



Daily Newswatch

Market Review

The FBMKLCI closed lower, slipping 2.4 points, as investors adopted a cautious stance amid heightened Iran-Israel tensions following US strikes on Iranian nuclear facilities under "Operation Midnight Hammer." The index fell to 1,511.3 in early trading before paring some losses in the afternoon, supported by a tentative ceasefire announcement from President Trump, which briefly lifted regional sentiment. However, gains were later trimmed after Israel vowed to retaliate against an Iranian missile strike, keeping risk appetite in check. The VIX Index retreated in response to the ceasefire announcement, signalling a partial easing in market volatility. Oil prices pared earlier losses, supporting defensive positioning in energy counters, while the tech-led rebound pointed to a swift rotation back into growth sectors. Among key index constituents, notable gainers are PETDAG (+3.2%), SIME (+2.5%), and PMETAL (+2.0%). Sector wise, Technology (+1.5%) was the top performer, followed by Industrial Products & Services (+1.1%), and Healthcare (+0.8%). Market breadth turned positive, with 539 gainers and 275 losers.

Asian stocks rallied on Tuesday after U.S. President Donald Trump said a ceasefire agreed between Israel and Iran is now in effect. "On the assumption that everything works as it should, which it will, I would like to congratulate both countries, Israel and Iran, on having the stamina, courage, and intelligence to end what should be called 'THE 12-DAY WAR,'" Trump wrote on Truth Social. SHANGHAI CI surged 1.2% to 3,420.6 on easing Middle East tensions. HSI soared 2.1% to 24,177.1, with tech and EV stocks leading the surge.

The major European stocks closed on a firm note Tuesday after the office of Israeli Prime Minister Benjamin Netanyahu and Iranian state media outlet Press TV confirmed a ceasefire had begun. While both sides have accused each other of violating the ceasefire, investors remained optimistic about easing tensions in the Middle East. Also, investors largely shrugged off comments from U.S. Fed Chair Jerome Powell indicating the central bank will remain on hold despite pressure from Trump to lower interest rates. EURO STOXX 50 surged 1.4% to 5,297.1.

Stocks moved sharply higher during trading on Tuesday, extending the strong upward move seen over the course of the previous session. The NASDAQ surged 1.4% to 19,912.5, the DOW jumped 1.2% to 43,089.0 and the S&P 500 shot up 1.1% to 6,092.2. The continued strength on Wall Street came after President Donald Trump announced a ceasefire between Israel and Iran is now in effect. "For the time being, we are well positioned to wait to learn more about the likely course of the economy before considering any adjustments to our policy stance," Powell said in prepared remarks before the House Financial Services Committee. On the U.S. economic front, the Conference Board released a report showing an unexpected deterioration by consumer confidence in the month of June. The Conference Board said its consumer confidence index fell to 93.0 in June from a revised 98.4 in May. Economists had expected the index to inch up to 99.0 from the 98.0 originally reported for the previous month.

Macro Snapshots

- MY:** May consumer prices rise at slowest pace in over three years
- MY:** Govt approves venture capital tax incentives to boost investments in start-ups
- US:** Home resales remain sluggish on affordability constraints
- US:** Fed should wait on rate cuts with price hikes expected, Bostic says
- EU:** Lagarde reiterates ECB is well-placed to navigate uncertainty

| Key Indices | Last Close | Daily chg % | YTD chg % |
|-----------------------|------------|-------------|------------|
| FBM KLCI | 1,514.3 | (0.2) | (7.8) |
| Dow Jones | 43,089.0 | 1.2 | 1.3 |
| Nasdaq CI | 19,912.5 | 1.4 | 3.1 |
| S&P 500 | 6,092.2 | 1.1 | 3.6 |
| SX5E | 5,297.1 | 1.4 | 8.2 |
| FTSE 100 | 8,759.0 | 0.0 | 7.2 |
| Nikkei 225 | 38,790.6 | 1.1 | (2.8) |
| Shanghai CI | 3,420.6 | 1.2 | 2.1 |
| HSI | 24,177.1 | 2.1 | 20.5 |
| STI | 3,904.3 | 0.6 | 3.1 |
| Market Activities | Last Close | % Chg | |
| Vol traded (m shares) | 2,531.8 | (18.2) | |
| Value traded (RM m) | 2,041.6 | 6.7 | |
| Gainers | 539 | | |
| Losers | 275 | | |
| Unchanged | 607 | | |
| Top 5 Volume | Last Close | Daily chg % | Vol (m) |
| TANCO | 0.940 | 2.2 | 49.9 |
| RL | 0.310 | (27.9) | 45.4 |
| CKI | 1.080 | 0.0 | 42.7 |
| NEXG | 0.355 | 1.4 | 41.2 |
| MYEG | 0.920 | 2.2 | 35.7 |
| Top 5 Turnover | Last Close | Daily chg % | Val (RM m) |
| MAYBANK | 9.800 | 1.3 | 219.3 |
| TENAGA | 14.260 | (0.3) | 109.3 |
| PBBANK | 4.310 | (2.5) | 102.9 |
| KPJ | 2.520 | (3.8) | 65.5 |
| GAMUDA | 4.690 | (0.2) | 57.2 |
| Currencies | Last Close | % Chg | |
| USD/MYR | 4.244 | 1.2 | |
| USD/JPY | 144.930 | 0.0 | |
| EUR/USD | 1.161 | (0.0) | |
| USD/CNY | 7.171 | 0.1 | |
| US Dollar Index | 97.858 | (0.6) | |
| Commodities | Last Close | % Chg | |
| Brent (USD/barrel) | 67.1 | (6.1) | |
| Gold (USD/troy oz) | 3,321.6 | (0.1) | |
| CPO (MYR/metric t) | 3,984.0 | 0.5 | |
| Bitcoin (USD/BTC) | 106,068.0 | (0.1) | |



Corporate Snapshots

- **SD Guthrie:** Sell 300-acre land, to develop another 300 acres into industrial park
- **CPI Land:** To launch first phase of Permata Heights worth RM123m in July 2025
- **Crest Builder:** Bags RM233.3m contract for serviced apartments construction job in Bukit Jalil
- **IGB REIT:** To acquire Mid Valley Southkey Mall in Johor for RM2.7bn
- **Hektar REIT:** To acquire 90% stake in Perlis land for solar farm project
- **AE Multi:** Largest shareholder Erdasan sells 5.9% stake in company

Macro News

MY: May consumer prices rise at slowest pace in over three years

Malaysia's consumer inflation in May decelerated to its slowest pace in more than three years as food prices rose more moderately, official data released on Tuesday showed. The consumer price index — Malaysia's main gauge of inflation — rose 1.2% in May when compared to the same month in 2024, the Department of Statistics Malaysia said in a statement. The rate was the lowest since February 2021, and was also below the median 1.4% rise predicted in a *Bloomberg* poll. The index also rose at a slower pace than April's 1.4% year-on-year gain. On a month-on-month basis, the index was up 0.1% in May. The food-and-beverages sub-index, which contributed nearly 30% of the index's overall weight, increased 2.1% versus 2.3% in April, largely due to increases in the food away from home group. Other categories registering slower increase in prices in May included personal care, social protection and miscellaneous goods-and-services, education, and housing, water, electricity, gas and other fuels. However, prices of groups covering restaurant and accommodation, health, and furnishings, household equipment and routine household maintenance accelerated in May. (*The Edge*)

MY: Govt approves venture capital tax incentives to boost investments in start-ups

The government has approved new venture capital (VC) tax incentives to include a 5% concessionary tax rate for up to 10 years for eligible fund entities investing at least 20% in local start-ups, said Finance Minister II Datuk Seri Amir Hamzah Azizan. He said the new VC tax incentive also includes a 10% tax rate for VC and private equity (PE) management companies registered with the Securities Commission Malaysia, subject to conditions. "The new VC tax incentive extends to onshore limited liability partnerships, further broadening the investor base to deepen capital pool for local start-ups," he said in his keynote address after Khazanah Nasional Bhd and its subsidiary, Jelawang Capital, announced the selection of the first five VC firms under its Emerging Fund Managers' Programme and Regional Fund Managers' Initiative event here on Tuesday. These measures are part of the government's efforts to strengthen the venture capital ecosystem. Amir Hamzah said that Bank Negara Malaysia, in parallel, will facilitate a more efficient and investor-friendly application process under the Foreign Exchange Policy (FEP) framework. (*The Edge*)

US: Home resales remain sluggish on affordability constraints

US previously owned home sales rose slightly in May to a still-sluggish pace that continues to show a housing market constrained by poor affordability. Contract closings increased 0.8% to an annualised rate of 4.0m last month, just the second advance this year, according to data released on Monday by the National Association of Realtors (NAR). That compared with the 3.9m median estimate in a *Bloomberg* survey of economists. It was the weakest May sales pace since 2009. The resale market, which historically makes up about 90% of total home sales, looks set to languish for the foreseeable future without some letup in financing costs or downturn in prices. Compared with a year ago, existing-home sales were down 4% on an unadjusted basis. Mortgage rates remain stuck near 7% and are seen staying above 6% at least through next year, the Mortgage Bankers Association (MBA) forecasts, and home prices have remained stubbornly high despite some weakening in Sun Belt states. NAR's report showed the median selling price in the South declined 0.7% from a year ago. In May, inventory increased 6.2% to 1.5 million houses, the most in nearly five years. Still, the growing number of homes on the market hasn't jump-started home sales, evidenced by the weakest start to the spring season in five years. (*Bloomberg*)

US: Fed should wait on rate cuts with price hikes expected, Bostic says

The Federal Reserve need not cut interest rates with companies planning to raise prices later this year in response to higher import taxes and with the job market still stable, Atlanta Fed president Raphael Bostic told *Reuters*. "I think we have some space and time" to watch how the tariff and other policy debates evolve, said Bostic in an interview at his office in downtown Atlanta. He sees the Fed only needing to approve a single quarter-point rate cut late in 2025, based on his view that economic growth will fall to perhaps 1.1% this year and inflation returning to nearly 3% by year's end. Though some Fed officials say rates could fall as soon as July, and US President Donald Trump has been criticising tight Fed monetary policy, Bostic said the job market shows little sign of fading, while inflation remains a risk. "I'm more concerned about what happens if we don't get to our 2% mandate. Because of that I'm willing to stay in this restrictive posture for longer just to be absolutely sure," said Bostic, referring to the 4.3% to 4.5% policy interest rate the Fed has maintained since December to contain inflation. "I would see the last quarter (of the year) is sort of when I would expect we would know enough to move." Fed policy will be the



focus of congressional hearings this week, with Fed chair Jerome Powell beginning two days of testimony Tuesday morning before the House Financial Services Committee. *(Reuters)*

EU: Lagarde reiterates ECB is well-placed to navigate uncertainty

The European Central Bank (ECB) is well-placed to tackle “exceptionally high” economic and political uncertainty, president Christine Lagarde said. Addressing European lawmakers in Brussels, Lagarde said inflation is set to stabilise around the 2% goal and risks to economic growth remain tilted to the downside. “At the current interest-rate levels, we believe that we are in a good position to navigate the uncertain circumstances,” she said on Monday. The comments reaffirm Lagarde’s position after a weekend in which the US launched strikes on Iran’s nuclear infrastructure — sending oil prices higher and throwing the global economic outlook into question. *(Bloomberg)*

Corporate News

SD Guthrie: To sell 300-acre land, to develop another 300 acres into industrial park

SD Guthrie Bhd said on Tuesday it will sell a 300-acre land and set up a joint venture (JV) to develop an industrial park on an additional 300 acres of land with the Negeri Sembilan government. The 600-acre site is located in SD Guthrie’s Sengkang Estate in the district of Port Dickson. Finalisation of a master plan is targeted for the first quarter of 2026 followed by infrastructure works for the industrial park that will start in the next quarter, the company said in a statement. SD Guthrie and Menteri Besar Inc Negeri Sembilan (MBINS) have formalised the partnership through a sale and purchase agreement for the 300-acre land and a memorandum of understanding for the JV. SD Guthrie group managing director Datuk Mohamad Helmy Othman Basha said the latest move is part of the group’s ongoing efforts to maximise the value of its land bank as well as to facilitate the development of the Port Dickson Free Zone (PDFZ). “By combining land monetisation and a key strategic partnership with MBINS, we are able to realise the value of the land immediately and also secure another potential recurring income stream for SD Guthrie,” Mohamad Helmy said in a statement. *(The Edge)*

CPI Land: To launch first phase of Permata Heights worth RM123m in July 2025

CPI Land Sdn Bhd will launch Permata Gemma, the first phase of its RM557m Permata Heights project in Gombak, Kuala Lumpur, next month. The first phase has an estimated gross development value (GDV) of RM123m. Permata Gemma will comprise 36 three-storey semi-detached homes, and 24 three-storey bungalows across a seven-acre parcel. The launch marks CPI Land’s entry into the premium landed segment, with the homes priced from RM1.8m for the semidees and around RM2.2m for the bungalows. Permata Heights spans 20.6 acres and will offer 177 freehold stratified units, including super-link homes, semi-detached houses and bungalows. It is situated at the highest point of Taman Bukit Permata, and is positioned as a low-density residential enclave. CPI Land chairman Chung Shan Tat said, “We’re not just entering this segment; we’re doing it with intention. Location, low density, and market alignment are our pillars, ensuring Permata Heights offers exceptional value and an elevated lifestyle”. *(The Edge)*

Crest Builder: Bags RM233.3m contract for serviced apartments construction job in Bukit Jalil

Crest Builder Holdings Bhd’s wholly owned subsidiary received a RM233.3m contract for the construction of two blocks of serviced apartments with podiums in Taman Mutiara Bukit Jalil, Kuala Lumpur. In a bourse filing on Tuesday, it said the contract was awarded by Sunway Flora Sdn Bhd, a member of the Sunway group, to Crest Builder Sdn Bhd. The company said the contract period will last for 36 months. No commencement date was shared as per the bourse filing. This latest contract boosts Crest Builder’s total outstanding order book to approximately RM1.7bn, keeping it busy for the next four years, according to a statement by the group. Commenting on the contract, Crest Builder’s group managing director Eric Yong Shang Ming said, “This marks our second contract from the Sunway group following last year’s Sunway Velocity 3 project.” Crest Builder’s largest shareholder is SC Yong Holdings Sdn Bhd — a private entity owned by the Yong family. *(The Edge)*

IGB REIT: To acquire Mid Valley Southkey Mall in Johor for RM2.7bn

IGB Real Estate Investment Trust on Tuesday announced that it is planning to buy the Mid Valley Southkey Mall in Johor Bahru for RM2.7bn in a cash-and-units deal, marking its maiden foray into Johor. The five-storey mall, with over 1.5m sq ft of net lettable area, forms part of the integrated Mid Valley Southkey development located near the Johor-Singapore Causeway, according to IGB REIT in a bourse filing Tuesday. The trustee for IGB REIT, MTrustee Bhd, has signed a conditional sale and purchase agreement with Southkey Megamall Sdn Bhd (SMSB) for the related-party acquisition. SMSB is a 70%-owned unit of IGB Bhd, the sponsor and major unitholder of IGB REIT with a 53.9% stake. The consideration is the same as the market value ascribed for the asset by Henry Butcher Malaysia Sdn Bhd, the independent valuer appointed by the trustee. The deal will be funded through a combination of RM1bn in cash and RM1.7m worth of new IGB REIT units to be issued to SMSB at RM2.7 per unit. *(The Edge)*

Hektar REIT: To acquire 90% stake in Perlis land for solar farm project

Hektar Real Estate Investment Trust plans to acquire a 90% equity stake in Terramark Sdn Bhd, which owns a 197.8-acre leasehold land in Perlis earmarked for a private solar farm project. MTrustee Bhd, acting on behalf of Hektar REIT, has entered into an agreement with Wan Realty Sdn Bhd and Darul Modal Sdn Bhd for the acquisition, valued at RM26m, according to a bourse filing on Tuesday. Darul Modal is the

largest shareholder in Terramark with a 60.4% stake, followed by Wan Realty with 29.6%. The remaining 10% is held by Menteri Besar Incorporated, the Perlis state's investment and development arm. The land, located in Chuping, was formerly used as a sugarcane plantation, said Hektar REIT, adding that it will be converted to industrial use at the vendor's cost. The land has been earmarked for a private solar farm under the proposed Corporate Renewable Energy Supply Scheme, to be developed by a third-party lessee through a development rights agreement. As part of the deal, a 25-year triple net master leaseback arrangement will be established between the vendor and Terramark for the ground lease, offering an average yield of 9.6% over the lease term. *(The Star)*

AE Multi: Largest shareholder Erdasan sells 5.9% stake in company

AE Multi Holdings Bhd's largest shareholder Erdasan Group Bhd has offloaded a 5.9% stake in the electronics component maker. Erdasan's (formerly known as AT Systematization Bhd) wholly-owned unit AT Precision Tooling Sdn Bhd disposed of 12.9m shares in AE Multi via the open market on June 20, a bourse filing on Tuesday showed. The price at which the shares were transacted was not disclosed. However, based on AE Multi shares' closing price on June 20 of five sen, the block was valued at RM644,960. Following the disposal, Erdasan remains AE Multi's largest shareholder with a 25.4% stake. Aside from Erdasan, AE Multi's latest annual report lists Morgan Stanley as another substantial shareholder with a 6.4% stake. Earlier this year, Erdasan made headlines after its former executive director, Mak Siew Wai, went missing. He is wanted for skipping a court hearing on May 16 over 14 charges of embezzling RM39.9m from the company. *(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 | | |
| 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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