



Daily Newswatch

Market Review

The FBMKLCI opened the week on a choppy note but managed to close marginally higher (+0.1%). The index traded lower in the morning session before staging a rebound after the mid-day break. This recovery was underpinned by stronger-than-expected trade data from China, with exports rising 5.8% year-on-year in June — well above the 3.6% forecast by Wind. The data suggested that Chinese exporters were accelerating shipments ahead of the expiry of the 90-day tariff reprieve, providing some relief to global market sentiment and partially offsetting lingering concerns over Washington's tariff rhetoric. Among key FBMKLCI constituents, HLBANK (+2.0%) led the gain, followed by QL (+1.8%) and TM (+1.5%). Sector-wise, Energy (+1.3%) emerged as the top performer, while Telecommunication & Media (+1.2%) and Healthcare (+1.0%) also posted modest gains. Nonetheless, the broader market breadth remained neutral with 432 gainers and 514 losers.

Asian stocks ended mixed on Monday despite U.S. President Donald Trump intensifying his trade war with threat of 30% tariffs on the European Union and Mexico. China's exports growth beat expectations in June, helping limit regional losses., if any. SHANGHAI CI edged up by 0.3% to 3,519.7 as customs data showed China's overall exports jumped 5.8% in June year-on-year in U.S. dollar terms. Imports grew 1.1% from a year earlier, rising the first time this year. China's exports of rare earths surged 60.3% in June from a year earlier and rose 32% from the previous month, indicating a push by global buyers to get hold of the materials used to make powerful magnets. HSI rose 0.3% to 24,203.3 ahead of Chinese retail sales, industrial output and gross domestic product due on Tuesday.

European markets ended largely lower on Monday, paring intraday losses but still closing in negative territory as renewed global trade tensions weighed on sentiment. The decline followed U.S. President Donald Trump's announcement of a 50% tariff on EU imports effective August 1, prompting investor caution. In response, media reports indicated that the European Union is preparing a retaliatory tariff package worth €21bn, targeting U.S. goods should negotiations fail to yield a resolution. EURO STOXX 50 edged lower 0.2% to 5,370.9.

U.S. equities traded sideways on Monday, with the major indices oscillating around the flatline amid a lack of clear market catalysts, following last Friday's modest decline. Investor sentiment remained cautious as markets digested heightened trade tensions, following President Donald Trump's renewed tariff threats — proposing a 30% levy on imports from the European Union and Mexico effective August 1. While Trump reiterated longstanding claims of unfair trade practices, the European Union's decision to delay its countermeasures until early August provided a temporary window for potential diplomatic resolution, helping to cap downside pressure. The Nasdaq edged up 33.86 points (+0.2%) to close at 20,619.38, while the Dow slipped 10.50 points (-0.02%) to 44,361.01 and the S&P 500 dipped 1.51 points (-0.02%) to settle at 6,258.24.

Macro Snapshots

- US:** Trump to head to UK for his second state visit in September
- CN:** Emerges from trade chaos with record exports, surplus
- GE:** Merz says 30% US tariffs would hit German industry to 'core'
- AU:** Leader walks fine line between Xi and Trump in China
- US:** Rare earth exports up in June in sign of trade war relief
- CN:** Credit growth tops forecasts as PBOC watches easing impact

Corporate Snapshots

- Rex Industry:** Independent adviser tells minority shareholders to reject ETA

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,537.5	0.1	(6.4)
Dow Jones	44,459.7	0.2	4.5
Nasdaq CI	20,640.3	0.3	6.9
S&P 500	6,268.6	0.1	6.6
SX5E	5,370.9	(0.2)	9.7
FTSE 100	8,998.1	0.6	10.1
Nikkei 225	39,560.7	0.3	(0.8)
Shanghai CI	3,519.7	0.3	5.0
HSI	24,203.3	0.3	20.7
STI	4,109.2	0.5	8.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,932.0	(13.1)
Value traded (RM m)	1,667.0	(27.5)
Gainers	432	
Losers	514	
Unchanged	465	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NEXG	0.470	4.4	94.0
ZETRIX	0.985	(1.5)	57.9
TANCO	0.905	0.0	50.1
WENTEL	0.335	4.7	20.9
MRCB	0.540	0.9	16.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
ZETRIX	0.985	(1.5)	57.5
GAMUDA	5.090	(0.2)	47.4
YTLPOWR	4.180	1.5	45.4
TANCO	0.905	0.0	45.4
TENAGA	13.980	0.1	44.7

Currencies	Last Close	% Chg
USD/MYR	4.255	(0.0)
USD/JPY	147.630	0.1
EUR/USD	1.167	0.1
USD/CNY	7.172	(0.0)
US Dollar Index	98.039	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	69.0	(0.3)
Gold (USD/troy oz)	3,346.7	0.1
CPO (MYR/metric t)	4,109.0	1.0
Bitcoin (USD/BTC)	119,587.3	(0.5)



Industries' takeover offer

- **Maybank:** Grants landmark RM638m green loan to AT&S Malaysia for high-end IC substrate plant in Kedah
- **Hengyuan:** Makes cash call for RM300m to fund crude oil purchases
- **Ramssol:** To sell 40% stake in Rider Gate to US tech firm to accelerate AutoTech growth
- **Capital A:** Inks MOU with govt-owned KTMB to integrate travel, logistics services
- **CIMB:** Triples sustainable finance target to RM300bn by 2030
- **Flexidynamic:** Plans to enter gamma sterilisation business, using private placement for funding

Macro News

US: Trump to head to UK for his second state visit in September

King Charles III will host US President Donald Trump for a state visit in September, the second time Trump will have received the highest honour offered to a visiting dignitary by the UK. The King will host Trump and first lady Melania Trump at Windsor Castle from Sept 17-19, Buckingham Palace said in a statement on Monday. It follows Trump's previous three-day state visit during his first term in 2019, when he was hosted by the late Queen Elizabeth II, Charles' mother. Trump had warmly welcomed the offer of another state visit to Britain when he was handed the invitation by UK Prime Minister Keir Starmer in the Oval Office in February, a diplomatic high point of their meeting, as Starmer has sought to cement UK-US ties and rally Trump's backing in support of Ukraine against Russia. (*Bloomberg*)

CN: Emerges from trade chaos with record exports, surplus

China ended the first half of the year with a record trade surplus of about US\$586bn (RM2.5tn) after exports to the US began to stabilise, as factories rode out the tariff rollercoaster that upended global commerce. Exports rose 5.8% in June from a year earlier to US\$325bn, exceeding the median estimate in a *Bloomberg* survey of analysts. Imports rose 1.1% to grow for the first time since February, according to data from the General Administration of Customs on Monday. Shipments to the US fell 16.1% from a year earlier after slumping by over 34% in May. Chinese firms were able to increase their sales in other markets to compensate for the drop to the US, with exports to the 10 Southeast Asian nations in the Asean group soaring 17% from a year earlier. (*Bloomberg*)

GE: Merz says 30% US tariffs would hit German industry to 'core'

German Chancellor Friedrich Merz said US President Donald Trump's threat of 30% tariffs would hit exporters in Europe's largest economy "to the core", if a negotiated solution in the trade conflict can't be found in the coming weeks. The European Union will extend the suspension of trade countermeasures against the US until Aug 1 to allow for further talks after Trump threatened a new 30% tariff rate against the bloc over the weekend. If that were to happen, Germany's government may need to postpone parts of its economic policy efforts, Merz told ARD public broadcaster in an interview in Sunday. "That would overshadow everything, and hit the German export industry to the core." Merz said he was coordinating closely with other EU leaders to ensure tariffs of such magnitude don't go ahead. (*Bloomberg*)

AU: Leader walks fine line between Xi and Trump in China

Australian Prime Minister Anthony Albanese travelled to China determined to focus on trade and jobs, but navigating the tensions between the US and China, particularly over security flashpoints like Taiwan, will loom over this trip all week. While he was effusive during his first two days in Shanghai on the prospect of greater trade between the two nations — especially against the backdrop of President Donald Trump's tariff threats — he played down anything security-related, batting away questions on reports of US demands for more defense spending and commitments on Taiwan. On Tuesday, Albanese will be in Beijing to meet President Xi Jinping, as well as Premier Li Qiang, who travelled to Australia last year. He will also attend a summit with leaders of Australian groups including banks, miners and universities. China is Australia's biggest export market, buying almost US\$62bn (A\$95bn or RM263.8bn) of goods in the first half of this year alone, data showed on Monday. While dominated by iron ore, it also includes lobsters, wine and services. (*Reuters*)

US: Rare earth exports up in June in sign of trade war relief

China's rare earth exports rose 32% in June from the month before, customs data showed on Monday, in a potential sign that agreements reached last month to free up the flow of the metals are bearing fruit. The US and China reached a series of agreements in June to get rare earths flowing again after export controls imposed by Beijing in April during the height of its trade war with Washington shuttered some car factories around the world. China's foreign minister said recently Europe's normal rare earth demand could be met. Meanwhile, some carmakers said late last month the elements were starting to flow again, although not freely. The world's largest producer of rare earths, a group of 17 minerals used in products vital for autos, consumer electronics and defence, exported 7,742.2 metric tons in June, up from 5,864.6 in May, data from the General Administration of Customs showed. (*Reuters*)



CN: Credit growth tops forecasts as PBOC watches easing impact

China's credit expansion accelerated more than expected in June, helped by a seasonal boost in loan extension as well as heavy government bond issuance. Aggregate financing, a broad measure of credit, increased RMB4.2tn (RM2.5tn) in June, according to *Bloomberg* calculations based on data released by the People's Bank of China on Monday. That compares with a median estimate of RMB3.8tn by economists in a *Bloomberg* survey. Financial institutions offered RMB2.2tn of new loans in the month, also more than forecast. Speaking at a briefing, the PBOC's deputy governor, Zou Lan, reiterated that the central bank plans to enact a moderately loose monetary policy and keep liquidity ample. It will closely monitor the impact of measures already implemented and pace the roll-out of further policies "so as to better facilitate expansion of domestic demand, stabilisation of social expectations and stimulating market vitality" to help the economy achieve the official full-year targets, he said. (*Bloomberg*)

Corporate News

Rex Industry: Independent adviser tells minority shareholders to reject ETA Industries' takeover offer

Independent adviser cfSolutions has advised minority shareholders of Rex Industry Bhd to reject the conditional mandatory takeover offer by controlling shareholder ETA Industries. The offer is 10 sen per share and 0.5 sen per warrant but cfSolutions says it's "not fair and not reasonable". ETA Industries and its partners now own 52.2% of Rex's shares and 39.2% of its warrants. ETA Industries' CEO Lim Chin Hui is the ultimate offeror in the transaction. In explaining its "not fair" conclusion, cfSolutions said the offer price matches Rex's last traded price and is slightly higher than recent averages but it is still 37.5% below the estimated share value of 16 sen. The warrant offer is also much lower — 83.3% below its estimated value. In explaining its "not reasonable" finding, the independent adviser said the offeror plans to keep Rex listed on Bursa Malaysia, so shareholders can still trade their shares and warrants after the offer ends. However, trading may stay limited because the stock has low activity historically. (*The Edge*)

Maybank: Grants landmark RM638m green loan to AT&S Malaysia for high-end IC substrate plant in Kedah

Malayan Banking Bhd is extending a US\$150m (RM638.2m) sustainability-linked loan (SLL) to Austria Technologie & Systemtechnik Malaysia (AT&S Malaysia), which the bank said is the first such SLL loan by a Malaysian and Southeast Asian lender to AT&S, and notably, the first such facility by a local lender to a multinational company in Malaysia's burgeoning semiconductor sector. The funds are to be used by AT&S Malaysia for its high-end integrated circuit (IC) substrate plant in Kulim Hi-Tech Park, Kedah, according to Maybank and AT&S Malaysia in a joint statement on Monday (July 14). AT&S Malaysia is a subsidiary of Austria Technologie & Systemtechnik Aktiengesellschaft (AT&S), a Vienna-listed global leader in high-end printed circuit boards (PCB) and integrated circuit (IC) substrates. The facility, representing AT&S Group's largest initial investment globally with over US\$1bn committed to Malaysia, will feature state-of-the-art equipment and closed-loop recycling systems, aligning with AT&S' comprehensive sustainable energy framework. (*The Edge*)

Hengyuan: Makes cash call for RM300m to fund crude oil purchases

Hengyuan Refining plans to raise up to RM300m via a renounceable rights issue with free detachable warrants to fund crude oil purchases and improve refinery utilisation. Its controlling shareholder, MHIL, has committed to fully subscribing and partially underwriting the exercise to ensure a minimum RM155m is raised. (*The Edge*)

Ramsol: To sell 40% stake in Rider Gate to US tech firm to accelerate AutoTech growth

Ramssol Group is divesting a 40% stake in its AutoTech subsidiary, Rider Gate Sdn Bhd, to NASDAQ-listed SAGTEC Global Ltd for RM25m via new SAGTEC shares, aiming to accelerate Rider Gate's growth and free up capital for core operations. The deal implies a RM62.5m valuation for Rider Gate and includes a US\$1m profit guarantee, with SAGTEC also committing to preserve the share value post-lock-up. Ramssol expects to record a RM25.14m gain, with proceeds earmarked for debt repayment, EV bike procurement, and the launch of an EV bike leasing venture. (*The Edge*)

Capital A: Inks MOU with govt-owned KTMB to integrate travel, logistics services

Capital A Bhd has signed a memorandum of understanding (MOU) with national railway company Keretapi Tanah Melayu Bhd (KTMB) to transform and integrate travel service and logistics within the country. In a bourse filing on Monday, Capital A said the partnership with KTMB, wholly owned by Minister of Finance Inc, will also drive integration of loyalty programmes and food and services. Capital A said the MOU has a duration of 12 months for the parties to execute definitive agreements, or for such further period as may be agreed in writing by the companies. KTMB operates railway transportation and related services across Peninsular Malaysia and into Singapore under a licence issued by the Ministry of Transport. Under the MOU, Capital A and KTMB will jointly conduct detailed feasibility studies to assess the commercial and operational viability of potential areas of cooperation. (*The Edge*)

CIMB: Triples sustainable finance target to RM300bn by 2030

CIMB Group Holdings Bhd has raised its sustainable finance target to RM300bn by 2030, triple its earlier target, to support its clients in navigating risks and building resilience in a low carbon and more inclusive economy. The commitment is part of CIMB's Forward30 strategy and 2030 sustainability roadmap. Since its sustainable finance roadmap was introduced in 2021, the bank has increased from its initial RM30bn to RM100bn target for the 2021 to 2024 period, to RM300 billion through 2030. The group achieved RM117bn for the 2021-2024



period, according to its latest financial year results released in February. CIMB Group chief executive officer Novan Amirudin said the bank, being one of Asean's leading banks, is committed to enabling real-world impact by directing capital towards responsible businesses, as well as activities that reduce emissions, protect ecosystems and generate meaningful social outcomes and to ensure no one is left behind. (*The Edge*)

Flexidynamic: Plans to enter gamma sterilisation business, using private placement for funding

Flexidynamic Holdings Bhd plans to diversify beyond its glove-sector-focused engineering business by acquiring a 51% stake in Gammatech Sdn Bhd for RM16.08m, marking its entry into the gamma sterilisation sector. The RM58.7m project, supported by a planned private placement, bank loans, and shareholder advances will see the construction of a facility in Selangor expected to commence operations by end-2026. (*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
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		
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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