



Daily Newswatch

Market Review

The FBMKLCI continue close with a positive note yesterday. The overall performance closely tracked U.S buoyant momentum, underpinned by attractive valuations across key domestic constituents and improving global sentiment. Easing geopolitical tensions-particularly the de-escalation of the Israel-Iran conflict—have also helped suppress regional risk premiums and supported broader investor confidence. Meanwhile, the US dollar edged lower as investors weighed the possibility that upcoming labour market data could reveal further softness—potentially strengthening the case for more decisive Fed action. Collectively, these developments have supported a constructive tone across regional markets, including Malaysia. Among the key constituents, GAMUDA (+3.8%) led the gains, followed closely by TENAGA (+3.6%) and SIME (+2.4%). Between the sectors, Construction (+2.5%) emerged as the top outperformer, while Property (+2.5%) and Technology (+1.2%) also posted notable gains. The overall market breath remained positive with 515 gainers outpaced 359 losers.

The Hong Kong market is closed today in observance of the Hong Kong Special Administrative Region Establishment Day

European markets closed broadly lower on Tuesday as investors adopted a cautious stance ahead of the July 9 deadline for U.S. reciprocal tariffs, with trade negotiations between the Trump administration and key European partners still unresolved. Sentiment remained fragile amid mixed economic signals across the region. In Germany, the HCOB Manufacturing PMI ticked up to 49.0 in June, its highest reading since August 2022, supported by a recovery in new orders. However, the unemployment rate held at 6.3%, its highest since September 2020, though the increase in jobless claims came in below expectations. In the UK, factory sector contraction moderated slightly, with the PMI rising to 47.7, a five-month high but still below the 50-neutral mark, signaling continued weakness. Euro area inflation data were broadly in line with consensus. Headline CPI rose to 2.0% YoY in June (from 1.9% in May), driven by services, while core inflation remained steady at 2.3%. ECB consumer inflation expectations continued to ease across 12-month and 3-year horizons, reflecting reduced macro uncertainty. Final Eurostat inflation data will be released on July 17. As a result, EURO STOXX 50 closed lower (-0.4%).

Following a strong multi-session rally that pushed the S&P 500 and Nasdaq to fresh record highs, U.S. equities posted a mixed performance on Tuesday. The Dow Jones Industrial Average outperformed, gaining +400.17 points (+0.9%) to close at 44,494.94, while the S&P 500 edged -0.1% lower to 6,198.01 and the Nasdaq Composite declined -0.8% to 20,202.89, as investors engaged in selective profit-taking in high-growth names. Market sentiment was influenced by political developments, as the U.S. Senate narrowly passed President Trump's expansive tax and spending bill. On the macro front, ISM manufacturing PMI rose slightly to 49.0 in June (May: 48.5), remaining in contractionary territory but exceeding consensus (48.8), while a surprise uptick in job openings to 7.77 million in May (vs. 7.30m forecast) pointed to continued labour market resilience. The divergence between industrial softness and labour strength adds complexity to the Fed's policy outlook.

Macro Snapshots

- US:** Trump blasts Japan on rice, Hassett flags looming trade deals
- JP:** Trade strategy tested as Trump pushes for quick deals
- CN:** Private factory gauge rebounds after US trade truce
- US:** Musk lashes out at Trump tax bill proponents, threatens to unseat lawmakers
- US:** Senate tries to overcome vote-a-rama, infighting to pass Trump's US\$3.3tn bill
- MY:** Manufacturing sector seen stabilising amid softer contractions, rising employment and costs — S&P Global

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,541.5	0.6	(6.1)
Dow Jones	44,494.9	0.9	4.6
Nasdaq CI	20,202.9	(0.8)	4.6
S&P 500	6,198.0	(0.1)	5.4
SX5E	5,282.4	(0.4)	7.9
FTSE 100	8,785.3	0.3	7.5
Nikkei 225	39,986.3	(1.2)	0.2
Shanghai CI	3,457.7	0.4	3.2
HSI	24,072.3	(0.9)	20.0
STI	3,989.8	0.6	5.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,052.2	(42.5)
Value traded (RM m)	2,151.5	(19.6)
Gainers	515	
Losers	359	
Unchanged	537	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
SAPNRG	0.035	0.0	96.2
MYEG	0.960	1.1	54.5
TANCO	0.890	(2.7)	45.6
TOPGLOV	0.695	(2.1)	36.5
GAMUDA	4.970	3.8	33.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.900	3.6	217.1
GAMUDA	4.970	3.8	162.4
PBBANK	4.260	(1.2)	106.9
MAYBANK	9.720	0.2	94.6
YTL	2.370	2.2	69.0

Currencies	Last Close	% Chg
USD/MYR	4.198	0.3
USD/JPY	143.430	(0.0)
EUR/USD	1.180	(0.0)
USD/CNY	7.166	(0.0)
US Dollar Index	96.819	(0.1)

Commodities	Last Close	% Chg
Brent (USD/barrel)	67.1	0.6
Gold (USD/troy oz)	3,339.1	0.0
CPO (MYR/metric t)	3,940.0	(0.1)
Bitcoin (USD/BTC)	105,495.7	(0.4)



Corporate Snapshots

- **Avangaad:** Secures RM66.8m tugboat charter and extension contracts from Northport
- **Gamuda:** Signs deal to co-develop renewable energy projects in Australia
- **Cape EMS:** Appoints UHY Malaysia PLT as external auditor
- **Velesto:** Secures US\$40m drilling contract from PTTEP for Naga 5
- **Ayer Holdings:** Former Kerjaya Prospek Property CEO takes the helm
- **Lianson Fleet:** To sell vessel for RM32m
- **Genting:** Hands over coal plant in China after PPA expiry, pivots to clean energy
- **Yinson:** Successfully issues US\$1.17bn secured notes, backed by FPSO Maria Quitéria

Macro News

US: Trump blasts Japan on rice, Hassett flags looming trade deals

US President Donald Trump threatened to impose a fresh tariff level on Japan, while his top economic adviser said the White House aims to finalise deals with partners after the July 4 holiday. Trump's latest round of brinkmanship with Tokyo on Monday comes just over a week before a July 9 deadline for higher tariffs to restart for dozens of trading partners, including Japan. He cited what he said was the country's unwillingness to accept US rice exports. The remarks pushed down stocks in Japan, while officials in Tokyo largely tried to sidestep the remarks to avoid fuelling tensions between the two nations over the trade talks. Trump for weeks has sought to exert leverage with negotiating partners ahead of the deadline, vowing to cut short talks with those he sees as being difficult and instead send them letters setting tariff rates. (*Bloomberg*)

JP: Trade strategy tested as Trump pushes for quick deals

Japan's cautious, relationship-driven approach to trade talks is being tested as the U.S. intensifies pressure ahead of the July 9 tariff deadline, with President Trump publicly criticizing Japan over autos and rice imports. Despite repeated diplomatic efforts led by trade negotiator Ryosei Akazawa, Tokyo has yet to secure concessions and faces domestic political constraints particularly in agriculture amid upcoming national elections. While Japan offers incentives in areas like LNG and semiconductors, meaningful breakthroughs remain elusive, and the risk of unilateral U.S. tariff action persists. (*Bloomberg*)

CN: Private factory gauge rebounds after US trade truce

China's manufacturing activity rebounded in June, according to a private survey, suggesting relief after a trade-war truce with the US. The Caixin manufacturing purchasing managers index (PMI) rose to 50.4 from 48.3 in May, according to a statement released by Caixin and S&P Global on Tuesday. That compared with the median forecast of 49.3 by economists. A reading above 50 indicates improving conditions from the previous month. The survey offers the first full month snapshot of China's economic health after Beijing and Washington agreed to reduce tariffs for 90 days in mid-May. Both supply and demand recovered, Wang Zhe, a senior economist at Caixin Insight Group, said in a statement accompanying the release, though external demand remained weak. "With tensions de-escalating, we expect the recovery will be sustained," said Zhaopeng Xing, a senior strategist at Australia and New Zealand Banking Group. "The data suggest growth pressures will be limited going forward and the policy focus will shift from short-term stimulus to long-term structural reform in the second half." The results of the private survey were more bullish than the official reading released on Monday. That gauge showed manufacturers were a little less gloomy after a reprieve in the tariff war with the US unclogged trade flows, but it remained below the 50 marker. (*Bloomberg*)

US: Musk lashes out at Trump tax bill proponents, threatens to unseat lawmakers

Elon Musk once again threatened to ramp up his political spending, this time targeting nearly every sitting Republican in Congress who has signalled support for US President Donald Trump's multi-trillion dollar tax bill. "Every member of Congress who campaigned on reducing government spending and then immediately voted for the biggest debt increase in history should hang their head in shame!" Musk posted on his social media platform X. "And they will lose their primary next year if it's the last thing I do on this Earth." Musk, the chief executive officer of Tesla Inc and SpaceX, had told *Bloomberg News* that he planned to significantly curtail his political spending after shelling out a quarter of a billion dollars in the 2024 cycle, mostly supporting Trump. "I think I have done enough," he said when asked about it in May. (*Bloomberg*)

US: Senate tries to overcome vote-a-rama, infighting to pass Trump's US\$3.3tn bill

US Senate Republicans on Monday evening were still trying to pass President Donald Trump's sweeping tax-cut and spending bill, despite divisions within the party about its expected US\$3.3tn (RM13.8tn) hit to the nation's debt pile. Senators were voting in a marathon session



known as a "vote-a-rama", featuring a series of amendments by Republicans and the minority Democrats, part of the arcane process Republicans are using to bypass Senate rules that normally require 60 of the chamber's 100 members to agree on legislation. But after roughly 12 hours, it was still unclear how long the voting would last. Lawmakers said the process was being held up, partly by the need to determine whether amendments complied with special budgetary rules. (*Bloomberg*)

MY: Manufacturing sector seen stabilising amid softer contractions, rising employment and costs — S&P Global

The Malaysian manufacturing sector showed signs of stabilisation in June 2025, with business conditions improving marginally from May, according to the latest S&P Global Malaysia Manufacturing PMI data. In a statement on Tuesday, S&P Global data showed that the reading rose to 49.3 in June, up from 48.8 in May, marking its highest reading since February, but still below the 50.0 neutral mark. "The latest PMI reading suggests that the modest growth in official GDP (gross domestic product) statistics in the first quarter of 2025 was sustained into the second quarter. The data also suggest that the expansion in manufacturing production continued throughout the second quarter," read the statement. New orders also fell at the slowest rate in the current four-month sequence of declines, suggesting easing demand pressures. Some firms reported a gradual improvement in demand conditions, though overall client confidence remained subdued. New export orders declined at the softest pace since December 2024, contributing to the slower reduction in total sales. (*The Edge*)

Corporate News

Avangaad: Secures RM66.8m tugboat charter and extension contracts from Northport

Marine transportation and offshore storage company Avangaad Bhd has secured tugboat contracts from Northport (Malaysia) Bhd, with a combined contract value of RM66.8m. According to a bourse filing, the first contract involves the extension of three 40-tonne Z-Peller Harbour Tugboats for a further two years until June 30, 2027, valued at RM18.9m. The second contract pertains to the provision of three 50-tonne Bollard Pull Z-Peller Harbour Tugboats for five years through April 30, 2030, valued at RM47.9m, with an option of five years of extension. Avangaad said the contracts are expected to contribute positively to its earnings and net tangible assets for the financial year ending Dec 31, 2025 and onwards. (*The Edge*)

Gamuda: Signs deal to co-develop renewable energy projects in Australia

Gamuda Bhd has signed an agreement with the Downie family to co-develop a portfolio of large-scale renewable energy projects in Central Tasmania, Australia. Under the agreement, Gamuda will take an unspecified equity stake in the portfolio with a combined capacity of 600MW of wind and solar energy and up to 600MW of battery storage, the company said in a statement. The project costs were not disclosed. Gamuda will secure development rights for the current and future projects and deliver them under sole-source engineering, procurement, and construction contracts. The portfolio, which includes Weasel Solar Farm and Cellars Hill Wind Farm, has been led by the Downie family with development partner Alternate Path. The Downie family has held pastoral land in Tasmania for over 200 years. The agreement, however, is subject to Foreign Investment Review Board approval while the project development also hinges on further planning and approvals. (*The Edge*)

Cape EMS: Appoints UHY Malaysia PLT as external auditor

Cape EMS Bhd has appointed UHY Malaysia PLT as its external auditor on Tuesday, according to a Bursa filing on the same day. The previous auditor, Messrs Grant Thornton Malaysia PLT, handed in its resignation notice on May 28, citing resource constraints. Earlier that month, Cape EMS received approval from the Companies Commission of Malaysia to postpone its 2025 annual general meeting (AGM) to the end of the year, due to changes in the company's financial year-end from Dec 31, 2024, to June 30, 2025. The change in its financial year-end was made "to enhance resources planning and to improve the management of audit and annual reporting in the future," it said when first announcing the financial year-end change on April 28. (*The Edge*)

Velesto: Secures US\$40m drilling contract from PTTEP for Naga 5

Velesto Energy has secured a US\$40m (RM188m) drilling contract from PTTEP for a 2025–2026 campaign in Malaysia, involving 15 firm wells and up to eight optional ones, to be executed using the Naga 5 jack-up rig. This follows recent contract wins for Naga 4 and Naga 8, reflecting rising regional demand and a strong tender pipeline expected to support a more active 2H25. (*The Edge*)

Ayer Holdings: Former Kerjaya Prospek Property CEO takes the helm

Property and plantation outfit Ayer Holdings Bhd, formerly known as TAHPS Group Bhd, has promoted its deputy group CEO Joanne Lee Sor Phaik to succeed Chua Seng Yong, who is retiring. Chua, 62, was appointed as group CEO in August 2022. He has more than 30 years of experience in property, construction, retail and hospitality industries. Lee, 55, was appointed as deputy group CEO of Ayer Holdings on Oct 15, 2024. In her new role as group CEO, Lee will lead Ayer Holdings in its next phase of growth and transformation to deliver long-term value to stakeholders, according to Ayer Holdings' filing with Bursa Malaysia on Tuesday. From July 2023 to September 2024, Lee served as CEO of Kerjaya Prospek Property Bhd, where she led transformation initiatives to drive sustainable value and returns. Prior to that, she was the deputy CEO of Tropicana Corp Bhd, where she played an instrumental role in the company's growth, leading local and international sales, as well as business development efforts, Ayer Holdings added. (*The Edge*)

Lianson Fleet: To sell vessel for RM32m

Lianson Fleet Group (formerly Icon Offshore) has proposed to dispose of a 2010-built DP-2 anchor handling tug for RM32.02m to Huashun Shipping (Liberia) as part of its fleet rejuvenation and strategic pivot beyond offshore support vessels. The sale is expected to yield a net gain of RM8.15m, with proceeds earmarked for general corporate purposes and future growth initiatives. The disposal aligns with LFG's rebranding and long-term goal of entering new vessel classes and markets to enhance operational flexibility. (*The Edge*)

Genting: Hands over coal plant in China after PPA expiry, pivots to clean energy

Genting Bhd announced that its 49%-owned unit, SDIC Genting Meizhou Wan, has handed over a 786MW coal-fired plant in Fujian, China, to the local government following the expiry of its 21.5-year PPA. While the group will continue operating its 2,000MW ultra-supercritical plant in the same region, it reaffirmed its commitment to a cleaner energy mix, stating no new coal projects are planned. Genting is advancing its renewable strategy through two joint-venture projects: a 120MWp solar plant that began operations in May 2025 and a 1,490MW hydrogen-ready gas plant set to launch in mid-2026. (*The Edge*)

Yinson: Successfully issues US\$1.17bn secured notes, backed by FPSO Maria Quitéria

Yinson Holdings has successfully raised US\$1.168bn through its FPSO unit, Yinson Bergenia Production BV, marking the largest and longest-tenure FPSO project bond to date with a 19.6-year maturity and fixed coupon of 8.498%. The proceeds will be used to refinance existing debt, fund reserves, cover costs, and distribute to its shareholder, with the bond backed by the FPSO Maria Quitéria under a 22.5-year lease with Petrobras. The strong investor demand and credit ratings (Moody's Ba1, Fitch BB+) reflect confidence in Yinson's platform, with listing on the LSE expected by July 7, 2025. (*The Edge*)

Upcoming key economic data releases	Date
US – ADP Nonfarm Employment Change (June)	July 2
US – Nonfarm Payrolls (June)	July 3
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		
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
Enproserve Group Berhad	ACE Market	0.24	210.0	105.0	08 July	18 July
Oxford Innotech Berhad	ACE Market	0.29	143.5	50.0	16 July	29 July



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