



# Daily Newswatch

## Market Review

The FBMKLCI ended the session broadly flat last Friday, reflecting a mixed sectoral performance across the broader market. Gains among benchmark constituents were led by consumer-related and industrial product counters, supported by sustained domestic demand and growing optimism in data centre-related industries—a theme increasingly prominent in Malaysia's digital infrastructure ambitions. For the week, the FBMKLCI rose 1.2% on a Friday-to-Friday basis. Particular attention is centred on the United States' 'Liberation Day' deadline of 9 July, when elevated tariffs—ranging from 20% to 30%—are expected to be reinstated on countries without formalised bilateral trade deals. Malaysia, among others, may face renewed uncertainty should negotiations remain unresolved. President Trump has indicated that official notifications outlining new tariff rates will be issued imminently to affected trade partners. Among the key constituents, MRDIY (+2.4%) led the gains, followed closely by PBBANK (+1.9%) and PMETAL (+1.7%). Between the sectors, Industrial Products & Services (+0.7%) emerged as the top outperformer, while Construction (+0.5%) and Property (+0.5%) also posted notable gains. The overall market breath turned neutral with 392 gainers and 407 losers.

Asian stocks ended mixed on Friday as U.S. President Donald Trump's tariff threats ahead of the July 9 deadline offset robust U.S. jobs data. Investors also reacted to the passage of Trump's tax-cut and spending bill, which is set to massively widen the U.S.' budget deficit and leave an added 12m Americans without health insurance. The 218-214 vote in the House Thursday sends the legislation to Trump, who expects to sign the bill on Friday at a 4 p.m. ceremony at the White House. SHANGHAI CI closed 0.3% higher at 3,472.3 on signs of de-escalating Sino-U.S. trade tensions, with the U.S. lifting chip design software curbs against China and the latter moving to restart rare earths exports to the U.S. HSI fell 0.6% to 23,916.1 as tech and EV stocks continued to tumble on margin squeeze fears.

European markets closed lower on Friday amid renewed U.S. tariff risks and soft German economic data. With the July 9 deadline approaching, the U.S. signaled unilateral tariffs starting August 1, raising pressure on the EU, which is unlikely to secure a comprehensive trade deal in time. Meanwhile, Germany's May factory orders fell more than expected (-1.4% MoM), driven by weak domestic demand, and its construction sector remained in contraction, further dampening sentiment. Therefore, Stoxx EURO 50 closed lower (-1.0%) and ended at 5,288.8.

US market was closed in conjunction with the US Independence Day.

## Macro Snapshots

- US:** Trump says tariff letters to 12 countries signed, going out on Monday
- MY:** SST revision no grounds for hotel rate hikes — MOF
- US:** Trump signs his tax-and-spend bill at White House ceremony
- EU:** US trade talks focus on tariff offset for automakers, Bloomberg reports
- US:** Ambassador says 'win-win' trade deal with Canada is within reach
- IN:** Seeks US trade deal even as it toughens stance

## Corporate Snapshots

- EG Industries:** Collaboration with China's CIG to scale up production capabilities in Penang
- Capital A:** Long-range jet deal to revive AirAsia's plans to fly to the US, Europe — Fernandes
- Edeltec:** To diversify into precision component manufacturing with 24% stake buy in Solid Point for RM20.7m

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,550.2	0.1	(5.6)
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	5,288.8	(1.0)	8.0
FTSE 100	8,822.9	(0.0)	8.0
Nikkei 225	39,810.9	0.1	(0.2)
Shanghai CI	3,472.3	0.3	3.6
HSI	23,916.1	(0.6)	19.2
STI	4,013.6	(0.1)	6.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,427.5	(32.7)
Value traded (RM m)	2,472.7	(16.0)
Gainers	392	
Losers	407	
Unchanged	665	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
BORNOIL	0.005	0.0	493.7
ZETRIX	0.995	2.1	91.2
NEXG	1.780	6.6	56.0
TANCO	0.400	2.6	54.8
INARI	0.890	(1.1)	43.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	5.10	1.2	174.8
GAMUDA	14.06	0.3	159.3
INARI	6.77	(0.3)	121.8
YTL	1.78	6.6	97.6
TM	0.995	2.1	91.0

Currencies	Last Close	% Chg
USD/MYR	4.222	0.0
USD/JPY	144.470	0.3
EUR/USD	1.178	0.2
USD/CNY	7.166	0.1
US Dollar Index	97.180	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.3	(0.7)
Gold (USD/troy oz)	3,337.2	0.3
CPO (MYR/metric t)	3,995.0	(0.9)
Bitcoin (USD/BTC)	108,129.9	(0.0)



- **Mudajaya:** To raise RM25.9m via private placement to cut debt
- **Kim Hin:** Gets privatisation offer of 85 sen per share from chairman, family
- **Green Packet:** Labuan-licensed investment bank emerges as substantial shareholder in Green Packet
- **Mesiniaga:** Secures RM148m contract from KWAP for new pension system

## Macro News

### US: Trump says tariff letters to 12 countries signed, going out on Monday

US President Donald Trump said he had signed letters to 12 countries outlining the various tariff levels they would face on goods they export to the US, with the "take it or leave it" offers to be sent out on Monday. Trump, speaking to reporters aboard Air Force One as he travelled to New Jersey, declined to name the countries involved, saying that would be made public on Monday. Trump had earlier on Thursday told reporters that he expected a first batch of letters to go out on Friday, a national holiday in the US, though the date has now shifted. In a global trade war that has upended financial markets and set off a scramble among policymakers to guard their economies, Trump in April announced a 10% base tariff rate and additional amounts for most countries, some ranging as high as 50%. *(Bloomberg)*

### MY: SST revision no grounds for hotel rate hikes — MOF

The Ministry of Finance (MOF) indicated that the sales and service tax (SST) does not warrant the hotel room rate increases asserted by some hotel associations. The ministry clarified that the SST revisions effective July 1 do not include any change in the service tax applied to hotel accommodation or food and beverages (F&B) served at hotels. "The SST revisions do not affect basic daily goods but may affect hotels indirectly through the expansion of service tax to cover rental on commercial properties and also sales tax on selected food items such as premium seafood and imported fruits. The ministry was responding to claims by hotels that they would need to raise room prices by 10% to 15% following the revised tax structure. *(Reuters)*

### US: Trump signs his tax-and-spend bill at White House ceremony

US President Donald Trump signed his US\$3.4tn (RM14.4tn) budget bill into law on Friday, enshrining an extension of tax cuts, temporary new breaks for tipped workers and funding to crack down on illegal immigration. The package encompasses a suite of priorities Trump campaigned on in 2024 — and its enactment at a White House ceremony represents a major political victory for the president whose second term was marked until now by executive rather than legislative action. The legislative milestone reinforces Trump's grip on the Republican Party, whose Capitol Hill leaders muscled the bill through the House and Senate this week. To reach his July 4 target date, Trump worked the phones and summoned some lawmakers to the White House in a pressure campaign to win over key holdouts. *(Bloomberg)*

### EU: US trade talks focus on tariff offset for automakers, Bloomberg reports

Some European Union (EU) carmakers and capitals are pushing for an agreement with US President Donald Trump that would allow for tariff relief in return for increasing investment in the US, according to people familiar with the matter. Member states were briefed on the status of trade negotiations on Friday after a round of talks in Washington this week and were told that a technical agreement in principle was close, said the people, who spoke on the condition of anonymity. The EU has until July 9 to clinch a trade arrangement with Trump before tariffs on nearly all of its exports to the US jump to 50%. Trump has imposed tariffs on almost all US trading partners, saying he wanted to bring back domestic manufacturing, needed to pay for a tax-cut extension and stop other countries from taking advantage of the US. *(Reuters)*

### US: Ambassador says 'win-win' trade deal with Canada is within reach

The US ambassador to Canada gave an optimistic assessment of trade talks between the countries, playing up the odds that a fair deal will emerge soon from negotiations between President Donald Trump and Prime Minister Mark Carney. "We have got two guys that are negotiating for each of our countries," Pete Hoekstra told an audience during an Independence Day party in Ottawa. "When they get done, I am confident that they can both go back to their people and their citizens and say, 'I got a great deal for Canada' — and I think we will have a president who will say, 'I have a great deal for the USA.'" "That means we have a great win-win." *(Bloomberg)*

### IN: Seeks US trade deal even as it toughens stance

India said it is hoping to secure a trade deal with the US in the coming days amid threats by the South Asian nation to impose retaliatory tariffs. The country may impose levies on some US goods in retaliation to Washington's higher tariffs on automobiles and their components, signalling a tougher stance by New Delhi even as the two nations race to seal an interim trade deal. "Free trade agreements are only possible when it's win-win for both nations," Piyush Goyal, India's trade minister told reporters in New Delhi on Friday. India negotiates on its "terms", without being affected by "deadlines", the minister said. India has argued that the higher tariffs are "safeguard" measures designed to shield US industry, and impact Indian exporters unfairly. *(Bernama)*



## Corporate News

### **EG Industries: Collaboration with China's CIG to scale up production capabilities in Penang**

Electronics manufacturing services provider EG Industries Bhd has signed its third letter of intent (LOI) with Shanghai-based optical and broadband technology firm Cambridge Industries Group (CIG) to expand its manufacturing operations in Batu Kawan, Penang. This expansion complements EG Industries' existing facility in Sungai Petani, Kedah. In a statement, EG Industries said the partnership aims to enhance production capacity by adding high-speed surface mount technology (SMT) lines, expanding cleanroom facilities from 1K to 10K standards for optical modules, and increasing automation in testing and packaging at the Batu Kawan site. "These initiatives support CIG's innovation road map and reinforce its strategic partnership with EG Industries to meet the evolving needs of customers worldwide. (*The Edge*)

### **Capital A: Long-range jet deal to revive AirAsia's plans to fly to the US, Europe — Fernandes**

AirAsia's newly ordered 50 extra-long-range narrowbody aircraft will help the airline offer low-cost flights to the US and Europe, Capital A Bhd CEO Tan Sri Tony Fernandes said. On Friday (July 4), AirAsia Bhd signed a US\$12.3bn (RM51.7bn) deal to buy 50 Airbus A321XLR long-range jets. The deal also includes the option to convert 20 more jets in the future. With an additional three hours of flight time and higher fuel efficiency versus the A321neo, Fernandes said the new planes enable a low-cost long-range offering to expand AirAsia's reach, allowing the airline to reach Europe via a one-stop flight in the Middle East and a two-stop flight to the US. (*The Edge*)

### **Edeltec: To diversify into precision component manufacturing with 24% stake buy in Solid Point for RM20.7m**

Engineering support services provider Edeltec Holdings Bhd is expanding into the upstream semiconductor segment with a proposed 24% stake buy in Solid Point Precision Manufacturing Sdn Bhd for RM20.7m, using a mix of cash and shares. Edeltec said the deal will see the company acquire a 6.7% stake in Solid Point Precision from Singapore-based LIPO Precision Industry Pte Ltd for RM5.8m in cash, and subscribe for a 17.3% stake via the issuance of new shares in Solid Point for RM14.9m, according to its filing with Bursa Malaysia on Friday. Solid Point Precision is involved in the manufacturing of precision machining components and parts for the semiconductor industry, Edeltec said. It operates in the upstream segment of the semiconductor supply chain, supplying components used in integrated circuit assembly, testing, and equipment manufacturing. (*The Edge*)

### **Mudajaya: To raise RM25.9m via private placement to cut debt**

Mudajaya Group Bhd plans to raise up to RM25.9m by issuing 265.7m new shares (10% of its enlarged share capital) through a private placement. The money will help repay part of its bank borrowings, which totalled RM644.5m as of June 24, 2025. The repayment will focus on RM239.7m in term loans and revolving credit. In a filing with Bursa Malaysia, the group said this move is expected to reduce interest costs by up to RM1.6m per year. As of March 31, 2025, Mudajaya had RM250.7m in cash, including bank balances and structured deposits. (*The Edge*)

### **Kim Hin: Gets privatisation offer of 85 sen per share from chairman, family**

Kim Hin Industry Bhd is set to be taken private after its chairman Chua Seng Huat and family offered RM45m to buy out the ceramic tile manufacturer. Chua and his family investment vehicle Kim Hin (M) Sdn Bhd together are offering 85 sen per share for the remaining shares they don't already own in Kim Hin, according to the notice of the unconditional voluntary takeover offer posted to Bursa Malaysia. The offer price represents a premium of nearly 85% over Kim Hin's last traded price of 46 sen on July 3 before trading in the stock was suspended for the announcement. (*The Edge*)

### **Green Packet: Labuan-licensed investment bank emerges as substantial shareholder in Green Packet**

Green Packet Bhd has a new substantial shareholder in Labuan-licensed investment bank European Credit Investment Bank Ltd. The investment bank acquired 141.1m shares or a 5.8% stake in the smart property devices and payment solutions firm via open- and off-market transactions on Thursday (July 3), according to Green Packet's bourse filing on Friday. The filing said 18.7m shares were acquired on the open market, while another 122.4m shares were acquired off-market. (*The Edge*)

### **Mesiniaga: Secures RM148m contract from KWAP for new pension system**

Mesiniaga Bhd said on Friday it has secured a RM148 million contract to supply, deliver, install, test and commission a new pension system (NPS) for Retirement Fund Inc (KWAP). The information technology product and services provider added that the contract from KWAP includes an optional support and maintenance package worth RM64.5m during the fifth to eighth years. The project is scheduled for completion in July 2028, while the optional support and maintenance package will run until July 2033. "There is no automatic renewal clause in the contract," the company said. The company expects the contract to contribute positively to the group's earnings and net assets from the financial year ending Dec 31, 2025 (FY2025) onwards until the completion of the project. (*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
<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		
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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