



Daily Newswatch

Market Review

The FBMKLCI extended its losing streak for a third consecutive session, mirroring Wall Street's decline after the latest U.S. inflation data surprised to the upside. U.S. headline CPI accelerated to 2.7% year-on-year in June, up from 2.4% in May, prompting investors to reassess expectations for Federal Reserve rate cuts. A steady flow of negative tariff headlines, coupled with waning hopes for near-term monetary easing in the U.S., continued to weigh on risk sentiment. Adding to the subdued tone, Indonesia's successful negotiation of a 19% tariff rate with the United States further dampened sentiment, as Malaysia awaits clarity on its own tariff status, currently set at 25%. This development highlights Malaysia's diminishing competitive edge in regional trade, particularly against Vietnam and Indonesia. Among the major index constituents, 99SMART (-3.5%) led the decline, followed by PPB (-3.1%) and SIME (-2.9%). Sector-wise, Healthcare (-2.5%) emerged as the top performer, while Financial Services (-1.5%) and Consumer Products & Services (-1.0%) also posted modest gains. The broader market breadth remained negative with 336 gainers versus 726 losers.

Asian stocks ended mostly lower on Wednesday as U.S. President Donald Trump announced a 19% tariff on Indonesian exports under a new bilateral pact. Indonesia has scrapped tariffs on U.S. goods and pledged billions in purchases to maintain access to its second-largest export market, it was said. Analysts said the deal is heavily skewed in favor of the U.S., requiring significant trade-offs. The 19% tariff is just below Vietnam's 20% and Bangladesh's 35%, two key rivals in major export sectors such as textiles, footwear and apparel. SHANGHAI CI finished marginally lower at 3,503.8. HSI gave up early gains to end 0.3% lower at 24,517.8.

European equities closed weaker on Wednesday as investor sentiment was dampened by renewed concerns over trade tariffs and speculation that U.S. President Donald Trump may soon remove Federal Reserve Chair Jerome Powell. Adding to the cautious tone, several corporate earnings reports came in below expectations, weighing on market confidence. Notably, weaker-than-expected results from ASML Holdings and Renault contributed to sector-wide pressure, particularly in technology and autos. The EURO STOXX 50 declined 1.1%, closing at 5,298.1.

U.S. stocks ended higher on Wednesday after a volatile session, with the Nasdaq hitting a new record close. The Dow gained 0.5%, the S&P 500 rose 0.3%, and the Nasdaq climbed 0.3%, supported by late-session buying. Markets dipped briefly after reports surfaced that Donald Trump discussed firing Fed Chair Jerome Powell, but recovered after Trump denied any immediate plans. On the data front, June producer prices were flat, below expectations, while annual PPI slowed to 2.3%, easing inflation concerns. The Fed is expected to hold rates steady until at least September. Meanwhile, industrial production rose more than expected, indicating strength in manufacturing. Investor sentiment remains steady, supported by cooling inflation and resilient economic activity.

Macro Snapshots

- US:** Trump says he will meet UK's Starmer in Scotland to 'refine' trade pact
- CAD:** Carney hints tariffs will stay, sees negotiations ramping up
- HK:** Wealth, fund assets hit US\$4.5tn as inflows surge
- MY:** OTSM's RM2bn investment a boost to Sarawak's regional tech hub ambition, says Abang Johari
- IN:** Central bank cuts benchmark rate by 25 bps to 5.25%
- AU:** Eyes cash distribution reform as online payments boom

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,511.5	(0.9)	(8.0)
Dow Jones	44,254.8	0.5	4.0
Nasdaq CI	20,730.5	0.3	7.4
S&P 500	6,263.7	0.3	6.5
SX5E	5,298.1	(1.0)	8.2
FTSE 100	8,926.6	(0.1)	9.2
Nikkei 225	39,497.1	(0.4)	(1.0)
Shanghai CI	3,503.8	(0.0)	4.5
HSI	24,517.8	(0.3)	22.2
STI	4,132.3	0.3	9.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,175.3	3.4
Value traded (RM m)	2,441.0	3.4
Gainers	336	
Losers	726	
Unchanged	349	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NEXG	0.485	2.1	118.4
ZETRIX	0.950	2.2	75.5
TWL	0.030	20.0	52.8
GOCEAN	0.110	(12.0)	52.0
TANCO	0.895	(1.1)	48.4

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	13.680	(1.6)	137.5
MAYBANK	9.530	(1.2)	121.6
CIMB	6.500	(2.0)	120.4
RHBBANK	6.150	(2.4)	90.9
GAMUDA	5.030	1.4	90.3

Currencies	Last Close	% Chg
USD/MYR	4.248	(0.1)
USD/JPY	148.230	(0.2)
EUR/USD	1.163	(0.1)
USD/CNY	7.179	0.1
US Dollar Index	98.400	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.9	0.5
Gold (USD/troy oz)	3,344.5	(0.1)
CPO (MYR/metric t)	4,148.0	(0.2)
Bitcoin (USD/BTC)	118,927.5	(0.9)



Corporate Snapshots

- **Avaland:** Avalon Phase 1 fully taken up
- **CelcomDigi:** Debuts Life stores for hands-on smart living experience
- **Gamuda:** State agency JV bags water infrastructure job in Perak
- **Tan Chong Motor:** Slapped with UMA query after share price hit near one-year high
- **Kawan Renergy:** Bags RM39m contract to construct gas turbine co-generation plant in Port Klang

Macro News

US: Trump says he will meet UK's Starmer in Scotland to 'refine' trade pact

US President Donald Trump said he plans to meet with UK Prime Minister Keir Starmer during an upcoming visit to Scotland to "refine" their trade pact. Trump made the comments on Tuesday to reporters as he departed the White House. He expected to visit a pair of golf courses he owns in Scotland later this month. Trump said the meeting with Starmer is likely to take place in Aberdeen. "We are going to be meeting with the British prime minister. Very respected," the US president said. "We are going to do a lot of different things, and we are going to also refine the trade deal that we have had." The UK is among a small group of countries that has successfully negotiated a trade framework with Trump after he announced country-by-country tariffs in April. But the agreement left key questions undecided, including how the US will implement quotas reducing levies on steel and aluminum. *(Bloomberg)*

CAD: Carney hints tariffs will stay, sees negotiations ramping up

Canadian Prime Minister Mark Carney said he believes trade negotiations with the US will "intensify", but acknowledged there's little evidence the Trump administration is willing to cut a deal that would completely drop tariffs. "We need to recognise that the commercial landscape globally has changed," Carney told reporters in Ottawa prior to a closed-door meeting of his Cabinet on Tuesday. "We will continue to focus on what we can most control, which is building a strong Canadian economy." Canada's public position has been that most of its trade with the US should be tariff-free under the terms of the US-Mexico-Canada Agreement, which the countries agreed to during US President Donald Trump's first term. But on Tuesday, the prime minister appeared to be trying to manage expectations, observing that no country has been successful so far in convincing the US administration to remove the tariff threat. *(Bloomberg)*

HK: Wealth, fund assets hit US\$4.5tn as inflows surge

Hong Kong's assets under management across its asset and wealth management industry rose 13% to HK\$35.1tn (US\$4.5tn or RM19tn) as inflows surged last year, underscoring a recovery in the Asian financial hub. Net fund inflows jumped 81% to HK\$705bn across the industry in 2024, according to a survey conducted by the Securities and Futures Commission (SFC). In particular, inflows for the asset management and fund advisory business soared 571% to HK\$321bn. Assets for private banking and wealth rose 15% to HK\$10.4tn, boosted by net inflows of HK\$384bn. For the city, it's a stark reversal from the Covid period, when Hong Kong was grappling with an exodus of people and mainland money was moving to Singapore. Hong Kong has been stepping up efforts to attract the wealthy with tax concessions and residency plans. The city's equity benchmark is trading near its highest level in over three years, boosted by increased optimism toward technology stocks and strong demand from mainland investors. *(Bloomberg)*

MY: OTSM's RM2bn investment a boost to Sarawak's regional tech hub ambition, says Abang Johari

OCI Tokuyama Semiconductor Materials Sdn Bhd's (OTSM) RM2bn investment to establish a semiconductor-grade polysilicon plant at the Samalaju Industrial Park here is a strategic milestone that reinforces Sarawak's position in the global semiconductor value chain. Sarawak Premier Tan Sri Abang Johari Tun Openg said the investment by a joint venture between South Korea's OCI Company Ltd and Japan's Tokuyama Corporation reflects international confidence in Sarawak's political stability, industrial infrastructure and long-term development vision. "This marks a significant milestone in advancing high-technology industrial development in the region. It also underscores our commitment to sustainable partnerships that will power the future," he said at the groundbreaking ceremony here on Wednesday. Abang Johari noted that the facility, expected to be the first of its kind outside Japan and South Korea, will produce high-purity polysilicon, a critical material used in the production of semiconductors for smartphones, electric vehicles, data centres and artificial intelligence (AI). *(Reuters)*

IN: Central bank cuts benchmark rate by 25 bps to 5.25%

Indonesia's central bank delivered on Wednesday its fourth rate cut in an easing cycle that began in September, boosting support for Southeast Asia's biggest economy as it faces pressure from weakening global trade and slowing domestic demand. Bank Indonesia (BI) cut the benchmark seven-day reverse repurchase rate by 25 basis points to 5.25%, as expected by a slim majority of economists polled by *Reuters*. It also trimmed the overnight deposit and lending facility rates by the same amount to 4.50% and 6.00%, respectively. Governor Perry Warjiyo said at a briefing that the rate cut was consistent with the need to support Indonesia's economic growth. Sluggish household spending had already weakened Indonesia's growth in the first quarter, while the outlook for subsequent quarters has been clouded by the



impact of US tariffs on global trade. *(Reuters)*

AU: Eyes cash distribution reform as online payments boom

Australian regulators will look into a potential framework for the distribution of physical money across the country as increasing use of online and card payments adds to complexities of keeping cash in circulation. "Maintaining access to cash is a key priority as part of modernising payments infrastructure in Australia," according to a consultation paper released by the Council of Financial Regulators (CFR) and the Australian Competition and Consumer Commission (ACCC) on Wednesday. "Critical cash distribution services should be subject to appropriate safeguards to support the ongoing availability of cash across Australia." There is currently no regulatory regime that applies safeguards to cash distribution services, the paper noted. The release follows a parliamentary inquiry last year that recommended the government adopt a policy recognising the essential service that cash access provides, especially to remote parts of the country and some older Australians. *(Bloomberg)*

Corporate News

Avaland: Avalon Phase 1 fully taken up

Avaland Bhd announced that Phase 1 of Avalon, comprising 166 units of Balinese-inspired double-storey homes located within its Cybersouth township development, is fully taken up. The RM151m gross development value (GDV) Phase 1 is part of Avalon's broader 25-acre development, which marks the final landed residential component within the Cybersouth masterplan, according to a press statement issued on Tuesday. Avalon will feature a total of 343 units across three home types, with built-up areas ranging from 2,004 to 2,454 sq ft and prices starting from RM784,600 to RM1.0m. *(The Edge)*

CelcomDigi: Debuts Life stores for hands-on smart living experience

CelcomDigi Bhd has launched its new flagship "Life" stores at The Gardens Mall and Sunway Pyramid, marking a new step in its retail journey. Chief executive officer Datuk Idham Nawawi said the Life stores aim to offer more than basic connectivity by providing an immersive experience where customers can explore the latest technology. Each 3,500-square-foot store features over 20 partners and a unique "store-within-a-store" concept, including dedicated zones by Samsung and Disney for hands-on tech and content experiences — a first for Malaysian telco retail. *(The Edge)*

Gamuda: State agency JV bags water infrastructure job in Perak

The Perak state government has appointed a joint venture (JV) between Gamuda Bhd and Perbadanan Kemajuan Negeri Perak (PKNPK) to develop and operate water treatment and distribution infrastructure in Kerian, Northern Perak — a key component of the RM5bn Northern Perak Water Supply Scheme (NPWSS). This follows the signing of an exclusive agreement between the parties on February 5 this year. The JV will undertake the project on a privatisation basis with a minimum 40-year operation period. Under the terms of the appointment, formalised on Wednesday (July 16), the JV will also supply treated water to the Kerian Integrated Green Industrial Park (KIGIP), and sell excess treated water to Penang. *(The Edge)*

Tan Chong Motor: Slapped with UMA query after share price hit near one-year high

Tan Chong Motor Holdings Bhd has been slapped with an unusual market activity (UMA) query by Bursa Malaysia Securities after the automotive assembler and distributor's share price surged to a near one-year high. Tan Chong Motor's shares jumped as much as 25.5 sen or 44% to an intraday high of 83.5 sen on Wednesday — the highest level since July 18 last year. The counter pared some gains to close at 79 sen, still up 21 sen or 36%, with over 29.6m shares traded. The stock was among the top gainers and most actively traded counters of the day on Bursa Malaysia. At 79 sen, Tan Chong Motor — which distributes Nissan vehicles in Malaysia — is valued at RM530.9m. Year to date, the counter has risen over 92%. *(The Edge)*

Kawan Renergy: Bags RM39m contract to construct gas turbine co-generation plant in Port Klang

Kawan Renergy Bhd has secured a RM38.8m contract from Gas Malaysia Energy Advance Sdn Bhd (GMEA) for the construction of a gas turbine co-generation system in Port Klang. In a filing with Bursa Malaysia, the engineering solutions provider said the group will undertake the project at FGV IFFCO Sdn Bhd's facility in the Pandamaran Industrial Estate. The scope of the project includes the procurement, construction and commissioning of the gas turbine co-generation system. The project will commence upon the issuance of a notice to proceed by GMEA and is expected to be completed within 20 months. Kawan Renergy said payments will be made in stages, subject to milestones agreed upon between GMEA and Kawan Green Energy. *(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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Published & Printed By:

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