MERCURY SECURITIES SDN BHD
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Daily Newswatch

Market Review

FBMKLCI ended lower for the second consecutive session, as renewed trade tariff uncertainty continued to dampen investor sentiment. The index slipped further amid increased volatility in regional trade policy, with selling pressure observed particularly in banking and consumer-linked sectors. While the VIX moderated-suggesting a broader stabilisation in global risk appetite. The domestic equity market remained under pressure following confirmation that Malaysian exports will face a 25% tariff under the United States' latest trade action, 1% point higher than initially indicated during the "Liberation Day" announcement. President Trump indicated that the July 9 deadline was "not 100% firm" and signalled he would look favourably on countries willing to offer concessions, reinforcing market hopes for a negotiated outcome. Among the key constituents, SUNWAY (-2.9%) led the losses, followed closely by TM (-2.2%) and CIMB (-2.1%). Between the sectors, Technology (-1.6%) emerged as the worst performer, while Construction (-1.1%) and Industrial Products and Services (-1.1%) also ended it the red. The overall market breath turned negative with 352 gainers and 438 losers.

Asian stocks ended mostly higher on Tuesday as U.S. President Donald Trump gave an additional three-week grace period for tariff negotiations after unveiling new tariff rates for 14 trading partners. SHANGHAI CI climbed 0.7% to 3,497.5, with banks rallying as investors hunted for yield. HSI jumped 1.1% to 24,148.1. A weaker yen lifted Japanese stocks, with the NIKKEI 225 Index closing up 0.3% at 39,688.8, led by chip-related stocks.

European markets closed on a positive note on Tuesday, as investors shrugged off concerns about tariffs and picked up stocks, amid hopes major European countries will strike trade deals with the U.S. before the newly announced August 1 deadline. The Trump administration has proposed a10% tariff on all EU goods, while offering limited exceptions for certain sectors including aircraft and spirits. Following the deadline for increased duties being pushed off until at least Aug. 1, there are hopes the major economies would eventually strike some deals. EURO STOXX closing up 0.6% to 5,372.0.

Following the sharp pullback seen during Monday's session, stocks showed a lack of direction over the course of the trading day on Tuesday. While the tech-heavy NASDAQ inched up less than a tenth of a percent to 20,418.5, the S&P 500 edged down 0.1% to 6,225.5 and the DOW fell 0.4% to 44,240.8. Trump on Monday signed an executive order officially extending the suspension of reciprocal tariffs on U.S. trade partners. The executive order says the 90-day suspension, which was due to expire on Wednesday, has been extended until August 1st based on "additional information and recommendations from various senior officials." Trump told reporters on Monday that the new tariff deadline is "not 100% firm" but said in a Truth Social post this morning that "No extensions will be granted," adding to the uncertainty. The postponement of the deadline comes after Trump posted several letters to world leaders on Truth Social threatening to impose higher tariffs on at least 14 countries.

Macro Snapshots

- **US:** Trump formally notifies Malaysia of 25% tariff in letter to PM, urging reciprocity in trade
- **EU:** Chief demands China address trade imbalance as tensions flare
- **SK:** Vows to review rules following Trump's tariff letter
- **AU:** Central bank stuns markets by passing up chance to cut rates
- **BD:** To push for deeper tariff cuts in talks with US
- **GE:** Exports fall more than expected as US shipments sink

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,530.1	(0.5)	(6.8)
Dow Jones	44,240.8	(0.4)	4.0
Nasdaq CI	20,418.5	0.0	5.7
S&P 500	6,225.5	(0.1)	5.8
SX5E	5,372.0	0.6	9.7
FTSE 100	8,854.2	0.5	8.3
Nikkei 225	39,760.1	0.2	(0.3)
Shanghai CI	3,497.5	0.7	4.3
HSI	24,148.1	1.1	20.4
STI	4,047.9	0.4	6.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,059.9	(14.3)
Value traded (RM m)	2,201.1	(11.9)
Gainers	352	
Losers	438	
Unchanged	621	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NEXG	0.435	0.0	121.1
TOPGLOV	0.685	0.0	80.0
TANCO	0.890	0.0	55.2
ZETRIX	0.970	0.0	47.6
SUPERMX	0.635	0.0	44.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	13.860	0.0	166.7
CIMB	6.610	0.0	107.2
GAMUDA	4.890	0.0	103.5
MAYBANK	9.700	0.0	95.2
YTLPOWR	4.160	0.0	86.4

Currencies	Last Close	% Chg
USD/MYR	4.249	(0.2)
USD/JPY	146.780	(0.1)
EUR/USD	1.172	(0.0)
USD/CNY	7.179	(0.0)
US Dollar Index	97.560	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	70.0	(0.2)
Gold (USD/troy oz)	3,305.7	0.1
CPO (MYR/metric t)	4,057.0	1.2
Bitcoin (USD/BTC)	108,903.4	0.2

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Corporate Snapshots

- **YTL Power:** Invests RM10bn in AI, encourages local firms to leverage AI infrastructure
- **Sapura Energy:** To seek shareholders' nod on July 30 for PN17 exit plan
- **Bina Puri:** Faces two winding-up petitions from IRB over alleged tax debt
- **Lebtech:** Secures RM1.3m meteorological contract
- **Binastra**: Accepts RM405m construction award in Bukit Jalil

Macro News

US: Trump formally notifies Malaysia of 25% tariff in letter to PM, urging reciprocity in trade

The White House has officially informed Malaysia that a 25% tariff will be applied to all Malaysian products. This was stated in two letters dated July 7, 2025, from US President Donald Trump, sent to Prime Minister Datuk Seri Anwar Ibrahim and the King, Sultan Ibrahim Sultan Iskandar. The core rationale behind the 25% tariff, set to take effect on Aug 1, 2025, is to address a "significant trade deficit" that the US currently experiences with Malaysia, said Trump in the letters, that did not differ in content, posted on his Truth Social. Trump underscored the long-standing trade relationship between the two countries but emphasised the need to transition towards a more balanced and reciprocal framework. He highlighted Malaysia's "tariff, non-tariff policies and trade barriers" as contributing to the current imbalance. The letters explicitly states that the 25% tariff is a direct response to this "trade deficit disparity". *(Bloomberg)*

EU: Chief demands China address trade imbalance as tensions flare

European Commission President Ursula von der Leyen accused China of distorting trade and limiting access for European firms two weeks ahead of a summit between the economic powers. "If our partnership is to move forward, we need a genuine rebalancing: fewer market distortions, less overcapacity exported from China, and fair, reciprocal access for European businesses in China," von der Leyen told the European Parliament in Strasbourg on Tuesday. Beijing has imposed export controls on rare earth magnets, hitting European Union industries hard and compounding an increasingly unbalanced trading relationship. The move has dashed signs of a thaw earlier this year between the EU and China because of US President Donald Trump's tariff policies. *(Reuters)*

SK: Vows to review rules following Trump's tariff letter

South Korea said it will review regulations flagged by the US while pressing for an easing of sectoral tariffs after US President Donald Trump sent a letter with a new August deadline for imposing 25% across-the-board levies. The South Korean government didn't elaborate on what rules and regulations would be looked at, but its trade officials have said restrictions affecting big US tech companies in the digital sector have emerged as a major topic in talks. "We will use this opportunity to advance key industries through the manufacturing renaissance partnership between our two countries, while also enhancing domestic systems and regulations — areas of particular interest to the US in its efforts to reduce trade deficits," South Korea's Industry Ministry said in a statement on Tuesday following Trump's letter. *(Bloomberg)*

AU: Central bank stuns markets by passing up chance to cut rates

Australia's central bank on Tuesday left its cash rate steady at 3.9%, a shock for markets that had confidently wagered on a cut, saying the majority of the board wanted to wait for more information to confirm inflation was slowing. Traders were quick to send the Australian dollar racing up 0.8% to US$0.65, while three-year bond futures extended earlier losses and fell 10 ticks to 96.6. The swift moves in markets imply around an 88% chance the cash rate would be cut to 3.6% at its Aug. 12 meeting, and now favours rates bottoming at 3.1% rather than 2.9%. Wrapping up a two-day policy meeting, the Reserve Bank of Australia said it remained cautious about the inflation outlook, adding that six members had voted to hold rates steady while three voted against, a rare split decision for the board. *(Reuters)*

BD: To push for deeper tariff cuts in talks with US

Bangladesh will hold further negotiations with the United States to push for deeper tariff cuts, even as US President Donald Trump slapped a 35% levy on goods from the South Asian nation. Officials are scheduled to hold crucial trade negotiations with the Trump administration from July 9 to 10 to seek a solution, Commerce Adviser to the interim government Sheikh Bashir Uddin said in an interview from Washington. "We will give and try our best to find a mutually win-win proposition," he said, adding that the goal is to find a "common ground." Dhaka is reviewing the draft documents from the US trade representative and will assess the way ahead, said Uddin, who is also heading the delegation. "This is an uncertain world," he said, referring to the challenges ahead in talks with the US. (*Reuters)*

GE: Exports fall more than expected as US shipments sink

German exports sank more than anticipated in May as the value of shipments to the US plunged to their lowest level in more than three years amid President Donald Trump's tariff threats. Total exports declined 1.4% from the previous month, the statistics office said Tuesday.

That's worse than the -0.5% median estimate in a *Bloomberg* survey and followed a revised 1.6% decline in April. Imports sank 3.8%, including a more than 10% drop in sales from the US. The trade balance increased to €18.4bn (RM91.5bn) from a revised €15.7bn. "The reversal of the front-loading effect is still in full swing in the export sector," said Carsten Brzeski, global head of macro at ING, referring to firms and exporters front-running US levies at the start of the year, supporting growth. (*Bloomberg)*

Corporate News

YTL Power : Invests RM10bn in AI, encourages local firms to leverage AI infrastructure

YTL Power International Bhd has invested about RM10bn in artificial intelligence (AI) and AI infrastructure to date, and encourages Malaysian companies to invest in AI and leverage the infrastructure. YTL Power is a subsidiary of YTL Corporation Bhd. Yeoh Keong Hann, executive director of YTL Power, said the company has invested in data centres, which he described as one of the world's largest data centre parks, as well as in graphics processing units (GPUs) and a large language model. "We have 200 megawatts operational, and we can go up to 600 megawatts. We have the world's largest hyperscalers with us at our campus and a partnership with Nvidia, which encompasses GPU chips. "We also have the world's fastest chips, the GB200 Blackwell chips, in Malaysia, in our data centres right now, and they will be operational very soon," he told reporters in Rio de Janeiro, Brazil at the conclusion of Prime Minister Datuk Seri Anwar Ibrahim's official visits to Italy, France and Brazil. Yeoh said Anwar understands the impact of AI and AI technology for the country, and has said that he (Anwar) wants the company to explore further investments in the area. (*The Edge)*

Sapura Energy : To seek shareholders' nod on July 30 for PN17 exit plan

Sapura Energy Bhd said on Tuesday it will convene an extraordinary general meeting on July 30 to seek shareholders' approval for its proposed regularisation plan. The approval is one of the steps the oil-and-gas services firm needs to take in order to exit the Practice Note 17 (PN17) status after Bursa Malaysia approved key components of the plan — capital reconstruction, debt restructuring, fundraising, and an exemption from a mandatory general offer. The proposals are "decisive steps" for Sapura Energy to be reshaped into a resilient, profitable company, its group chief executive officer Muhammad Zamri Jusoh said in a statement. "By addressing legacy liabilities, enhancing our equity base and securing strategic support, we are rebuilding the foundation for future profitability and shareholder returns," he said. "We recommend all shareholders to vote in favour of these proposals." The measures entails capital reduction to eliminate accumulated losses and improve the capital structure, alongside a 20-to-one share consolidation to reduce the number of shares in circulation with the aim of enhancing share price and reducing volatility. (*The Edge)*

Bina Puri: Faces two winding-up petitions from IRB over alleged tax debt

Bina Puri Holdings Bhd said on Tuesday that two of its wholly-owned subsidiaries have been served with winding-up petitions by the government, via the Inland Revenue Board, for failing to settle outstanding tax liabilities. Bina Puri Properties Sdn Bhd was served a petition in relation to unpaid taxes amounting to RM849,499, while Bina Puri Sdn Bhd (BPSB) received a separate petition over a larger tax sum of RM4.2m, according to the group's bourse filings on Tuesday. Both petitions were filed at the High Court in Shah Alam. The two subsidiaries are seeking legal and tax advice, and intend to take all necessary steps to oppose the petition, the group said. Hearings for both petitions have been fixed for September 29. Bina Puri said neither Bina Puri Properties nor BPSB are major subsidiaries as defined under Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities. (*The Edge)*

Lebtech: Secures RM1.3m meteorological contract

Lebtech Bhd's subsidiary, Lebtech Energy Sdn Bhd, has secured a RM1.3m contract from the Ministry of Natural Resources and Environmental Sustainability via the Malaysian Meteorological Department. In a filing with Bursa Malaysia, the construction firm said the 27-month contract involves the supply and delivery of spare parts for weather radar and Wind Shear Detection System (WSDS) for 2025/2026. Lebtech expects the contract to contribute positively to its earnings and net assets for the financial year ending Dec 31, 2025, and over the duration of the contract. *(The Edge)*

Binastra: Accepts RM405m construction award in Bukit Jalil

Binastra Corp Bhd's wholly-owned subsidiary Binastra Builders Sdn Bhd has secured a RM405m construction job for The Queenswoodz residential project in Bukit Jalil, Kuala Lumpur. The contract is deemed a related party transaction as the project owner, Exsim Jalil Link Sdn Bhd (EJL), is a company with shareholders in common with Binastra, including Binastra managing director Datuk Jackson Tan Kak Seng and executive director Lee Seng Yong. The contract is scheduled to be completed within 41 months from the date of commencement, said Binastra in a stock exchange filing. It is expected to provide additional income stream to the group over the next four years. According to Binastra, the job entails the construction of 43- and 44-storey apartment blocks with a combined 1,004 units. The project will also include a shop unit, two units of commercial spaces, eight levels of podium parking, one level of utility space including one main electrical substation and facilities for residents as well as a guardhouse. *(The Edge)*

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Upcoming key economic data releases	Date
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		
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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