. Meanwhile, total expenditure jumped to 14.5tn yuan as authorities increased spending at the fastest pace in three years to bolster economic growth, pushing the budget deficit to 3.3tn yuan. The slump in land sales underscores the persisting weakness in the property market, a major domestic drag on the Chinese economy, which is also contending with higher US tariffs on exports. This has also strained local government finances, limiting their ability to expand investment to aid growth. (*Bloomberg*)

MY; SG : Johor-Singapore SEZ success depends on fixing wage gaps and worker movement, say policymakers

The Johor-Singapore Special Economic Zone (JS-SEZ) can boost cooperation, but success depends on reducing wage gaps and fixing worker movement and talent retention issues, according to Malaysian policymakers and industry leaders. Stakeholders stressed that structural issues around labour mobility and talent retention must be urgently addressed if the JS-SEZ is to drive inclusive and sustainable growth. "Malaysia doesn't have a talent problem. Malaysia has a pay problem," Deputy Minister of Investment, Trade and Industry Liew Chin Tong said on Monday. "We pay low wages at home and then watch our skilled workers go to Singapore. There are 1.1m Malaysians working across the border... that equation has to change". Liew was speaking during the "Dialogue Session — A New Growth Catalyst" event, hosted by *The Edge Malaysia* and HSBC, featuring the Johor State Executive Council's investment, trade, consumer affairs and human resources committee chairman Lee Ting Han, and HSBC Malaysia chief executive officer Datuk Omar Siddiq. (*The Edge*)

MY; KR: Anwar, Lee discuss free trade agreement, expanding Malaysia-South Korea cooperation

Prime Minister Datuk Seri Anwar Ibrahim and South Korean President Lee Jae Myung agreed on Monday to work together to expand bilateral cooperation in a "mutually beneficial and substantive" manner, including efforts to conclude a free trade pact, the presidential office said. According to the *Yonhap* news agency, both leaders reached the understanding during their first phone talks earlier in the day, expressing hopes to further advance the strategic partnership between the Southeast Asian nation and South Korea, presidential spokesperson Kang Yu-jung told reporters. "The two leaders agreed to work together to further expand mutually beneficial and substantive cooperation in a wide range of areas, including trade, investment, infrastructure, digital transformation, green growth and defence, especially with the expected conclusion of the South Korea-Malaysia free trade agreement this year," Kang said. "The president also emphasised his commitment to bolstering the bilateral friendship and cooperation based on decades of mutual trust and goodwill," she said. The two countries mark the 65th anniversary of diplomatic relations this year. (*Bernama*)

IND: Growth firm as export orders soar in June, flash PMIs show

India's economic activity picked up in June, driven by a surge in new export orders that boosted the manufacturing sector. The manufacturing purchasing managers' index was up at 58.4 from 57.6 in May, while the services purchasing managers' index climbed to 60.7 from 58.8 last month. That helped the composite index jump to 61 compared to 59.3 in May. The indexes reflect business confidence in the economy and are based on preliminary surveys. The data could get revised when final PMI figures are released next month. A reading above 50 indicates expansion in economic activity, while a print below that indicates contraction. The sustained momentum offers reassurance to policymakers striving to boost growth. Earlier this month, India's central bank surprised markets with a larger-than-expected interest rate cut of 50 basis points. (*Bloomberg*)

JP: No US demand for defence spending worth 3.5% of GDP



Japan denied a report that the US directly asked Tokyo to raise its defence spending to 3.5% of annual gross domestic product, with its top government spokesman saying that the amount of spending was less important than how Japan raises its military capabilities. “Regarding defence spending, there’s no truth to that,” Chief Cabinet Secretary Yoshimasa Hayashi said at a press conference Monday when asked about a *Financial Times* report that a senior Pentagon official had told Japan to boost military spending. The comments come as Donald Trump’s administration ramps up pressure on its allies to boost defence spending amid mounting global security concerns. Tensions continue to build with conflict in the Middle East intensifying, Russia’s war in Ukraine rumbling on and China continuing to intimidate its neighbours through military activity. (*Bloomberg*)

CN: Asks state-owned developers to avoid public debt defaults

China has introduced a requirement for state-owned developers to avoid defaulting on publicly issued debt, in the latest attempt by authorities to contain the nation’s prolonged property crisis. The State-owned Assets Supervision and Administration Commission added the directive to its latest performance metrics for about 20 developers that are controlled by the central government, people with knowledge of the matter said, asking not to be identified discussing a private matter. The commission, known as SASAC, didn’t respond to a faxed request for comment on Monday. While the regulator has so far stopped short of providing additional support to backstop the developers, the new stipulation underscores growing urgency to contain credit risks from China’s protracted property downturn. Most of the biggest private developers have defaulted since 2021, shattering confidence in the housing market and leaving a pile of distressed debt that currently stands at almost US\$140bn (RM599.5bn). So far, state-owned developers have avoided the same fate, and their onshore bonds are trading at levels that suggest bondholders expect repayment. The companies overseen by SASAC range from leading firm Poly Developments & Holdings Group Co to smaller builder CCCG Real Estate Co. (*Bloomberg*)

US: Attack on Iran adds to economic uncertainty

The US bombing of Iran's nuclear sites injected fresh uncertainty into the outlook for inflation and economic activity at the start of a week chock full of new economic data and central banker commentary, including two days of Congressional testimony from Federal Reserve chair Jerome Powell. The downside of the attacks may be the easiest to see: the potential for a spike in energy prices, a continuation of the hesitancy that has gripped households and businesses and could crimp spending, and the possibility of a response from Iran that materialises well outside the Gulf. With the US economy already expected to slow under pressure from the Trump administration's high import tariffs, a rise in oil prices resulting from the conflict "could provide powerful downward pressure on households' ability to spend... and that could slow GDP even more," Morgan Stanley chief economic strategist Ellen Zentner said on Sunday. (*Reuters*)

Corporate News

Hiap Huat: Acquires Terengganu assets for RM9.5m

Hiap Huat Holdings Bhd is buying a 20,000-square-metre industrial land and assets located in Kemaman, Terengganu for RM9.5m. The leasehold land, including plant and machinery, is expected to be used for the operation of an integrated low pressure system production and maintenance enterprise, as well as for cleaning and testing of oil wells, and for constructing related buildings, said Hiap Huat in a bourse filing. Hiap Huat — which is involved in scheduled waste management, manufacture of lubricants and paint products, among others — said the proposed acquisition would expand its customer base to include those serviced by the current assets owner Paka Petroleum Sdn Bhd in receivership. “This ready-to-use setup offers substantial time savings and efficiency benefits, compared to the alternative of establishing a new facility from the ground up,” Hiap Huat said. The asset’s “proximity to our existing customers in Paka, Terengganu, will significantly improve response times and enable the provision of higher quality services,” the company said. (*The Edge*)

Enra: Secures RM136.6m contract to supply storage tanker solution

Enra Group Bhd, through subsidiary Hexagon Energy Logistics Sdn Bhd, has signed a US\$32.1m (RM136.6m) deal with SIP JDA Sdn Bhd to provide a storage tanker for Carigali-PTTEPI’s oil and gas operations at the Malaysia-Thailand Joint Development Area (MTJDA). In a bourse filing on Monday, Enra said the 12-month subcontract will run from Oct 1, 2025, to Sept 30, 2026. Enra Group mainly operates in energy-related logistics, engineering and maintenance services, as well as property development and MRO (Maintenance, Repair and Overhaul) services. (*The Edge*)

Mulpha: Australian unit secures loan to fund New South Wales project

Mulpha International Bhd said its Australian unit has secured a A\$73.8m (RM203.8m) cash advance facility from National Australia Bank Ltd to fund a property development project in Castle Hill, New South Wales. Mulpha Marymount Pty Ltd accepted the facility both in its personal capacity and as trustee of the Mulpha Marymount Property Trust, said Mulpha International in its filing with Bursa Malaysia on Monday. Mulpha Marymount is a wholly-owned subsidiary of Mulpha Australia Ltd, which is in turn wholly-owned by Mulpha International. A significant portion of Mulpha International’s assets and investments are based in Australia, particularly across Queensland, New South Wales and Victoria. According to the group’s website, its portfolio includes the ultra-luxury Hayman and InterContinental Hayman Island Resort, InterContinental Sydney, Sanctuary Cove and InterContinental Sanctuary Cove Resort, Bimbadgen Estate, Norwest Business Park and Norwest Quarter, as well as the Marritz Hotel and Salzburg Apartments in Perisher. For the financial year ended Dec 31, 2024, the Australian

market contributed 97.1% of the group's total revenue of RM1.0bn, with Malaysia and New Zealand contributing 1.5% each. (*The Edge*)

Cuckoo : Teams up with Samsung for smart home solutions ahead of IPO

On the eve of its listing, Cuckoo International (MAL) Bhd announced a strategic collaboration with Samsung Malaysia Electronics (SME) Sdn Bhd to launch a new generation of smart home solutions in Malaysia. Cuckoo Malaysia will leverage Samsung's technological expertise to broaden and enhance its wellness ecosystem to provide a more holistic and integrated suite of smart, connected and AI-driven home products designed for modern lifestyles. The initiative, branded the Cuckoo Smart Healthy Home Co-Created Programme with Samsung, integrates Cuckoo's wellness solutions with Samsung's smart home technologies. Through the programme, Cuckoo Malaysia plans to introduce its first Smart Healthy Home solutions, which will include smartphones, smart televisions, refrigerators, washing machines and AirDressers — a wardrobe appliance that steams and sanitises clothing — with the official launch and sales expected to begin on July 1. (*The Edge*)

AAX: RM1bn cash call 'nearly there', end-July deadline unchanged, said by CEO

AirAsia X Bhd chief executive officer Benjamin Ismail said the aviation group's RM1bn private placement is being finalised and still slated for completion by end-July. "It's getting there, nearly there. *Insyah-Allah* (God-willing) [by end-July] that's the target internally for us, so we'll see how it goes," Benjamin told the press following AAX's launch of a new route to Tashkent, Uzbekistan, on Monday (June 23). The private placement is part of AAX and sister company Capital A Bhd's planned aviation business restructuring deal, which involves AAX buying AirAsia Aviation Group for RM3bn and AirAsia Bhd for RM3.8bn. The restructuring deal's deadline was previously set for completion by end-May but was extended by two months to July 31, for AAX to finalise the terms of its RM1 billion private placement, and secure approval from authorities, lenders and other parties. The restructuring forms a key part of Capital A's regularisation plan to exit Practice Note 17 (PN17) status. Back in May, Capital A CEO Tan Sri Tony Fernandes confirmed that the lead investor in AAX's cash call would be a sovereign wealth fund, but stopped short of identifying them. (*The Star*)

CAB Cakaran: Cyberattack on unit has no material impact on group's ops, financials

CAB Cakaran Bhd said on Monday that the recent cyberattack on the accounting system of its 51%-owned unit, Farm's Best Food Industries Sdn Bhd, has not had any material impact on the group's operations or financial performance. In a filing with Bursa Malaysia, the poultry farming and food processing company said restoration efforts for the affected system are ongoing but the timeline for full data recovery in time to meet reporting deadlines remains uncertain. "However, an assessment of the incident has been completed. Based on the assessment conducted by the external IT consultant, the cyberattack has not resulted in any material impact on the operations or financial performance of Farm's Best and the group," said CAB. Farm's Best, it said, continues to work closely with its internal IT personnel and the external cybersecurity consultants to fully recover the affected system and strengthen its cybersecurity framework to prevent recurrence. Farm's Best, known for its poultry and processed chicken products, is a key unit in CAB group's integrated poultry business (*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
A1 A.K. Koh Group Berhad	ACE Market	0.25	109.2	109.2	30 Jun	11 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