



Daily Newswatch

Market Review

The FBMKLCI ended lower yesterday, reflecting a cautious undertone among investors despite an improvement in broader market sentiment. Investor focus remains firmly on the progress of the US-Malaysia tariff negotiations, with the 1 August deadline for the imposition of a 25% import duty drawing near. The market appears to be factoring in a drawn-out negotiation process, contributing to prevailing risk aversion. Additionally, while the Trade Minister's recent announcement of a strategic trade permit for AI chips is a welcome step towards regulatory clarity, persistent concerns over potential US export controls on AI chip shipments to Malaysia continue to cast a shadow over sentiment — particularly within the technology and semiconductor sectors. Nonetheless, from a medium- to longer term perspective, we see the strengthening of governance and compliance standards as a positive structural shift that may enhance Malaysia's competitive positioning within global value chains, potentially serving as a future catalyst for investor confidence. Between the major index constituents, GAMUDA (-2.6%) led the losses, followed by MRDIY (-2.4%) and PBBANK (-1.8%). Sector-wise, Construction (-1.5%) emerged as the top performer, while Energy (-1.1%) and Healthcare (-0.9%) also posted decline. The broader market breadth turned bearish with 414 gainers and 599 losers.

Asian stocks rose broadly on Tuesday as traders brushed off U.S. President Donald Trump's tariff threats and reacted positively to Chinese GDP data for the first half of 2025. China's economy posted a solid 5.3% growth in the first half of 2025, demonstrating strong resilience despite a complex global environment, according to data released by the National Bureau of Statistics. China's June factory output beat forecasts and marked the quickest pace of growth since March but retail sales growth slowed down from the previous month, separate set of data revealed. SHANGHAI CI dropped 0.4% to 3,505 as the latest GDP data eased the pressure on the need for additional stimulus in the near term. HSI rallied 1.6% to 24,590.1, with tech giants like Baidu and Alibaba surging 4-7% amid Nvidia-related optimism.

European equities extended their losing streak on Tuesday, with major indices closing lower as investor sentiment remained cautious amid mixed macro signals. While hopes of a potential EU-U.S. trade agreement offered some support, risk appetite was tempered by stronger-than-expected U.S. CPI data for June, which reignited concerns over the Fed's policy trajectory. Regional flows were also weighed by subdued conviction as markets digested ongoing transatlantic trade negotiations and recent Eurozone economic prints. The overall tone remained defensive, with participants awaiting greater clarity on global trade developments and monetary policy direction. EURO STOXX 50 closed lower 0.3% to 5,354.2.

U.S. equities ended mixed on Tuesday, with early-session gains giving way to profit-taking in the latter half of the day. The Nasdaq Composite advanced 0.2% to a record close of 20,677.80, driven by strength in semiconductors (+1.3%), notably Nvidia (+4.0%), after the company confirmed plans to resume H20 AI chip sales to China following assurances from the U.S. government on license approvals. In contrast, the S&P 500 and Dow Jones Industrial Average retreated 0.4% and 1.0% to close at 6,243.76 and 44,023.29, respectively, as broader sentiment turned cautious. Earlier optimism was buoyed by in-line June CPI data, with headline inflation rising 0.3% MoM and 2.7% YoY (vs. consensus: +0.3% MoM; +2.6% YoY), while core CPI moderated to 0.2% MoM (vs. consensus: +0.3%), suggesting disinflationary pressures persist. Nonetheless, lingering macro uncertainty and sector rotation tempered the broader risk-on momentum.

Macro Snapshots

- EU:** Targets Boeing, US cars and bourbon with €72bn list
- CN:** Xi urges 'new model' for China's urban development in rare meeting
- JP:** Japanese bonds risk Liz Truss moment as election jolts market

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
YTLPOWR	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



- **AU:** PM reaffirms 'status quo' for Taiwan in Xi meeting
- **MY:** Seeks to mitigate US tariff impact, keep maritime industry competitive — Loke
- **CN:** Investors' forex pile hits US\$1tn amid low local rates

Corporate Snapshots

- **NationGate:** MACC raids NationGate unit over alleged scrap metal smuggling, stock plunges 16%
- **Hibiscus Petroleum:** T7 Global gets six-month extension from Hibiscus Petroleum for offshore work
- **Selangor Dredging:** Launches DaMai hillside residences in Taman Melawati
- **Petronas Gas:** Reaches RM52m settlement with related company over electricity disputes
- **Master Tec:** Signed MOU, Group eyes new manufacturing facility in Sarawak

Macro News

EU: Targets Boeing, US cars and bourbon with €72bn list

The European Union (EU) has finalised a second list of countermeasures to target US goods worth €72bn (US\$84bn or RM358.1bn), including Boeing Co aircraft, automobiles and bourbon if it decides to retaliate against US President Donald Trump's tariff policy. Trump on Monday said he is still open to more trade negotiations with the EU after announcing over the weekend a 30% levy on EU imports that will kick in on Aug 1 if the two sides fail to agree on a better deal. EU trade chief Maros Sefcovic was planning to speak with US Commerce Secretary Howard Lutnick late on Monday as he pushes for a settlement that the EU insists must be mutually beneficial to both sides. "We are always open to talk," the US president told reporters at the White House. "We are open to talk, including to Europe. In fact, they are coming over. They would like to talk." Over the weekend, Trump set out his plans for higher EU tariffs which Sefcovic called "effectively prohibitive" to transatlantic trade. EU trade ministers met in Brussels on Monday to discuss next steps. (*Bloomberg*)

CN: Xi urges 'new model' for China's urban development in rare meeting

Chinese President Xi Jinping called for the acceleration of a "new model" for property development, advocating a more measured approach to urban planning and upgrades, while falling short of investor expectations for more aggressive policies. China will "steadily advance renovation of urban villages and dilapidated houses", the official *Xinhua News Agency* reported on Tuesday, citing the Central Urban Work Conference held on Monday and Tuesday. The announcement follows a pledge by the government last October to renovate one million homes in older, rundown dwellings in large cities. Ahead of the official readout, there has been growing speculation of a meeting reminiscent of a 2015 campaign that was then used to boost home-buying demand and galvanise domestic investment. That year, China held the Central Urban Work Conference, which was the first of its kind in decades and attended by Xi and top Politburo members. The country's prolonged housing downturn is stifling efforts to boost consumer demand and shore up the economy as exports remain at risk from trade tensions with the US. Official data on Tuesday showed a weakening home market in June, with new-home prices falling the most in eight months. (*Bloomberg*)

JP: Japanese bonds risk Liz Truss moment as election jolts market

Japan's bond market is facing a potential Liz Truss moment as the risk of a ruling coalition defeat in Sunday's election fuels concerns over fiscal policy, according to SMBC Nikko Securities Inc. Yields on bonds with maturities of 20 years and beyond have risen at least 20 basis points this month, part of a wave of selling in global bond markets as investors increasingly worry about government finances. That has put the spotlight on a weekend election for Japan's upper house, which local media think may end in disappointment for the ruling Liberal Democratic Party and its coalition partner. Rival political parties have campaigned on populist promises including cash handouts, consumption tax cuts and more subsidies for education. These pledges raise the risk of heavy selling by so-called bond vigilantes, whose response to the policies of former British prime minister Truss around three years ago caused a moment of chaos in the bond market — and sent a warning shot to governments around the world. (*Bloomberg*)

AU: PM reaffirms 'status quo' for Taiwan in Xi meeting

Australian Prime Minister Anthony Albanese said he reaffirmed to Chinese President Xi Jinping his nation's commitment to the status quo over Taiwan during a meeting between the two leaders on Tuesday. Speaking at a press conference in Beijing after holding talks and having lunch with Xi, Albanese also said the president didn't raise the proposed sale of the port of Darwin during their talks or any complaints about Australia's foreign investment regime. The prime minister will later meet with Premier Li Qiang and Australian and Chinese executives. "I reaffirmed on Taiwan the position of Australia of support for the status quo," Albanese told reporters, adding that the issue of US pressure



on Australia over Taiwan wasn't raised by Xi. "We put forward the position of Australia or I did, we want peace and security in the region, that is in the interests of both Australia and China." (*Reuters*)

MY: Seeks to mitigate US tariff impact, keep maritime industry competitive — Loke

Transport Minister Anthony Loke has expressed hope that the ongoing negotiations with the US government, ahead of the potential imposition of a 25% tariff rate on Malaysia from Aug 1, will help mitigate the impact on the country's maritime industry and ensure it remains competitive. He noted that the maritime sector is currently performing well, supported by higher trade volumes at ports operated by MMC Corporation Bhd and Westports Holdings Bhd. "Currently, we are doing well. If you look at our ports, they are performing strongly because volumes have increased," he said. (*Bernama*)

CN: Investors' forex pile hits US\$1tn amid low local rates

Chinese corporates and households boosted their foreign-currency deposits last month to the highest in three years, as they shunned the yuan on bets domestic interest rates will remain low. Total foreign-currency deposits onshore rose to US\$1tn (RM4.3tn) in June, the highest since March 2022, according to data from the People's Bank of China (PBOC) released on Monday. The net increase in the first half of the year was US\$165.5bn, the biggest jump in data going back to 2005. The accumulation of foreign deposits reflects lower confidence in the economy and expectations for a further depreciation in the currency even as the dollar weakens amid US President Trump's tariffs and fiscal policy. Fixed-asset investments in the first half of the year missed estimates, reflecting caution among companies to deploy funds for expansion. "This is a reflection of a low foreign exchange conversion ratio still due to a much lower interest rate for yuan than dollars," said Becky Liu, the head of China macro strategy at Standard Chartered Bank. (*Bloomberg*)

Corporate News

NationGate: MACC raids NationGate unit over alleged scrap metal smuggling, stock plunges 16%

NationGate Holdings Bhd said on Tuesday that the Malaysian Anti-Corruption Commission (MACC) had raided the premises of its wholly owned subsidiary, NationGate Solution (M) Sdn Bhd, as part of an ongoing investigation into alleged scrap metal smuggling. The reaction from investors was swift, sending NationGate's share price down as much as 16% or 26 sen in high volume within minutes after trading resumed from midday market break. The stock eased off its intraday low and was trading at RM1.46 at 2.45pm. Short selling on the stock has been suspended for the rest of the day following the drop in share price. In a filing with Bursa Malaysia, NationGate said the raid took place on Monday. The group stressed that it views these allegations with utmost seriousness and has taken proactive measures to fully cooperate with the MACC and uphold the integrity of the probe. "Our company remains steadfast in its commitment to the highest standards of corporate governance, accountability, and transparency." (*The Edge*)

Hibiscus Petroleum: T7 Global gets six-month extension from Hibiscus Petroleum for offshore work

Oil and gas services firm T7 Global Bhd has on Tuesday secured a six-month contract extension from Hibiscus Petroleum Bhd for the provision of maintenance, construction and modification (MCM) services. T7 Global said the extension was awarded to its wholly owned subsidiary Tanjung Offshore Services Sdn Bhd on June 11 by Hibiscus' unit Hibiscus Oil & Gas Malaysia Ltd, according to the group's filing with Bursa Malaysia. The contract — for work in the Malaysia-Vietnam Commercial Arrangement Area (PM3-CAA) — will run from June 19 to Dec 18, 2025. T7 Global was first awarded the initial six-month job in January 2025 for offshore MCM works on Hibiscus' production asset in the PM3-CAA block. The PM3-CAA is located offshore in an overlapping area between Malaysia and Vietnam. Hibiscus Oil & Gas Malaysia holds a 35% direct ownership stake in the block, with a licence tenure valid until 2027. (*The Edge*)

Selangor Dredging: Launches DaMai hillside residences in Taman Melawati

Selangor Dredging Bhd has launched DaMai, a mid-rise residential development in Taman Melawati, Kuala Lumpur, that blends landed-home living with the amenities of a condominium. According to a press statement issued on Tuesday, DaMai introduces a "parking at your doorstep" concept that allows residents to access their homes directly by car from Levels 4 to 16 via a dedicated speed-ramp system. Set on a 7.158-acre freehold site, the project comprises a 17-storey block with 306 units ranging from 2,056 to 5,038 sq ft. Each unit includes up to six parking bays located at the doorstep, catering to multi-vehicle households and improving accessibility for families with children or elderly members. All units are designed for multigenerational living, with layouts that include family areas, private terraces, powder rooms and rooftop openings in selected penthouses. (*The Edge*)

Petronas Gas: Reaches RM52m settlement with related company over electricity disputes

Petronas Gas Bhd has entered into a settlement agreement with BASF Petronas Chemicals Sdn Bhd (BPC) under which BPC will pay RM52m to resolve disputes arising from an electricity supply agreement. BPC is a joint venture between Germany's BASF SE and Petronas Chemicals Group Bhd, in which Petroliaam Nasional Bhd (Petronas) holds a 64.3% stake. Petronas also owns 51% of Petronas Gas. In a bourse filing on Tuesday, Petronas Gas said the disputes with BPC stemmed from an electricity supply agreement signed in December 1998 and its supplementary agreements. The disagreements emerged between 2018 and 2019. However, the details and particulars of the disputes were not disclosed in the filing. (*The Edge*)

Master Tec : Signed MOU, Group eyes new manufacturing facility in Sarawak

Cable manufacturer Master Tec Group Bhd has signed a memorandum of understanding (MOU) with Kuching-based Senari Synergy Sdn



Bhd (SSSB) to jointly assess the feasibility of establishing a cable manufacturing facility in Sarawak. The MOU, inked Tuesday (July 15), outlines a one-year collaboration during which both parties will conduct a joint feasibility study for the proposed venture, according to Master Tec's filing with Bursa Malaysia. SSSB's core operations are in the oil, gas, petrochemicals and palm oil refinery sectors, with its facilities located at the Senari Synergy Industrial Complex in Senari, Kuching. Under the agreement, SSSB will take the lead in engaging with local authorities and identifying suitable project sites for the proposed facility. Master Tec, on its part, will provide technical input and manufacturing expertise, drawing on its extensive experience in the cable industry. Both companies are also committed to undertaking joint marketing and stakeholder engagement initiatives as part of the comprehensive study. (*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		
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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