



Daily Newswatch

Market Review

The FBMKLCI ended higher today, extending yesterday's gains and putting the index on course for a strong weekly performance. Although the index dipped slightly after the lunch break, it remained in positive territory-marking one of the more constructive trading sessions over the past fortnight, with renewed optimism lifting both sentiment and sectoral breadth. Importantly, trading volume today rose to 3.2bn shares, signalling a return of broader market participation. This level of activity, combined with sectoral breadth, suggests improving investor engagement following weeks of cautious trading. This optimism is closely tied to evolving expectations around U.S. monetary policy. In his latest testimony to Congress, Federal Reserve Chair Jay Powell confirmed that interest rate cuts are effectively off the table until at least September-pushing back against Donald Trump's calls for immediate easing. Among key index constituents, notable gainers are PETCHEM (+5.8%), AXIATA (+4.8%), and SIME (+3.6%). Sector wise, Technology (+1.8%) was the top performer, followed by REIT (+1.7%), and Industrial Products and Services (+0.8%). Market breadth turned positive, with 496 gainers and 347 losers.

Asian stocks ended on a cautious note Wednesday after rising sharply in the previous session on Israel-Iran ceasefire relief. A U.S.-brokered ceasefire between Israel and Iran appeared to be holding but elsewhere, Israel's army said seven of its soldiers were killed in combat in Gaza, where the war with Palestinian militant group Hamas continued. SHANGHAI CI surged 1.0% to 3,456.0 and HSI jumped 1.2% to 24,474.7 amid bets that Fed rate cuts amid a slump in oil prices will weaken the U.S. dollar and spur inflows to Asian markets.

European shares finished lower on Wednesday, handing back gains from the previous session as the fragile Iran-Israel truce took hold. U.S. President Donald Trump's Middle East envoy said late on Tuesday that talks between U.S. and Iran were "promising" and that Washington was hopeful for a long-term peace deal. Investors remain skeptical. EURO STOXX 50 fell 0.9% to 5,252.0.

Stocks initially extended the rally seen to start the week early in the session on Wednesday before giving back ground over the course of the trading day. The major averages pulled back off their early highs, eventually ending the day narrowly mixed. While the tech-heavy NASDAQ rose 0.3% to a new four-month closing high of 19,973.6, the S&P 500 edge down less than a tenth of a percent to 6,092.2 and the DOW slipped 0.3% to 42,982.4. The subsequent pullback by the markets may have reflected profit taking after the major averages reached their highest intraday levels in four months. In U.S. economic news, a report released by the Commerce Department showed a substantial pullback by new home sales in the U.S. in the month of May. The Commerce Department said new home sales plunged by 13.7% to an annual rate of 623,000 in May after spiking by 9.6% to a revised rate of 722,000 in April. Economists had expected new home sales to tumble by 7.1 to an annual rate of 690,000 from the 743,000 originally reported for the previous month.

Macro Snapshots

- MY:** FDI inflows up to RM51.5bn in 2024
- MY:** RON97, diesel up seven sen, RON95 unchanged till July 2
- EU:** Nato leaders set to back Trump defence spending goal at Hague summit
- EU:** Warns a baseline Trump tariff would still spur retaliation
- CN:** Makes pitch for more private cash in cross-border projects

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,519.8	0.4	(7.5)
Dow Jones	42,982.4	(0.2)	1.0
Nasdaq CI	19,973.6	0.3	3.4
S&P 500	6,092.2	(0.0)	3.6
SX5E	5,252.0	(0.9)	7.3
FTSE 100	8,718.8	(0.5)	6.7
Nikkei 225	38,942.1	0.4	(2.4)
Shanghai CI	3,456.0	1.0	3.1
HSI	24,474.7	1.2	22.0
STI	3,926.0	0.6	3.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,149.7	24.4
Value traded (RM m)	2,265.8	11.0
Gainers	496	
Losers	347	
Unchanged	568	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
RL	0.225	(27.4)	64.9
GOCEAN	0.115	(55.8)	52.3
TANCO	0.930	(1.1)	41.6
MYEG	0.935	1.6	40.1
NEXG	0.355	0.0	27.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TNB	14.240	(0.1)	114.0
CIMB	6.770	0.0	113.8
PBBANK	4.300	(0.2)	74.4
MAYBANK	9.790	(0.1)	67.5
KPJ	2.560	1.6	63.6

Currencies	Last Close	% Chg
USD/MYR	4.237	0.2
USD/JPY	145.050	0.1
EUR/USD	1.167	0.1
USD/CNY	7.174	(0.0)

US Dollar Index	97.679	(0.2)
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Commodities	Last Close	% Chg
Brent (USD/barrel)	67.7	0.8
Gold (USD/troy oz)	3,336.3	0.1
CPO (MYR/metric t)	3,976.0	0.9
Bitcoin (USD/BTC)	107,238.3	(0.6)



Corporate Snapshots

- **UEM Sunrise:** Shelves Gerbang Nusajaya data centre plan, looks to sell 74-acre land
- **Gas Malaysia:** Teams up with UK's Levidian to boost decarbonisation efforts
- **Sime Darby Property:** SJCC East One Phase 1 sees 80% take-up on launch day
- **RHB Bank:** Vashta Mahendran is RHB Bank's new group COO
- **Sports Toto:** Buys property at Berjaya Times Square from Berjaya Assets
- **Destini:** Bags sub-contract works from SMH Rail for MRT 1 project

Macro News

MY: FDI inflows up to RM51.5bn in 2024

Malaysia recorded a net inflow of foreign direct investment (FDI) totalling RM51.5bn in 2024, up from RM38.6bn in the preceding year, according to Department of Statistics Malaysia (DOSM). In a statement, the department noted that total income earned by foreign companies in Malaysia rose to RM99.8bn compared to RM88.4bn in 2023. This increase was mainly driven by income from equity and investment fund shares which amounted to RM95.9bn, and interest income of RM3.9bn. "As of the end of 2024, the country's cumulative FDI position stood at RM995.5bn, up from RM924.0bn in previous year," it said. Meanwhile, DOSM said FDI flows in the form of equity and investment fund shares recorded a net inflow of RM28.0bn, contributing to an accumulated position of RM832.9bn. Debt instruments registered a net inflow of RM23.5bn with the position valued at RM162.6bn. By sectors, it said the services sector contributed the highest FDI inflows at RM39.4bn, with a total position of RM524.8bn. This was followed by the manufacturing sector which generated the highest FDI income valued at RM54.6bn, followed by services sector. (*The Edge*)

MY: RON97, diesel up seven sen, RON95 unchanged till July 2

The retail price of RON95 petrol remains unchanged at RM2.1 per litre, while that of RON97 increases by seven sen, from RM3.1 to RM3.2 per litre, for the period from June 26 to July 2. In a statement on Wednesday, the Ministry of Finance (MOF) said the retail price of diesel in Sabah, Sarawak and Labuan remains at RM2.2 per litre, while in Peninsular Malaysia, it increases by seven sen to RM2.9 per litre for the same period. "In line with the rise in global oil market prices, the government has set the retail price of RON97 petrol at RM3.2 per litre, while the retail price of diesel in Peninsular Malaysia is RM2.9 per litre. "The retail price of diesel in Peninsular Malaysia remains lower than the floated price of RM3.4 per litre on June 10, 2024," the statement read. MOF said the prices were set based on the weekly retail pricing of petroleum products using the Automatic Pricing Mechanism (APM) formula. (*Reuters*)

EU: Nato leaders set to back Trump defence spending goal at Hague summit

Nato leaders gathered in The Hague on Wednesday for a summit tailor-made for US President Donald Trump, with European allies hoping a pledge to hike defence spending will prompt him to dispel doubts about his commitment to the alliance. The summit is expected to endorse a higher defence spending goal of 5% of GDP — a response to a demand by Trump and to Europeans' fears that Russia poses an increasingly direct threat to their security following the 2022 invasion of Ukraine. Nato secretary general Mark Rutte acknowledged that it was not easy for countries to find the money for extra defence spending but said it was vital to do so. "There is absolute conviction with my colleagues at the table that given this threat from the Russians, given the international security situation, there is no alternative," he told reporters on Wednesday morning. Nato officials are hoping the conflict between Israel and Iran, and the US bombing of Iranian nuclear sites at the weekend, will not overshadow the gathering, hosted by Rutte in his home city. Trump has threatened not to protect Nato members if they fail to meet spending targets and he raised doubts about his commitment again on his way to the summit by avoiding directly endorsing the alliance's Article 5 mutual defence clause. (*Reuters*)

EU: Warns a baseline Trump tariff would still spur retaliation

The European Union (EU) plans to impose retaliatory tariffs on US imports, including on Boeing Co aircraft, if US President Donald Trump puts a baseline levy on the bloc's goods as many expect. EU officials expect the US to keep some duties in place, even after trade negotiations are concluded. Until now, the European Commission, which handles trade matters for the EU, hasn't indicated if that would trigger retaliation from the bloc. "We will need to retaliate and rebalance in some key sectors if the US insists on an asymmetrical deal," the EU's industry chief, Stephane Sejourne, told Bloomberg News, including if the "outcome of the negotiations is that a 10% tariff remains". The EU is rushing to clinch a deal with Washington before tariffs on nearly all its exports to the US jump to 50% on July 9. Trump has blasted the EU — which he has said was created to "screw" the US — over its goods surplus and perceived barriers to American trade. The EU estimates that US duties now cover €380bn (US\$439bn or RM1.87tn), or about 70%, of its exports to the US. (*Bloomberg*)



CN: Makes pitch for more private cash in cross-border projects

China's Finance Minister Lan Fo'an has urged a greater role for private investment in ensuring sustainable funding for cross-border infrastructure, warning that emerging countries are running short of money to spend on development. "World economic growth is slowing down, international development aid funds are declining, and developing countries are generally facing a funding gap for cross-border connectivity investment due to limited public resources," Lan said on Wednesday. Speaking in Beijing at the annual meeting of the Asian Infrastructure Investment Bank (AIIB), Lan said a key issue at the moment is how to "stimulate the potential" of private investment in cross-border infrastructure and build what he called a sustainable funding guarantee mechanism. Marshalling private capital for development is becoming a priority after international aid from official donors fell in 2024 after five straight years of growth, according to the Organisation for Economic Co-operation and Development. A United Nations agency estimates developing countries face a US\$4.3tn (RM18.2tn) annual financing gap for sustainable development. (*Bloomberg*)

Corporate News

UEM Sunrise: Shelves Gerbang Nusajaya data centre plan, looks to sell 74-acre land

UEM Sunrise Bhd no longer plans to build a data centre at the 74-acre site of its botched Logos Infrastructure Holdco Pte Ltd deal, with officer in charge and chief financial officer Hafizuddin Sulaiman saying that it is in talks to sell the land. Hafizuddin said its plans with Logos to develop an up to 360 megawatt data centre in Gerbang Nusajaya fell through due to changes in Logos' ownership and business direction. In July 2024, ESR Group Ltd, the majority owner of Logos, bought the remaining 13.6% stake from the company's founders. "The partnership with Logos has lapsed following a change in Logos' ownership, which led to a shift in its overall business focus and strategic direction," he clarified via email, without disclosing when the agreement, signed in May 2024, lapsed. News of the terminated deal first broke in May this year, when research firms reported that the deal was off, with the company citing "unfavourable operating environment". Hafizuddin said the company is now looking to sell the 74-acre land as part of its strategy to monetise non-core assets. (*The Edge*)

Gas Malaysia: Teams up with UK's Levidian to boost decarbonisation efforts

Gas Malaysia Bhd signed a memorandum of understanding with British climate technology company Levidian on Wednesday to explore the deployment of Levidian's LOOP technology to Malaysia and the wider region. The modular LOOP system converts methane into clean hydrogen while capturing carbon as high-quality graphene — a material with growing use in sectors like automotive, batteries and construction, said Gas Malaysia in a statement. "We are pleased to partner with Levidian as it marks a significant step forward in our decarbonisation journey and pursuit of a sustainable future," said Gas Malaysia president and group chief executive officer Ahmad Hashimi Abdul Manap. "By leveraging transformative technologies like LOOP, we aim to enhance the value of natural gas, diversify our revenue streams and reinforce our ESG agenda in support of Malaysia's energy transition," he added. Ahmad Hashimi said both parties will collaborate on installing a LOOP unit in Malaysia as a pilot site, with the aim of scaling up regionally, according to the statement. The move, he said, supports Gas Malaysia's GM32 strategy to diversify into cleaner energy and aligns with the country's New Industrial Master Plan 2030, which lists graphene as a key advanced material. (*The Edge*)

Sime Darby Property: SJCC East One Phase 1 sees 80% take-up on launch day

Sime Darby Property Bhd's newest project, SJCC East One, recorded an 80% take-up rate for its Phase One units within hours of release. Located on a 2.67-acre freehold site within the 30-acre Subang Jaya City Centre (SJCC) masterplan, the development marks the first phase of an integrated transit-oriented development in Subang Jaya. SJCC East One comprises two 36-storey towers housing 926 serviced apartment units with built-up areas ranging from 682 to 1,435 sq ft and layout options from two to four-plus-one bedrooms. Prices start at RM598,000 per unit. The development has a gross development value of RM613m and is slated for completion in June 2029. Designed for contemporary urban living, SJCC East One includes a 50m Olympic-length swimming pool, two fully equipped gyms — including one for women only — co-working spaces, themed lounges, a podcast room and rentable storage spaces. The project incorporates CPTED (Crime Prevention Through Environmental Design) strategies and sustainable features such as EV charging stations, rainwater harvesting systems and LED lighting in common areas. (*The Edge*)

RHB Bank: Vashta Mahendran is RHB Bank's new group COO

RHB Bank Bhd has announced the appointment of Vashta Mahendran as its new group chief operations officer (COO), effective July 1. In a statement on Wednesday, RHB Bank said Vashta brings over three decades of experience in the financial sector, along with strong leadership and execution skills, to her new role. Vashta succeeds David Chong Ming Liang, who will be leaving the bank to pursue new opportunities as his tenure concludes on June 30. Chong has served as the group COO since 2021. "As we embark on the next phase of our growth journey, Vashta's leadership and strength in driving operational transformation will be key in delivering our Progress27 strategy, and achieving our strategic objectives of being best in service, highly profitable and to be a responsible and purposeful organisation," said RHB Banking Group's group managing director and group chief executive officer, Datuk Mohd Rashid Mohamad. Having joined RHB Bank 10 years ago, Vashta previously spearheaded group-wide transformation initiatives within the bank. She holds a bachelor's degree in accounting and finance from the University of Manchester. (*The Edge*)



Sports Toto: Buys property at Berjaya Times Square from Berjaya Assets

Sports Toto Bhd said the group is acquiring three freehold commercial units at Berjaya Times Square for RM24.9m in cash in a related party transaction. Sports Toto's wholly owned unit, STM Lottery Sdn Bhd, is purchasing the units from Sapphire Transform Sdn Bhd, a fully owned subsidiary of Berjaya Assets Bhd, according to a bourse filing on Wednesday. The units, with a total floor area of 1,637 sq ft, are currently tenanted. They were originally acquired by Sapphire in April 2012, and as at end-May 2025, the property's carrying value stood at RM29.47 million. Sports Toto said the acquisition — which is expected to be completed in the second half of this year — will allow STM Lottery to invest in an income-generating asset with potential for future capital appreciation. However, the group noted risks associated with property investments, such as liquidity constraints, credit risks, and rising lending rates amid broader macroeconomic uncertainties. “The management of STM Lottery will take appropriate measures to mitigate these risks as and when necessary,” it said. Berjaya Corp Bhd is a major shareholder in both Sports Toto and Berjaya Assets. *(The Star)*

Destini: Bags sub-contract works from SMH Rail for MRT 1 project

Engineering solutions provider Destini Bhd has secured two sub-contracts to overhaul the heating, ventilation, and air conditioning (HVAC) systems as well as the brake caliper equipment on 58 electric train sets operating along the Mass Rapid Transit Line 1, which connects Sungai Buloh to Kajang. The sub-contracts' tenure is for 20 months, from June 2025 to January 2027, said Destini in a bourse filing on Wednesday. However, no value was disclosed by Destini for the said contracts. Destini said the agreements were signed by its indirect subsidiary Trovon Malaysia Sdn Bhd with SMH Rail Sdn Bhd. Trovon is principally involved in railway maintenance and asset optimisation services, while SMH Rail is engaged in railway manufacturing and trading of railway-related products and transport activities. *(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
ICents Group Holdings Berhad	ACE Market	0.24	112.5	30.0	02 July	17 July

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