



Daily Newswatch

Market Review

The FBMKLCI rebounded +0.5%, led by a recovery in banking and consumer stocks following BNM's unexpected 25bps rate cut, which is seen as a pre-emptive move to support domestic demand amid global trade and geopolitical uncertainties. While the policy easing offers near-term support for cyclical sectors, investor sentiment remains cautious due to lingering external headwinds. Between the major index constituents, GAMUDA (+2.6%) led the gain, followed by YTLP (+2.4%) and CIMB (+2.0%). Sector-wise, Construction (+1.6%) emerged as the top performer, while Property (+0.7%) and Financial Services (+0.7%) also posted modest gains. The broader market breadth turned more bullish with 514 gainers outnumbered 407 losers.

Asian markets ended mostly higher on Thursday, shrugging off renewed tariff rhetoric from the U.S. as investor focus shifted toward domestic policy tailwinds, particularly in China. US President Donald Trump intensified trade tensions with the imposition of new tariffs on imports from eight countries, including a 50% tariff on Brazilian goods in response to political developments surrounding former President Jair Bolsonaro, prompting retaliatory measures from President Lula. The latest escalation followed earlier threats targeting copper and pharmaceutical imports. Despite the geopolitical overhang, Chinese equities posted moderate gains as investors looked past the tariff headlines. The SHANGHAI CI rose 0.5% to 3,509.68, while the HSI advanced 0.6% to 24,028.37, supported by strength in EV and real estate counters after Beijing pledged policy support to preserve job stability, signalling a continued commitment to economic cushioning measures.

European stocks closed on a positive note on Thursday with the undertone remaining firm amid expectations the European Union and the U.S. will strike a trade deal soon. Investors also looked ahead to the earnings season that is set to start next week. EU trade chief Maros Sefcovic said there was good progress on a framework trade agreement and a deal may even be possible within days. Investors shrugged off U.S. President Donald Trump's decision to impose a 50% tariff on copper imports, along with a separate levy on Brazilian goods. The levies will take effect on August 1. EURO STOXX 50 ended down 0.1% to 5,438.3.

Stocks moved mostly higher during trading on Thursday, adding to the strong gains posted during Wednesday's session. With the upward move, the NASDAQ and the S&P 500 reached new record closing highs. The DOW climbed 0.4% to 44,650.6, the NASDAQ inched up 0.1% to 20,630.7 and the S&P 500 rose 0.3% to 6,280.5. In a Truth Social post Wednesday evening, Trump announced a 50% tariff on copper is due to go into effect on August 1st. He also 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. On the U.S. economic front, the Labor Department released a report showing first-time claims for U.S. unemployment benefits unexpectedly edged modestly lower in the week ended July 5th. The report said initial jobless claims dipped to 227,000, a decrease of 5,000 from the previous week's revised level of 232,000. Economists had expected jobless claims to inch up to 235,000 from the 233,000 originally reported for the previous week.

Macro Snapshots

- CN:** Xi signals China may finally move to end deflationary price wars
- IND:** Seeks to dodge Trump's BRICS wrath as it eyes trade deal
- CAD:** Seeks Southeast Asia trade deal to blunt Trump tariffs
- MY;PH:** Malaysia-Philippines ties 'close to excellent' — Lazaro
- IND:** Trade team to visit US soon for more talks, trade ministry official says
- MY:** BNM governor says OPR cut pre-emptively to preserve steady growth path

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,536.5	0.5	(6.4)
Dow Jones	44,650.6	0.4	5.0
Nasdaq CI	20,630.7	0.1	6.8
S&P 500	6,280.5	0.3	6.8
SX5E	5,438.3	(0.1)	11.1
FTSE 100	8,975.7	1.2	9.8
Nikkei 225	39,646.4	(0.4)	(0.6)
Shanghai CI	3,509.7	0.5	4.7
HSI	24,028.4	0.6	19.8
STI	4,075.7	0.4	7.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,252.6	10.2
Value traded (RM m)	2,442.7	22.9
Gainers	514	
Losers	407	
Unchanged	490	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZETRIX	0.980	2.6	62.9
SAPNRG	0.040	0.0	50.3
ECOSHOP	1.270	0.0	48.8
NEXG	0.445	0.0	47.3
TANCO	0.900	1.1	45.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	5.100	2.6	137.4
MAYBANK	9.730	0.3	137.0
CIMB	6.700	2.0	106.4
TENAGA	13.960	(0.3)	99.0
YTLPWR	4.300	2.4	84.8

Currencies	Last Close	% Chg
USD/MYR	4.246	0.1
USD/JPY	146.190	0.0
EUR/USD	1.171	0.0
USD/CNY	7.178	0.0
US Dollar Index	97.652	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.6	(2.2)
Gold (USD/troy oz)	3,323.5	(0.0)
CPO (MYR/metric t)	4,039.0	(0.4)
Bitcoin (USD/BTC)	115,935.3	2.1



Corporate Snapshots

- **Avaland:** Buys 3.2-acre KL land from Tan Chong for RM148m
- **NexG:** Acquires Petaling Jaya property for RM28.5m to boost production capacity
- **Jasa Kita:** Advises on trading suspension ahead of announcement
- **Atlan:** Declares higher dividend despite posting lowest quarterly profit in three years
- **Ho Hup:** Unit gets winding-up petition from IRB over RM24m tax arrears

Macro News

CN: Xi signals China may finally move to end deflationary price wars

After years of mounting concern over deflation and the bruising price wars that have plagued much of China's economy, President Xi Jinping's government is showing signs of finally taking action. Beijing's messaging has noticeably shifted in recent weeks, with Xi and other top officials offering their bluntest assessment yet of the cut-throat competition that's been dragging down prices and profits across industries, from steel and solar panels to electric vehicles (EVs). This pivot comes after nearly three years of factory-gate deflation and growing pressure from US tariffs and trade tensions. Finding a solution would be welcome news for much of the world. A successful effort to rein in industrial overcapacity, long a source of friction with trading partners, stands to ease trade tensions and restore confidence in the globe's second-biggest economy. But the path forward is far from clear. Xi's government must curb excess supply without stalling growth or putting jobs at risk, especially as external demand slows and a lasting trade deal with the US remains elusive. (*Bloomberg*)

IND: Seeks to dodge Trump's BRICS wrath as it eyes trade deal

India is trying to shield itself from President Donald Trump's backlash against BRICS by stressing it has no plans to challenge the US dollar's global dominance, according to people familiar with the matter. The US leader has labelled the BRICS group of developing nations "anti-American" and accused it of trying to undermine the dollar's role as the world's key currency. He has repeatedly warned of a 10% tariff on all 10 BRICS members, including India — even as he says a trade deal with New Delhi is near. On Wednesday, Trump followed through with a new round of levies, including a 50% tariff on Brazil, one of the highest so far announced for the tariffs which are set to hit in August. The letter to Brazil comes just after a two-day BRICS summit in Rio de Janeiro, in which leaders agreed on a joint statement that criticised trade-distorting tariffs. (*The Edge*)

CAD: Seeks Southeast Asia trade deal to blunt Trump tariffs

Canada's top diplomat said she aims to finalise a free trade agreement with Southeast Asian nations "as soon as possible," as the country looks to expand economic ties in the face of tariffs from US President Donald Trump. "We are diversifying and we are establishing those trade relationships," Anita Anand, who has been Canada's foreign minister since May, told *Bloomberg TV* on Thursday, on the sidelines of an Association of Southeast Asian Nations (Asean) summit in Kuala Lumpur. "We are currently negotiating with Asean a free trade agreement, and we look forward to the conclusion of those negotiations." Her remarks come as Canada, like many countries, seeks to reduce its reliance on the US market amid rising American protectionism. Although the US, Canada and Mexico have a trade pact signed during Trump's first term, the president has imposed import taxes of 50% on foreign steel and aluminum, along with levies on cars and trucks — all major Canadian exports. (*Bloomberg*)

MY;PH: Malaysia-Philippines ties 'close to excellent' — Lazaro

Bilateral relations between Malaysia and the Philippines have been described as "close to excellent," with both nations continuing to deepen cooperation in regional affairs, as well as in trade and investment. Philippine Foreign Secretary Ma Theresa P Lazaro attributed this to the strong relationship between the leaders of both countries — Prime Minister Datuk Seri Anwar Ibrahim and President Ferdinand Marcos Jr. "I would think that bilateral relations between the Philippines and Malaysia is close to excellent, if I may say so, simply because [of] our two leaders. They know each other and have very good relations," she said on the sidelines of the 58th Asean Foreign Ministers' Meeting (AMM) at Kuala Lumpur Convention Centre (KLCC) on Wednesday. She said Manila has always been supportive of Malaysia's Asean chairmanship, recognising its efforts to promote regional stability, inclusive growth and a unified Asean agenda. (*Reuters*)

IND: Trade team to visit US soon for more talks, trade ministry official says

A delegation from India is expected to visit the United States soon for trade talks, a government official told reporters, as the two countries look to iron out disagreements over duties for auto components, steel, and farm goods. India is among the few countries that are still negotiating a trade deal with Washington, as President Donald Trump ramps up his trade war with the threat of sharply higher tariffs from August 1. A team of Indian officials on an extended visit to the US recently failed to secure a deal as the two countries were unable to overcome some key hurdles. India is resisting opening up its agriculture and dairy sectors while asking for a favourable tariff for its goods



entering the US compared to countries like Vietnam and China. *(Reuters)*

MY: BNM governor says OPR cut pre-emptively to preserve steady growth path

The MPC's decision is always guided by our mandate to maintain price stability conducive to sustainable growth, premised on the outlook of Malaysia's growth and inflation. The Malaysian economy is on a strong footing, given our strong underlying economic fundamentals. At today's meeting, the MPC acknowledged that uncertainties surrounding trade and geopolitical developments risk affecting Malaysia's economic outlook. At the same time, inflation is expected to remain moderate, amid contained global cost conditions and the absence of excessive domestic demand pressures. Taking these together, reducing the OPR by 25 basis points is a pre-emptive move aimed at preserving and securing our steady growth path. *(Bernama)*

Corporate News

Avaland: Buys 3.2-acre KL land from Tan Chong for RM148m

Avaland Bhd has signed a deal to acquire a 3.194-acre parcel of land on Jalan Putra here from a unit of Tan Chong Motor Holdings Bhd for RM148.8m, which it plans to develop into a mixed-use commercial project. This marks the second land acquisition involving Avaland and Tan Chong Group this month. The land, located 100 metres from the PWTC LRT station and 550 metres from the Chow Kit Monorail station, is "strategically located within an established neighbourhood" surrounded by landmarks such as the Sunway Putra Mall, World Trade Centre Kuala Lumpur and the Chow Kit Road Market, Avaland said in a statement. Avaland intends to develop a mixed-use commercial project on the site, with an estimated gross development value (GDV) of approximately RM900m. *(The Edge)*

NexG: Acquires Petaling Jaya property for RM28.5m to boost production capacity

NexG Bhd, formerly known as Datasonic Group Bhd, is buying an industrial property in Petaling Jaya for RM28.5m to boost production and efficiency for current and future projects. The move aims to bring research, design, and production under one roof, improving cost efficiency, quality control, and output. In a bourse filing on Thursday, NexG said its wholly owned subsidiary, Datasonic Technologies Sdn Bhd, had entered into a sale and purchase agreement with Pixio Sdn Bhd to acquire the leasehold land and accompanying buildings. The property includes a two-storey factory, a three-storey office block, a two-storey warehouse, and a guardhouse, situated on approximately 6,182 sq m of land. NexG added that the purchase will be funded via internally generated funds, bank borrowings and/or private placement, and is not expected to have a material impact on earnings for the financial year ending March 31, 2026. *(The Edge)*

Jasa Kita: Advises on trading suspension ahead of announcement

Power tool and industrial equipment maker Jasa Kita Bhd said trading in its shares will be suspended from 9am on Friday (July 11), pending an announcement. Bursa Malaysia Securities approved the company's request for the trading suspension, Jasa Kita said in a bourse filing on Thursday. Jasa Kita shares have been on the rise since the start of the week. The counter closed 2.5 sen or 7.4% higher at 36.5 sen on Thursday, valuing the company at RM164.1m. It has gained over 21% over the three market days, following its Monday's close of 30 sen. The company fell into the red in its fourth quarter ended March 31, 2025 (4QFY2025) with a net loss of RM1.1m compared with a net profit of RM372,000 a year ago, despite revenue rising 20.1% to RM4.9m from RM4.0m. It blamed the quarterly loss on a variance in provision for impairment on slow moving inventories. *(The Edge)*

Atlan: Declares higher dividend despite posting lowest quarterly profit in three years

Atlan Holdings Bhd's latest quarterly net profit fell to a near three-year low, dragged by lower contribution from business operations. The net profit for the group's first quarter ended May 31, 2025 (1QFY2026) was down 40.7% year-on-year to RM3.1m from RM5.2m, as revenue declined 15.7% to RM99.4m from RM117.9m, Atlan's bourse filing showed. The group has declared a first interim dividend of five sen per share, payable on Aug 15. This is higher than the one sen dividend paid a year earlier. Atlan said its duty free segment recorded a lower pre-tax profit of RM2.6m in the quarter, down 21.5% from RM3.4m in 1QFY2025, with revenue falling 15.3% to RM32.2m, from RM38m. This, the group said, is mainly due to the closure of its duty free operation in Bukit Kayu Hitam since November 2024, following a compulsory land acquisition. *(The Edge)*

Ho Hup: Unit gets winding-up petition from IRB over RM24m tax arrears

Ho Hup Construction Company Bhd has been served with a winding-up petition by the Inland Revenue Board (IRB) over tax arrears amounting to RM23.7m. The petition was issued to its wholly owned subsidiary Bukit Jalil Development Sdn Bhd (BJD), Ho Hup said in a filing with Bursa Malaysia. It said BJD was unable to meet its tax obligations for the year of assessment 2019 within the prescribed timeline due to prolonged cash flow constraints. Ho Hup added that BJD is not considered a major subsidiary, having posted a loss after tax of RM33.3m, compared with the group's net loss of RM84.5m for the financial year ended Dec 31, 2023. The group's total investment in BJD stands at RM15m. *(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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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my