



Daily Newswatch

Market Review

The FBMKLCI closed lower today, ending a five-day rally, as investor sentiment turned slightly cautious amid profit-taking activity, despite broad-based strength in the wider market. Elsewhere, the Bursa Malaysia ACE Index, Mid and Small Cap Index, and the Mid Cap Index all advanced by more than 1%, signalling improved risk appetite and a rotation into domestically driven and growth-oriented stocks. Trading activity was exceptionally vibrant, with total volume rising to 5.1bn on shares-over 70% higher than the recent daily average of 3bn. Foreign inflows also remained supportive. As of yesterday, international investors continued to be net buyers for the fourth consecutive day, reflecting sustained confidence in Malaysia's macroeconomic fundamentals and relative appeal within the ASEAN investment landscape. Among the key constituents, NESTLE (+3.2%) led the gains, followed closely by SIME (+2.4%) and PETGAS (+2.3%). Between the sectors, Technology (+4.0%) emerged as the top outperformer, while REIT (+1.2%) and Industrial Products & Services (+1.0%) also posted notable gains. The overall market breath remained positive with 630 gainers outpaced 389 losers.

Asian shares ended mixed on Thursday as investors reacted to a U.S.-Vietnam trade deal and awaited the monthly U.S. nonfarm payroll data later in the day for directional cues. As companies face uncertainty from Donald Trump's shifting tariffs, supply chain disruptions and rising costs, the June employment report is expected to show slower hiring and the highest unemployment rate since 2021. SHANGHAI CI edged up by 0.2% to 3,461.2 as the Trump administration lifted recent export license requirements for chip design software sales in China. HSI fell 0.6% to 24,069.9, with EV and tech stocks pacing the decliners on fears over slowing Chinese growth. Earlier in the day, a private survey showed China's services activity growth hit a nine-month low in June.

European markets ended higher on Thursday, supported by improved risk sentiment as investors digested a mix of stronger U.S. jobs data and constructive political and macroeconomic developments across the region. The UK led regional gains, buoyed by Prime Minister Keir Starmer's reaffirmed support for Chancellor Rachel Reeves, which helped ease political uncertainty and boost market confidence. Meanwhile, upward revisions to June PMI data across the UK and Eurozone pointed to stabilising economic activity, particularly in the services sector, reinforcing the view of a gradual recovery in private sector momentum. As a result, the STOXX EURO 50 extended its gain and closed higher (+0.5%).

US equities continued their upward momentum on Thursday, with both the Nasdaq Composite and S&P 500 posting new record closing highs as investor sentiment was buoyed by stronger-than-expected macroeconomic data. The rally was driven by a robust non-farm payroll report, which pointed to continued resilience in the labor market, as well as a positive surprise in the services sector. According to the US Labor Department, non-farm payrolls rose by 147,000 in June, surpassing consensus expectations of a 110,000 increase. May's figure was also revised upward to 144,000 (from 139,000). Meanwhile, the unemployment rate edged down to 4.1% (May: 4.2%), defying expectations of a slight uptick to 4.3%, signalling a tighter labor market than previously anticipated. While the stronger employment print could temper near-term expectations for a Fed rate cut, markets responded positively to the underlying strength in the economy. Adding to the optimism, the ISM Services PMI rebounded to 50.8 in June (May: 49.9), indicating the sector's return to modest expansion and exceeding consensus forecasts of 50.5. The major US indices held steady in positive territory after an early rally, consolidating gains throughout the session. The Nasdaq surged 207.97 points (+1.0%) to close at 20,601.1, while the S&P 500 gained 51.93 points (+0.8%) to finish at 6,279.4, and the Dow advanced 344.1 points (+0.7%) to settle at 44,828.5.

Macro Snapshots

- US:** Trump aims to shut trade loopholes China uses to evade tariffs
- JP:** In labour-starved Japan, workers land another bumper pay hike
- CN:** Vows retaliation if it's hurt by US-Vietnam trade deal

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,549.0	(0.1)	(5.7)
Dow Jones	44,828.5	0.8	5.4
Nasdaq CI	20,601.1	1.0	6.7
S&P 500	6,279.4	0.8	6.8
SX5E	5,343.2	0.5	9.1
FTSE 100	8,823.2	0.6	8.0
Nikkei 225	39,785.9	0.1	(0.3)
Shanghai CI	3,461.2	0.2	3.3
HSI	24,069.9	(0.6)	20.0
STI	4,019.6	0.2	6.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	5,094.2	64.0
Value traded (RM m)	2,944.4	23.9
Gainers	630	
Losers	389	
Unchanged	468	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
BORNOIL	0.005	0.0	1,331.1
ZETRIX	0.975	1.0	68.4
NEXG	0.390	2.6	56.1
TANCO	0.900	1.1	45.8
INARI	2.150	7.5	44.6

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	14.020	(4.0)	467.6
GAMUDA	5.040	(1.2)	213.8
INARI	2.150	7.5	92.4
YTL	2.490	1.6	85.1
TM	6.800	1.3	82.9

Currencies	Last Close	% Chg
USD/MYR	4.223	0.1
USD/JPY	144.910	0.0
EUR/USD	1.176	0.0
USD/CNY	7.171	(0.1)
US Dollar Index	97.180	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.8	(0.4)
Gold (USD/troy oz)	3,329.4	0.1
CPO (MYR/metric t)	4,014.0	(0.4)
Bitcoin (USD/BTC)	109,827.0	(0.1)



- **VN:** Says US trade deal will boost hopes and expectations for business
- **CN:** Tech giants lobby for offshore yuan stablecoin, sources say
- **MY:** Targeted SST expansion to control cascading effect of prices, says Amir Hamzah

Corporate Snapshots

- **FGV:** Secures shareholder nod for RM229.8m subsidiary buyout
- **Public Bank:** Directly liable in NFCorp case, Federal Court affirms
- **TIME dotCom:** Names Loh as new group CEO, replacing Afzal who is redesignated as executive vice-chairman
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- **Theta Edge:** Plans RM19.6m private placement to fund operations and expansion

Macro News

US: Trump aims to shut trade loopholes China uses to evade tariffs

US President Donald Trump's two-tiered trade deal with Vietnam aims squarely at practices China has long used to skirt US tariffs: The widespread legal shifting of production to Southeast Asian factories and the murkier and illegal "origin washing" of exports through their ports. The agreement slaps a 20% tariff on Vietnamese exports to the US and a 40% levy on goods deemed to be trans-shipped through the country. With details still scarce, economists said much will hinge on the framework Washington establishes to determine what it sees as "Made in Vietnam" and what it sees as trans-shipments. Complicating matters is the fact that Chinese businesses have rushed to set up shop across Southeast Asia since Trump launched his first trade war back in 2018. The lion's share of Vietnam's exports to the US are goods like AirPods, phones or other products assembled with Chinese components in a factory in Vietnam and then shipped to America. That's not illegal. (*Bloomberg*)

JP: In labour-starved Japan, workers land another bumper pay hike

Japanese companies agreed to raise wages by an average 5.3% this year, their biggest pay hike in 34 years and the third straight year of robust growth as they grapple with severe labour shortages and seek to shield workers from inflation. The final figure tallied on Thursday by the Rengo labour union group — Japan's largest with seven million members — follows an increase of 5.1% last year and 3.6% the year before — a sharp contrast to prior decades of stagnant wages. Japan's biggest business lobby Keidanren also said on Thursday that the average summer bonus payment at major companies this year increased 4.4% from the previous year to a record ¥990,848 (US\$6,889 or RM29,056). Rapidly ageing Japan has developed an extreme labour crunch with shortages among non-manufacturers and small firms reaching historic levels, even pushing some into bankruptcy. (*Reuters*)

CN: Vows retaliation if it's hurt by US-Vietnam trade deal

China said it is examining a trade deal that the US and Vietnam clinched and would retaliate if its interests are hurt — a sign that tensions between Beijing and Washington risk worsening as more of the pacts are finalised. "We are happy to see all parties resolve trade conflicts with the US through equal negotiations but firmly oppose any party striking a deal at the expense of China's interests," He Yongqian, a spokeswoman for the Ministry of Commerce, said at a press briefing in Beijing on Thursday. "If such a situation arises, China will firmly strike back to protect its own legitimate rights and interests," she added, without elaborating on what those steps would entail. The comments are a reiteration of China's line since the US started working on a slew of deals with trade partners around the world that are aimed at trimming America's trade deficit. They come after President Donald Trump said he had reached an agreement with Vietnam that places a 40% levy on any goods deemed to be trans-shipped through the country. (*Bloomberg*)

VN: Says US trade deal will boost hopes and expectations for business

Vietnam on Thursday hailed as a breakthrough a long-awaited trade deal with the United States and said its negotiators were coordinating with US counterparts to formalise terms with Washington. Details on the deal announced by US President Donald Trump were scant, but Washington would place a lower-than-promised 20% tariff on many Vietnamese exports and a 40% levy on transshipments through Vietnam from third countries. The agreement is the culmination of a months-long effort and a raft of concessions from regional manufacturing powerhouse Vietnam to renegotiate a reduction in US tariffs that were initially set at 46%, triggering alarm in the Communist Party-ruled



nation. (Reuters)

CN: Tech giants lobby for offshore yuan stablecoin, sources say

China's tech giants JD.com and Alibaba affiliate Ant Group are urging the central bank to authorise yuan-based stablecoins to counter the growing sway of US dollar-linked cryptocurrencies, people with direct knowledge of the discussions said. The two firms propose China allow the launch of stablecoins in Hong Kong pegged to its offshore yuan to help promote global use of the Chinese currency and fend off the dollar's growing digital influence, the two sources said. The moves come as Hong Kong races the United States in setting up a regulatory framework for stablecoins, competing for a greater reach in global digital finance and trade. Their lobbying efforts, if successful, would mark a major shift in the way Beijing views cryptocurrencies, which it banned in 2021, and could reshape China's strategy in promoting international use of the yuan. (Bloomberg)

MY: Targeted SST expansion to control cascading effect of prices, says Amir Hamzah

Finance Minister II Datuk Seri Amir Hamzah Azizan clarified that the expansion of the Sales and Service Tax (SST) is implemented in a targeted manner to minimise the cascading effect and avoid burdening the public, as it excludes most basic necessities. He highlighted that inflation remains manageable and that additional revenue has enabled broader social assistance, including expanding Sumbangan Asas Rahmah (SARA) to 5.4 million recipients. On RON95 subsidy rationalisation, he stated that discussions are ongoing, with a likely rollout by year-end using the PADU system to set an appropriate income threshold. (Bernama)

Corporate News

FGV: Secures shareholder nod for RM229.8m subsidiary buyout

FGV Holdings Bhd has secured shareholders' approval to acquire the remaining equity interests in eight subsidiaries from Koperasi Permodalan Felda Malaysia Bhd (KPF) for RM229.8m to consolidate its corporate structure. The approval was granted during the company's extraordinary general meeting on June 26, following its 17th annual general meeting on the same day. In a statement on Wednesday, FGV said FGV Palm Industries Sdn Bhd, a 72%-owned indirect subsidiary, will acquire the remaining stakes in three subsidiaries from KPF for RM54.7m, while Felda Holdings Bhd, a wholly owned subsidiary, will acquire the remaining interests in five subsidiaries for RM175.1m. (The Edge)

Public Bank: Directly liable in NFCorp case, Federal Court affirms

In holding Public Bank Bhd liable for sensitive customer information leak, the Federal Court affirmed that the duty to maintain secrecy extends directly to the bank, rather than just its officers or staff. Section 97(1) of the now-repealed Banking and Financial Institutions Act 1989 spelled out that the legal obligation applies directly to the bank, Chief Judge of Sabah and Sarawak Datuk Abdul Rahman Sebli noted in his written grounds of judgement in the suit brought by National Feedlot Corporation (NFCorp). Abdul Rahman highlighted that the first part of Section 97(1) prohibits a director, officer, external bureau, or agent appointed by the bank from undertaking any part of the bank's business — which had nothing to do with the bank's duty of secrecy. However, "it needs to be appreciated that it is the second part" that imposes the duty of secrecy on the bank, Abdul Rahman said. (The Edge)

TIME dotCom: Names Loh as new group CEO, replacing Afzal who is redesignated as executive vice-chairman

TIME dotCom Bhd has appointed Loh Jenkim as its new group chief executive officer, following the redesignation of Afzal Abdul Rahim as the executive vice-chairman, effective Sept 23, 2025. In a bourse filing on Thursday, the telecommunications provider said Loh, who currently serves as the group chief commercial officer, will assume the role of the group CEO. In a separate bourse filing, the company also announced the redesignation of Afzal Abdul Rahim from the group CEO to executive vice-chairman. The company said Loh, 53, is a member of the Association of Chartered Certified Accountants (ACCA) and brings over 25 years of experience across the telecommunications, energy, and professional services sectors. (The Edge)

Sime Darby Property: Elmina Ridge 2 Phase 1 draws 90% take-up at soft launch

Sime Darby Property Bhd's latest residential project, the first phase of Elmina Ridge 2, has achieved a 90% take-up rate during the soft launch. The development, comprising 221 units with a gross development value of RM339m, is part of the City of Elmina township and is slated for completion in 2028. Elmina Ridge 2 follows the success of Elmina Ridge 1, which was fully sold upon its launch last year. The freehold project features superlink, cluster and semi-detached homes with built-up areas ranging between 2,274 and 3,288 sq ft. Prices start at RM1.21m for superlink homes, RM1.7m for cluster units, and RM2.2m for semi-detached properties. (The Edge)

Eco World International: Renamed to EWI Capital Bhd; stock short name is EWICAP from July 7

Eco World International Bhd announced on Thursday that it has changed its name to EWI Capital Bhd, and that its shares will be traded and quoted under its new name from next Monday (July 7). The new stock short name will be "EWICAP", replacing the old stock short name "EWINT", the company said in a filing with Bursa Malaysia. The company's stock code remains unchanged. The property developer, originally set up in 2013 to focus on foreign projects, in May proposed to change its name after announcing a planned pivot to the Malaysian market, citing headwinds it faced in the UK and Australia since the onset of the Covid-19 pandemic. The counter has trended upwards since the news of its geographic shift, rising by over 18% to 32 sen at the time of writing on Thursday, valuing Eco World International at RM768m.



As part of the change, the company would end the brand licensing arrangement with its largest shareholder, Eco World Development Group Bhd, that allowed it to use the brand name 'EcoWorld' and restricted it from undertaking property projects in Malaysia. *(The Edge)*

LB Aluminium: Acquires industrial land in Banting

LB Aluminium Bhd said it is acquiring a 6.74-acre leasehold industrial land together with buildings in Banting, Selangor, for RM22m. In a filing with Bursa Malaysia, the aluminium extrusion manufacturer said it is buying the property from Lucksoon Coatings Sdn Bhd. As part of the deal, LB Aluminium will enter into a contra agreement with Lucksoon Coatings and its related company — Lucksoon Metal Works Sdn Bhd — to offset RM4m in outstanding debt owed by Lucksoon Metal using part of the purchase consideration. Additionally, LB Aluminium said it will sign a three-year tenancy agreement to lease the land back to Lucksoon Metal, which is currently occupying the property to operate a business involving metal works and trading of metal products, upon completion of the acquisition. *(The Edge)*

Theta Edge: Plans RM19.6m private placement to fund operations and expansion

Theta Edge Bhd has proposed to raise up to RM19.6m through a private placement of up to 23.6m new shares, representing 20% of its enlarged share capital. The funds will be used primarily to finance operational expenses for ongoing projects, support future investments, and meet general working capital needs. As of Dec 31, 2024, Theta Edge had RM30.9m in cash, but RM15.4m was pledged to banks, leaving only RM15.4m available. Due to limited accessible funds, the group expects to need additional financing to support its operations over the next year. In its filing with Bursa Malaysia on Thursday, Theta Edge said the placement shares will be offered to independent third-party investors to be identified later. The final price has yet to be set, but based on an illustrative price of 83 sen per share — a 9.14% discount to the five-day average price of 91.4 sen as of July 3 — the placement could raise around RM19.6m. *(The Edge)*

Upcoming key economic data releases	Date
US – FOMC Minutes	July 10
US – Core inflation rate (June)	July 15
US – Inflation rate (June)	July 15
US – PPI (June)	July 16
EU – ECB Interest rate decision	July 24
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		
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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