



Daily Newswatch

Market Review

The FBMKLCI slipped 0.1% to close at 1,529.2, extending its corrective trajectory as external headwinds continued to weigh on investor sentiment. Market breadth was mixed, though overall tone remained cautious amid rising geopolitical risk premiums and heightened trade-related uncertainty. Notably, the recent imposition of a reciprocal 25% tariff on selected Malaysian exports has triggered a shift in foreign portfolio flows. In a surprise move, Bank Negara Malaysia cut the Overnight Policy Rate by 25bps to 2.75%, ahead of consensus expectations. The decision appears to be a pre-emptive response to deteriorating global demand signals and early signs of softening domestic growth. Between the key constituents, the top 3 laggards were PETCHEM (-2.7%), PBBANK (-1.8%) and PMETAL (-1.0%). Sectors wise, Financial Services (-0.6%) emerged as the top loser, underpinned by risk-off sentiments among investors on banking stocks as margin compression concern resurfaced following the surprise 25bps rate cut by BNM. The overall market breath turned positive with 481 gainers and 325 losers.

Asian equities ended on a mixed note Wednesday as sentiment turned cautious following a renewed escalation in U.S. trade tensions. Market jitters were stoked after President Donald Trump announced steep new tariffs targeting copper, semiconductors, and pharmaceuticals, broadening the scope of the ongoing trade conflict. In China, equities closed softer following the release of mixed inflation data. While CPI turned positive for the first time since January, signalling a modest pickup in consumer price pressures, PPI deflation deepened to a near two-year low, underscoring continued weakness in upstream pricing and industrial profitability. The Shanghai Composite Index edged down 0.1% to 3,493.05, while the Hang Seng Index underperformed, retreating 1.1% to 23,892.32,

European stocks closed on a strong note on Wednesday amid rising expectations that the European Union and the U.S. will strike a trade deal before the newly announced deadline of August 1. U.S. President Donald Trump's comments that discussions with the EU have been progressing well helped lift sentiment. A report from the Financial Times indicated EU negotiators are closing in on a trade deal with the U.S. that would cement higher tariffs than those granted to the U.K. Trump, who said he will possibly notify the EU within the next few days about the expected export rate, also threatened a steep 50% tariff on copper and hinted that semiconductors and pharmaceuticals will likely be levied heavy duties. EURO STOXX 50 jumped 1.4% to 5,445.7.

After ending Tuesday's choppy trading session little changed, stocks moved mostly higher over the course of the trading session on Wednesday. The tech-heavy NASDAQ jumped 0.9% to a new record closing high of 20,611.3, the S&P 500 climbed 0.6% to 6,263.3 and the DOW rose 0.5% to 44,458.3. The strength on U.S. may partly have reflected optimism about a potential trade between the U.S. and the European Union. Investors also kept an eye on the latest developments on the trade front, with President Donald Trump posting several more letters to world leaders on Truth Social revealing plans to increase tariffs. Trump posted letters sent to the leaders of the Philippines, Brunei, Moldova, Algeria, Iraq, Libya and Sri Lanka after posting letters sent to the leaders of 14 other leaders earlier in the week. Meanwhile, the Federal Reserve released the minutes of its June monetary policy meeting, which revealed most participants generally agree the central bank is well positioned to wait for more clarity on the outlook for inflation and the economy before adjusting interest rates.

| Key Indices | Last Close | Daily chg % | YTD chg % |
|-------------|------------|-------------|-----------|
| FBM KLCI | 1,529.2 | (0.1) | (6.9) |
| Dow Jones | 44,458.3 | 0.5 | 4.5 |
| Nasdaq CI | 20,611.3 | 0.9 | 6.7 |
| S&P 500 | 6,263.3 | 0.6 | 6.5 |
| SX5E | 5,445.7 | 1.4 | 11.2 |
| FTSE 100 | 8,867.0 | 0.1 | 8.5 |
| Nikkei 225 | 39,635.3 | (0.5) | (0.6) |
| Shanghai CI | 3,493.1 | (0.1) | 4.2 |
| HSI | 23,892.3 | (1.1) | 19.1 |
| STI | 4,057.8 | 0.2 | 7.1 |

| Market Activities | Last Close | % Chg |
|-----------------------|------------|-------|
| Vol traded (m shares) | 2,951.7 | (3.5) |
| Value traded (RM m) | 1,987.5 | (9.7) |
| Gainers | 481 | |
| Losers | 325 | |
| Unchanged | 605 | |

| Top 5 Volume | Last Close | Daily chg % | Vol (m) |
|--------------|------------|-------------|---------|
| PMCK | 0.230 | 0.0 | 155.0 |
| NEXG | 0.445 | 0.0 | 59.7 |
| TANCO | 0.890 | 0.0 | 49.7 |
| MRCB | 0.560 | 0.0 | 45.6 |
| ZETRIX | 0.955 | 0.0 | 40.9 |

| Top 5 Turnover | Last Close | Daily chg % | Val (RM m) |
|----------------|------------|-------------|------------|
| CIMB | 6.570 | 0.0 | 109.8 |
| MAYBANK | 9.700 | 0.0 | 93.8 |
| PBBANK | 4.260 | 0.0 | 71.1 |
| TM | 6.600 | 0.0 | 70.7 |
| TENAGA | 14.000 | 0.0 | 64.3 |

| Currencies | Last Close | % Chg |
|-----------------|------------|-------|
| USD/MYR | 4.245 | 0.2 |
| USD/JPY | 145.880 | 0.3 |
| EUR/USD | 1.175 | 0.2 |
| USD/CNY | 7.181 | (0.0) |
| US Dollar Index | 97.289 | (0.3) |

| Commodities | Last Close | % Chg |
|--------------------|------------|-------|
| Brent (USD/barrel) | 70.0 | (0.3) |
| Gold (USD/troy oz) | 3,320.2 | 0.2 |
| CPO (MYR/metric t) | 4,056.0 | (0.0) |
| Bitcoin (USD/BTC) | 111,097.2 | 0.3 |



Macro Snapshots

- **MY:** US tariff on Malaysia not linked to BRICS, says Zafrul
- **MY:** Bank Negara Malaysia cuts overnight policy rate to 2.75%
- **SG:** Temasek's portfolio value hits record high; says US risks likely peaked
- **US:** Could collect US\$300bn in tariff revenue this year, Treasury chief says
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Corporate Snapshots

- **Econpile:** Secures RM27m piling contract for apartment project
- **LGMS:** To acquire 27% stake in Antarex for RM23m
- **Rex Industry:** Takeover offer for Rex Industry's shares turns unconditional
- **Maybank:** Cuts base rate and BLR by 25 basis points
- **Ho Wah Genting:** Gets new CEO
- **IHH Healthcare:** Eyes Indonesia, Vietnam for expansion

Macro News

MY: US tariff on Malaysia not linked to BRICS, says Zafrul

The government believes that the 25% US tariff slapped on Malaysian goods is due to unresolved trade negotiations, rather than the country's participation in BRICS. The tariff stems from "unresolved technical trade issues" rather than "political alignment," Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz said at a briefing on Wednesday. Zafrul was responding to a question on US President Trump's threat to impose a 10% tariff on countries he deemed "anti-American" or aligned with BRICs — a geopolitical bloc comprising Brazil, Russia, India, China and South Africa, and expanded to include Malaysia as well as four Middle East countries. The government was blindsided on Tuesday when US President Trump announced a 25% import tariff on all Malaysian goods. Trump left the door open to negotiations ahead of a new deadline on August 1, and Malaysia has said it will continue to engage the US in talks. (*Bloomberg*)

MY: Bank Negara Malaysia cuts overnight policy rate to 2.75%

Malaysia's central bank on Wednesday moved to cut interest rates for the first time in nearly two years to support an economy facing downside risks to its growth. The overnight policy rate has been lowered by 25 basis points to 2.75% from 3.00%, Bank Negara Malaysia (BNM) said in a statement. The decision was predicted by about half of the 23 economists polled by *Bloomberg* while the rest had expected a pause. "While the domestic economy is on a strong footing, uncertainties surrounding external developments could affect Malaysia's growth prospects," BNM said. "The reduction in the OPR is, therefore, a pre-emptive measure aimed at preserving Malaysia's steady growth path amid moderate inflation prospects." The last time BNM moved the OPR was in May 2023, when it was raised by 25 basis points. (*The Edge*)

SG: Temasek's portfolio value hits record high; says US risks likely peaked

Singapore's state investor Temasek reported on Wednesday an 11.6% year-on-year jump in its net portfolio value to a record S\$434bn, and said risks around US immigration, tariff and fiscal tightening policies had likely peaked. US President Donald Trump opened a new phase on Monday in his trade war, telling partners from powerhouse suppliers such as Japan and South Korea to minor players including Malaysia that they face higher tariffs from August 1. "We still have to be watchful of the tariff developments over the next few weeks and months," Lim Ming Pey, Temasek's joint head of corporate strategy, told *Reuters* in a briefing. Temasek's chief investment officer Rohit Sipahimalani said tariffs were not expected to return to the levels seen on Trump's "Liberation Day" on April 2, while some earlier risks such as fiscal tightening that would slow US growth had eased with the passage of his sweeping tax-cut and spending bill. (*Bloomberg*)

US: Could collect US\$300bn in tariff revenue this year, Treasury chief says

US Treasury Secretary Scott Bessent on Tuesday said the US has taken in about US\$100bn in tariff income so far this year, and this could grow to US\$300bn (RM1.3tn) by the end of 2025, as collections accelerate from US President Donald Trump's trade campaign. Bessent, speaking to a White House Cabinet meeting, said the major collections from Trump's new tariffs only started during the second quarter, when Trump implemented a near universal 10% duty on US imports, and boosted duties on steel, aluminum and autos. "So we could expect that



that could be well over US\$300bn by the end of the year," Bessent said. A Treasury spokesperson said the US\$300bn target corresponds to the Dec 31 end of calendar 2025, not the end of the government's fiscal year on Sept 30. *(Reuters)*

CN: Economy to top US\$19.5tn this year, says state planner

The size of China's economy will exceed 140tn yuan (US\$19.5tn or RM82.9tn) this year, the head of the state planner said as policymakers look to steer the country beyond the current five-year policy plan, which concludes at the end of 2025. The world's second-largest economy is grappling with a prolonged trade war with the United States and persistent deflationary pressures. "Looking back at the 14th five-year plan period, the challenges encountered were greater than expected, but the achievements exceeded expectations," Zheng Shanjie, chair of the National Development and Reform Commission, said at a press conference. Zheng highlighted progress made under the 2021–2025 five-year plan, which focuses on key priorities such as economic development, technological innovation, green transformation, and improvements in people's livelihoods. *(Reuters)*

UK: BOE to review bank capital rules for first time since 2019

The Bank of England will review the overall level of capital requirements it sets for banks for the first time since 2019 after officials determined that lenders have largely been able to keep an adequate cushion against hard times for much of the past decade. The central bank will provide an update on that assessment in November, according to its twice-yearly Financial Stability Report published Wednesday. The Financial Policy Committee left the countercyclical buffer at 2% at its meeting on June 27. "Considered over a longer time horizon, capital levels in aggregate had been broadly stable since the completion of the phase-in of the post-global financial crisis bank capital framework in 2019," the minutes of their meeting said. While describing the level of capital currently as "broadly appropriate", it was time to "refresh that assessment". *(Bloomberg)*

Corporate News

Econpile: Secures RM27m piling contract for apartment project

Econpile Holdings Bhd has secured a RM27m contract for piling and pile cap works at a serviced apartment project in Kelana Jaya, Petaling Jaya. The job, awarded by Bayu Melati Sdn Bhd to Econpile's wholly owned subsidiary Econpile (M) Sdn Bhd, is scheduled for completion within 12 months starting July 14. In a bourse filing, Econpile said the project is expected to contribute positively to its revenue and earnings from the financial year ending June 30, 2026 onwards. The latest win follows the group's RM57.9m in contracts last week for construction works and material supply for a proposed development in Ara Damansara, Selangor. *(The Edge)*

LGMS: To acquire 27% stake in Antarex for RM23m

Cybersecurity service provider LGMS Bhd is proposing to acquire a 27% stake in information technology company Antarex Holdings Sdn Bhd (AHSB) for RM22.7m. In a filing with Bursa Malaysia, LGMS said it is proposing to acquire the stake from AHSB's co-founders and directors, Tan Soon Huat and Tan Pek Loon. LGMS said the acquisition will unlock significant growth potential and synergies. "In particular, LGMS will be able to leverage on AHSB's regional market presence to introduce its award-winning cybersecurity solution, StarSentry to a broader client base across South-East Asia. "AHSB will also stand to benefit from the proposed acquisition through the integration of StarSentry solution into its existing suite of cybersecurity solutions, which will potentially create a robust, comprehensive and unified cybersecurity defence system." *(The Edge)*

Rex Industry: Takeover offer for Rex Industry's shares turns unconditional

Rex Industry Bhd said the takeover offer by its new major shareholder for the remaining shares and warrants in the group has turned unconditional, after its shareholding climbed above the 50% threshold. The major shareholder, ETA Industries Sdn Bhd, along with Lim Chin Hui and persons acting in concert, collectively held a 52.2% stake or 343.5m Rex shares as at 5pm on Wednesday, said Rex Industry in a bourse filing. Lim is the controlling shareholder and chief executive officer of ETA Industries. On top of that, they also held 39.2% or 21.3m of Rex Industry's warrants, the filing noted. The offer will remain open for acceptance until July 25, said Rex Industry, which manufactures canned food, drinks and biscuits. *(The Edge)*

Maybank: Cuts base rate and BLR by 25 basis points

Malayan Banking Bhd (Maybank) will reduce its base rate (BR) and base lending rate (BLR) by 25 basis points effective July 11, in line with the reduction in the Overnight Policy Rate today. Maybank's BR will be lowered from 3.00% per annum to 2.75% per annum while its BLR will be revised from 6.65% per annum to 6.40% per annum. Similarly, the Islamic Base Financing Rate will be reduced by 25 basis points from 6.65% per annum to 6.40% per annum. In line with the revision, Maybank and Maybank Islamic's fixed deposit rates will also be adjusted downwards by 25 basis points on July 11. *(The Edge)*

Ho Wah Genting: Gets new CEO

Ho Wah Genting Bhd has redesignated executive director Lim Wee Kiat as its chief executive officer, effective July 7. According to the group's filing with Bursa Malaysia, Wee Kiat graduated with a Bachelor of Science (Hons) in Computing and Information Systems from the



University of Nottingham in the United Kingdom, and has over nine years of experience in the information technology sector with his last position as systems engineer. Wee Kiat is the son of Ho Wah Genting founder and group president Datuk Lim Hui Boon. Directly holding 250,000 shares of the group and another 21.9m shares indirectly through Ho Wah Genting Holding Sdn Bhd, Wee Kiat is a substantial shareholder of the company. *(The Edge)*

IHH Healthcare: Eyes Indonesia, Vietnam for expansion

IHH Healthcare Bhd. is looking to potential new markets Indonesia and Vietnam as the Malaysian hospital operator continues building scale to offset rising healthcare costs in the region. Indonesia is attractive, thanks to its healthcare reforms and foreign ownership relaxation, while Vietnam has emerged as a booming market, according to Chief Executive Officer Prem Kumar Nair. "We get a lot of patients from Vietnam into our Singapore operations," he said in an interview in Kuala Lumpur this week. The company currently operates more than 80 hospitals in 10 countries, including Singapore, India and China, and has been actively acquiring healthcare facilities in recent years. It bought Island Hospital Sdn. Bhd. in Malaysia in 2024. Its Turkish unit Acibadem and Indian affiliate Fortis Healthcare also purchased hospitals in their respective markets in the last two years. *(The Edge)*

| 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 |
| <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 | | |
| 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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