



# Daily Newswatch

## Market Review

The FBMKLCI rebounded sharply yesterday, ending a three-day losing streak as investors rotated into oversold names, highlighting a shift in sentiment from fear to value-driven positioning. The recovery mirrored Wall Street's overnight gains and was largely fueled by a technical bounce, with renewed interest in beaten-down stocks. Regional markets also closed higher, signaling a broader return of risk appetite despite ongoing concerns over trade tariffs. Between the key index constituents, the top 3 gainers were PETCHEM (+4.1%), SIME (+3.0%) and IOICORP (+2.7%). Sector-wise, Construction (+1.4%) led the gain and followed by Industrial Products & Services (+0.9%) and Telecommunication & Media (+0.7%). The broader market breadth turned positive with 548 gainers outpacing 415 losers.

Asian equities closed broadly higher on Thursday, supported by easing investor concerns after U.S. President Donald Trump downplayed the likelihood of removing Federal Reserve Chairman Jerome Powell. While Trump stated, "We're not planning on doing it," he left a degree of uncertainty by adding, "I don't rule out anything..., but I think it's highly unlikely, unless he has to leave for fraud." Shanghai CI gained 0.4% to settle at 3,516.83, following Citi's upgrade on China equities driven by improved corporate earnings momentum and positive structural growth catalysts. In contrast, the HSI ended marginally lower at 24,498.95 after a volatile trading session, reflecting a more cautious investor stance despite regional optimism.

European markets staged a strong recovery on Thursday, snapping recent losses as investor sentiment was buoyed by renewed optimism surrounding EU-U.S. trade negotiations and a wave of upbeat corporate earnings. Positive momentum was driven in part by reports that the European Union is preparing a retaliatory tariff package targeting €72bn (\$84bn) worth of U.S. goods should ongoing negotiations fail to yield a resolution. Market confidence was further supported by speculation of a potential breakthrough, following news that European and U.S. firms reached an agreement for the purchase of U.S. liquefied natural gas (LNG), a move seen as laying the groundwork for a broader trade accord. Adding to the constructive tone, the EU's chief trade negotiator, Maroš Šefčovič, departed for Washington on Wednesday for high-level discussions aimed at securing a deal ahead of a looming deadline set by former President Trump. The EURO STOXX 50 closed ended 1.5% higher.

U.S. equities extended their upward momentum on Thursday, buoyed by a string of better-than-expected macroeconomic prints. The Nasdaq (+0.7% to 20,884.27) and S&P 500 (+0.5% to 6,297.36) closed at new record highs, while the Dow also posted a solid gain (+0.5% to 44,484.49), with all three major indices finishing near session highs. Investor sentiment was supported by a robust rebound in June retail sales, which rose 0.6% m-o-m (vs. +0.1% consensus; -0.9% prior), signaling resilient consumer demand. Excluding autos, core retail sales climbed 0.5% (vs. +0.3% est.; -0.2% prior), further affirming strength in discretionary spending. Labor market dynamics also surprised to the upside, with initial jobless claims falling to a three-month low of 221k (vs. 235k consensus; 228k revised prior), underscoring continued tightness in the employment backdrop. Meanwhile, import price data came in below expectations, suggesting a benign inflationary environment in trade-related segments.

## Macro Snapshots

- US:** House agrees to consider crypto legislation in big win for digital asset industry
- US:** Fed's Williams says tariff economic impact is only just starting
- UK:** Unemployment increases to 4.7%, highest rate in four years
- SK:** Minister nominee says US deal possible in two weeks
- GE:** Rejects EU proposal for €2tn budget

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,520.9	0.6	(7.4)
Dow Jones	44,484.5	0.5	4.6
Nasdaq CI	20,885.7	0.7	8.2
S&P 500	6,297.4	0.5	7.1
SX5E	5,377.2	1.5	9.8
FTSE 100	8,972.6	0.5	9.8
Nikkei 225	39,901.2	0.6	0.0
Shanghai CI	3,516.8	0.4	4.9
HSI	24,499.0	(0.1)	22.1
STI	4,161.4	0.7	9.9

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,173.7	(0.1)
Value traded (RM m)	2,484.2	1.8
Gainers	548	
Losers	415	
Unchanged	448	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ICENTS	0.340	41.7	150.5
ZETRIX	0.935	(1.6)	73.0
NEXG	0.490	1.0	60.4
TANCO	0.900	0.6	36.9
LCTITAN	0.560	10.9	28.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	13.780	0.7	174.8
GAMUDA	5.150	2.4	133.8
CIMB	6.500	0.0	117.1
MAYBANK	9.530	0.0	71.0
ZETRIX	0.935	(1.6)	68.6

Currencies	Last Close	% Chg
USD/MYR	4.249	(0.1)
USD/JPY	148.440	0.1
EUR/USD	1.161	0.1
USD/CNY	7.182	(0.0)
US Dollar Index	98.734	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	69.5	1.5
Gold (USD/troy oz)	3,341.9	0.1
CPO (MYR/metric t)	4,236.0	2.4
Bitcoin (USD/BTC)	120,233.1	0.6



- **MY:** National Address System has potential to generate RM2bn, create 2,000 jobs, says Fahmi

### Corporate Snapshots

- **CBH Engineering:** Gets RM172m contract, first major win since listing sends stock soaring
- **E&O:** Launch final phase of Conlay serviced apartment project with Mitsui Fudosan
- **UUE:** Plans bonus issue, diversification into renewable energy
- **Kossan Rubber:** Founder Lim Kuang Sia and brother cease to be substantial shareholders of Berjaya Corp
- **SunCon:** EPF ceases to be substantial shareholder
- **NexG:** Secures Home Ministry contract extension for passport chip supply

## Macro News

### US: House agrees to consider crypto legislation in big win for digital asset industry

The Republican-controlled US House of Representatives cleared key procedural hurdles on crypto legislation on Wednesday, a day after President Donald Trump intervened to save the initiative, paving the way for the first federal law for digital assets. The votes came after more than nine hours of private talks as leaders worked to win over lawmakers sceptical of how the package was structured. A bill to establish a federal framework for stablecoins is likely to be the first to be passed, in what would be a watershed victory for the crypto industry. It has already been approved by the Senate, and if approved by the House, it would go to Trump for his signature. Stablecoins, a type of cryptocurrency designed to maintain a constant value, usually a 1:1 dollar peg, are commonly used by crypto traders to move funds. They have gained much momentum in recent years, offering faster and cheaper transaction costs than moving money through a bank. *(Bloomberg)*

### US: Fed's Williams says tariff economic impact is only just starting

Federal Reserve (Fed) Bank of New York president John Williams said on Wednesday that monetary policy is in the right place to allow central bankers to monitor the economy before taking their next steps, while warning that the impact of trade tariffs is only just starting to hit the economy. "Maintaining this modestly restrictive stance of monetary policy is entirely appropriate to achieve our maximum employment and price stability goals," Williams said in a speech given before a gathering of the New York Association for Business Economics. Holding at current levels "allows for time to closely analyse incoming data, assess the evolving outlook, and evaluate the balance of risks to achieving our dual mandate goals". Williams said that the current state of the economy is good and labour markets are solid, although he expects both of those to moderate as the year advances. The bank president pointed to ongoing uncertainty and warned against complacency over the impact of US President Donald Trump's import tax surge. *(Bloomberg)*

### UK: Unemployment increases to 4.7%, highest rate in four years

Fresh jobs data reinforced a picture of a weakening British jobs market, with unemployment notching up to the highest level in four years. The unemployment rate increased to 4.7% in the three months through May, compared with 4.6% in the previous period, the Office for National Statistics (ONS) said on Thursday. Separate tax data showed the number of employees on payrolls dropped by over 41,000 in June, worse than the decline of 35,000 expected by economists. While the statistics showed continued fallout from a minimum wage increase and £26bn (US\$35bn or RM147.9bn) payroll tax hike on companies imposed by the Labour government in April, they also suggested that the impact on jobs might be less severe than previously believed. Payroll declines in May were revised down to 25,000 from the 109,000 previously reported, a change that ONS attributed to quirks in that month's reporting cycle. *(Bloomberg)*

### SK: Minister nominee says US deal possible in two weeks

South Korea's foreign minister nominee said he believes it may be possible to reach a trade deal with the US before the 25% across-the-board tariffs proposed by President Donald Trump take effect in August. "It seems possible," Cho Hyun, President Lee Jae Myung's pick to be his top diplomat, said during his confirmation hearing in Parliament on Thursday. "It is difficult to predict, but we are making every effort on our end, and from the US perspective, too, we are not only a very important ally but also a key trade partner, so I think they will prioritise negotiating with us." Cho did not elaborate what South Korea is willing to offer to get a deal signed. Among issues raised by the US are opening up South Korea's market for agricultural products, particularly in sensitive areas such as beef and rice, and easing digital regulations. *(Reuters)*

### GE: Rejects EU proposal for €2tn budget

Germany has rejected the European Commission's €2tn (RM9.9t) budget proposal, hours after it was announced by European Commission President Ursula von der Leyen in Brussels. "A comprehensive increase in the EU budget is unacceptable at a time when all member states



are making considerable efforts to consolidate their national budgets,” the German government chief spokesman said in a statement. “We will therefore not be able to accept the commission’s proposal.” The statement by the EU’s largest member state points to the battle ahead for the bloc’s executive arm as it tries to get buy-in for the next seven-year budget which begins in 2028. Earlier on Wednesday, the commission unveiled the draft proposal after intense negotiations that stretched late into Tuesday night and resumed on Wednesday morning. The figure of €2tn represents a substantial jump from the €1.2tn— equivalent to 1% of EU’s output — that was allocated during the last budgetary cycle, between 2021 and 2027. (*Reuters*)

**MY: National Address System has potential to generate RM2bn, create 2,000 jobs, says Fahmi**

The National Address System (NAS) has the potential to generate RM2bn in economic spillover and create over 2,000 new job opportunities within five years, said Communications Minister Datuk Fahmi Fadzil. He said the focus of the NAS, which is being developed by the Malaysian Communications and Multimedia Commission (MCMC), is to ensure that every address in the country can be identified and verified using accurate standards, and can be utilised by various agencies, services and businesses. Although Malaysia is estimated to have around 12m addresses, no single entity has comprehensive coverage. Most agencies that store address data have information that is non-standardised, unverified and decentralised, he said. Speaking when opening the National Address Conference 2025 on Thursday, he said the implementation of the NAS is expected to bring tangible benefits to Malaysians, adding that in cases of floods or fires, rescue teams will be able to locate victims more quickly and accurately. (*Bernama*)

## Corporate News

**CBH Engineering: Gets RM172m contract, first major win since listing sends stock soaring**

CBH Engineering Holding Bhd has secured a contract worth RM172m to build a substation’s electrical supply system at a proposed data centre in Selangor. The award from an undisclosed client marks CBH Engineering’s first major contract win this year, sending its share price up nearly 13%. The stock climbed to as high as 30.5 sen, its highest since May 9, as trading resumed following the announcement during midday break. The job will run for 14 months beginning July 11 and is scheduled for completion by Sept 10, 2026, the company said in an exchange filing. “The scope of works comprises supplying, erecting, installing, testing and commissioning all substation equipment and associated civil works for the electrical supply system,” CBH Engineering said. (*The Edge*)

**E&O: Launch final phase of Conlay serviced apartment project with Mitsui Fudosan**

Eastern & Oriental Bhd and Japan-based real estate developer Mitsui Fudosan Group have officially launched Conlay Signature Suites, the second and final phase of their Conlay by E&O serviced apartment development located in Kuala Lumpur. Conlay Signature Suites is located on the uppermost floors of the development (levels 37 to 51) and comprises 194 fully furnished units with built-ups ranging from 635 to 3,617 sq ft. The units come in 1-bedroom to 3+1-bedroom penthouse configurations. Prices for these units are between RM1.5m and RM12m. Having been soft-launched in May, Conlay Signature Suites has achieved a 40% take-up rate. Located on a 1.44-acre freehold tract at the intersection of Jalan Kia Peng and Jalan Conlay, Conlay by E&O is a 51-storey luxury serviced apartment (total 491 units) jointly developed by E&O and Mitsui Fudosan. The initial phase, Conlay Residences, was launched in 2019 and all 297 units have been fully sold. (*The Edge*)

**UUE: Plans bonus issue, diversification into renewable energy**

UUE Holdings Bhd, which debuted on the ACE Market of Bursa Malaysia in July last year, has announced a bonus issue along with plans to diversify into renewable energy facilities development. The bonus issue will be on the basis of one new share for every two existing shares held, according to a bourse filing on Wednesday. In addition, the company will issue bonus warrants on the basis of one warrant for every five shares held. The exercise will entail the issuance of up to 304.1m new shares and up to 121.7m warrants. The entitlement dates will be announced later, said UUE. The company noted that as at June 30, it had an issued share capital of RM77.2m comprising 608.3m shares. (*The Edge*)

**Kossan Rubber: Founder Lim Kuang Sia and brother cease to be substantial shareholders of Berjaya Corp**

Tan Sri Lim Kuang Sia, the founder and group managing director of Kossan Rubber Industries Bhd, and his brother Lim Kuang Wang are no longer substantial shareholders of Berjaya Corp Bhd. According to Berjaya Corp’s filings with Bursa Malaysia on Thursday, the Lim family’s investment vehicle, Kossan Holdings (M) Sdn Bhd, disposed of 89.2m shares — representing a 1.5% stake — in Berjaya Corp on Tuesday, July 15. Following the disposal, Kossan Holdings’ stake was reduced to 107.6m shares or 1.8%, down from 196.8m shares or 3.4%. *Bloomberg’s* off-market data shows that the 89.2m-share block was transacted at 28 sen per share, amounting to RM25m. In December last year, Kossan Holdings had sold another block of 100m shares at 29.5 sen apiece. (*The Edge*)

**SunCon: EPF ceases to be substantial shareholder**

Sunway Construction Group Bhd notified on Thursday that the Employees Provident Fund (EPF) has ceased to be a substantial shareholder in the group. This follows the disposal on July 14 of 20m shares that were managed by Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board-IC, according to SunCon’s filing with Bursa Malaysia. Following the disposal, the EPF’s stake in SunCon has come down to 4.3%, below the 5% threshold required to be deemed a substantial shareholder. While the transaction value was not disclosed, based on SunCon’s closing price of RM5.95 on July 14, the block of shares was estimated to be worth RM119m. (*The Edge*)



**NexG: Secures Home Ministry contract extension for passport chip supply**

NexG Bhd (formerly Datasonic Group) has secured a sixth-month contract extension from the Ministry of Home Affairs to continue supplying passport chips, marking the fifth extension since the contract's inception in 2015. While the extension runs from Dec 1, 2025, to May 31, 2026, on a month-to-month basis, there are no changes to the contract's ceiling value or quantity, though a new RM3.43 million performance bond is required. (*The Edge*)

Upcoming key economic data releases	Date
US – Fed Chairman speech	July 22
US – Initial jobless claims (Jul 19)	July 24
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		
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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