



# Daily Newswatch

## Market Review

The FBMKLCI closed slightly lower on Monday, slipping 0.1%, as investor sentiment remained cautious amid a mix of domestic news flow and regional developments. The muted performance reflects a consolidation phase, with participants adopting a wait-and-see approach ahead of further macro or policy signals. Market attention was partially focused on the Malaysian Anti-Corruption Commission's (MACC) Op Ways probe, which was launched last Thursday in connection with alleged irregularities in a data centre project tender. While initial headlines raised concerns over potential governance risks, the impact has so far appeared contained to a handful of counters, with no evidence of broader market contagion. Among the key index constituents, SUNWAY (-3.4%) was the most underperformed, while MRDIY (-1.9%) and HLBANK (-1.5%) also closed lower. Sector-wise, Construction (-1.4%) was most underperforming sector and followed by Consumer Products & Services (-0.6%) and Property (-0.5%). The broader market breadth turned bearish with 607 laggards outpacing 342 gainers.

Asian equity markets advanced modestly in thin trading on Monday, with Japanese bourses closed for a public holiday, leading to subdued volumes across the region. The broader risk tone was supported by optimism surrounding global trade developments and steady policy signals out of China. In the U.S., Commerce Secretary Howard Lutnick expressed confidence that a U.S.-EU trade agreement could be reached before the August 1 deadline, reinforcing hopes of a near-term resolution. Markets are closely watching the outcome, as failure to reach a deal would trigger a new round of tariffs, potentially weighing on global growth sentiment. Shanghai CI rose 0.7% to 3,559.79, after the People's Bank of China kept both the 1-year Loan Prime Rate (LPR) at 3.0% and the 5-year LPR at 3.5%, in line with expectations. In Hong Kong, the HSI also gained 0.7% to close at 24,994.14, lifted by renewed optimism on U.S.-China relations.

European equities closed on a mixed note Monday, as investors adopted a cautious stance amid heightened uncertainty surrounding EU-U.S. trade negotiations and ongoing corporate developments. Market activity was largely range-bound, with risk appetite constrained by geopolitical concerns. According to media reports, EU leaders are bracing for a potential escalation in trade tensions, urging the European Commission to formulate a robust response to U.S. tariff threats. Proposed countermeasures under consideration include the imposition of retaliatory tariffs on U.S. goods, restrictions on digital services, and limits on access to EU public procurement markets. The EURO STOXX 50 ended 0.3% lower.

U.S. equities traded mostly higher on Monday, with the Nasdaq and S&P 500 closing at fresh record highs, driven by early-session optimism over trade developments. However, gains moderated into the close amid modest profit-taking and mixed economic data. The Nasdaq rose 0.4% to 20,974.2, while the S&P 500 edged up 0.1% to 6,305.6, both extending their recent upward momentum. The Dow close flat at 44,323.1. Early strength in the session was supported by positive trade rhetoric, with U.S. Commerce Secretary Howard Lutnick expressing confidence that a U.S.-EU trade agreement could be reached before the August 1 deadline. However, sentiment was tempered by softer macro signals. The Conference Board's Leading Economic Index (LEI) fell 0.3% in June, slightly worse than the 0.2% decline expected, following a downwardly revised flat reading in May. The data continues to suggest that the U.S. economy is expanding at a slower, but stable, pace.

## Macro Snapshots

- US; CN:** Trump, Xi might meet ahead of or during October Apec Summit in South Korea, SCMP reports
- US:** Commerce Secretary Lutnick says he is confident US will secure trade deal with EU

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,524.6	(0.1)	(7.2)
Dow Jones	44,323.1	(0.0)	4.2
Nasdaq CI	20,974.2	0.4	8.6
S&P 500	6,305.6	0.1	7.2
SX5E	5,343.0	(0.3)	9.1
FTSE 100	9,013.0	0.2	10.3
Nikkei 225	39,819.1	(0.2)	(0.2)
Shanghai CI	3,559.8	0.7	6.2
HSI	24,994.1	0.7	24.6
STI	4,207.1	0.4	11.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,499.9	10.0
Value traded (RM m)	2,679.3	(4.8)
Gainers	342	
Losers	607	
Unchanged	504	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
SUNCON	5.490	(8.2)	110.6
NEXG	0.505	2.0	80.9
PHARMA	0.220	41.9	63.8
TANCO	0.905	(0.5)	53.6
ZETRIX	0.935	(1.1)	46.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
SUNCON	5.490	(8.2)	582.8
SUNWAY	4.890	(3.4)	137.3
GAMUDA	5.260	(1.3)	126.3
MAYBANK	9.520	0.0	76.4
CIMB	6.520	0.2	64.3

Currencies	Last Close	% Chg
USD/MYR	4.234	0.2
USD/JPY	147.430	(0.0)
EUR/USD	1.169	(0.0)
USD/CNY	7.170	0.1
US Dollar Index	97.853	(0.6)

Commodities	Last Close	% Chg
Brent (USD/barrel)	69.2	(0.1)
Gold (USD/troy oz)	3,400.4	0.1
CPO (MYR/metric t)	4,189.0	0.4
Bitcoin (USD/BTC)	117,538.1	0.5



- **GE:** Top firms kick off investment push to lift economy
- **MY:** Melaka Inland Port to boost rail logistics, support regional investment
- **CN:** Leaves benchmark lending rates unchanged, as expected
- **UK:** Home sellers slash prices to find buyers spoiled for choice

## Corporate Snapshots

- **Sunway Construction:** An employee under investigation by anti-graft agency
- **FACB Industries:** Gets privatisation offer at RM1.6 per share
- **Atlan:** Disposes of wholly-owned subsidiary for RM175m
- **Aneka Jaringan:** Secures RM72.3 mil contract for data centre piling works in Eco Business Park V
- **PJBumi:** To provide bioreactor technology to process municipal solid waste in Indonesia
- **Cahaya Mata Sarawak:** Awards RM673m EPCC contract to double annual clinker capacity

## Macro News

### US; CN: Trump, Xi might meet ahead of or during October Apec Summit in South Korea, SCMP reports

US President Donald Trump might visit China before going to the Asia-Pacific Economic Cooperation (Apec) Summit between Oct 30 and Nov 1, or he could meet Chinese leader Xi Jinping on the sidelines of the Apec event in South Korea, the *South China Morning Post* (SCMP) reported on Sunday, citing multiple sources. The two countries have been trying to negotiate an end to an escalating tit-for-tat tariff war that has upended global trade and supply chains. The two sides have discussed a potential meeting between the leaders in the region this year, but they have not confirmed a date or location yet, according to a person familiar with the matter. Trump has sought to impose tariffs on US importers for virtually all foreign goods, which he says will stimulate domestic manufacturing, and which critics say will make many consumer goods more expensive for Americans. (*Bloomberg*)

### US: Commerce Secretary Lutnick says he is confident US will secure trade deal with EU

US Commerce Secretary Howard Lutnick said on Sunday that he was confident that the United States can secure a trade deal with the European Union (EU), but Aug 1 is a hard deadline for tariffs to kick in. Lutnick said he had just got off the phone with European trade negotiators, and there was "plenty of room" for agreement. "These are the two biggest trading partners in the world, talking to each other. We'll get a deal done. I am confident [that] we'll get a deal done," Lutnick said in an interview with CBS' "Face the Nation". US President Donald Trump threatened on July 12 to impose a 30% tariff on imports from Mexico and the EU starting Aug 1, after weeks of negotiations with major US trading partners failed to reach a comprehensive trade deal. (*Bloomberg*)

### GE: Top firms kick off investment push to lift economy

More than 60 of Germany's leading companies unveiled an investment drive worth at least €100bn (RM494.3bn) in new projects to help lift Europe's biggest economy out of its funk. As part of the initiative — led by top executives including the heads of Deutsche Bank AG and Siemens AG and coordinated with Chancellor Friedrich Merz's new government — members have committed a "three-digit billion amount" of new investment in Germany by 2028, according to an emailed statement Monday. Together with money already allocated, the total for the period of €631bn includes both planned and new capital investments, research and development expenditures and commitments from international investors and is meant to send "a strong, positive signal" following outflows in recent years amounting to hundreds of billions of euros. Boosting private-sector investment is critical to reigniting growth in Germany and ending three years of stagnation. The country's key industries, including automotive, chemicals and machinery, have long been contending with high energy costs relative to foreign rivals as well as bloated bureaucracy both domestically and at the European Union level. (*Bloomberg*)

### MY: Melaka Inland Port to boost rail logistics, support regional investment

The Melaka Inland Port development in Taboh Naning, Alor Gajah, will provide investors streamlined facilities for the movement of goods via rail, said Chief Minister Datuk Seri Ab Rauf Yusoh. He said the 52.9-hectare logistics-focused development is intended to support investors in Melaka, and the neighbouring states of Johor and Negeri Sembilan. "MCORP signed an agreement with DS Rail Mobility Sdn Bhd on June 13, 2025, to develop the project, with a gross development cost of RM230.8m for Phase 1. This forms part of the larger MCORP Hi-Tech Park development, which covers 2,023 hectares. "The project planning began in November 2024, and the company is currently preparing the necessary documents for approvals, including planning permission from local authorities and impact assessment studies," he said at the



Melaka State Legislative Assembly sitting in Seri Negeri on Monday. *(Bernama)*

**CN: Leaves benchmark lending rates unchanged, as expected**

China kept benchmark lending rates unchanged on Monday, as forecast, after it reported slightly better-than-expected second-quarter economic data. Signs of economic resilience effectively reduced any urgency for further stimulus, while analysts widely expect that persistent weak domestic demand warrants some monetary easing later this year. The one-year loan prime rate (LPR) was kept at 3.0%, while the five-year LPR was unchanged at 3.5%. In a *Reuters* survey of 20 market participants conducted last week, all participants predicted no change to either of the two rates. Most new and outstanding loans in China are based on the one-year LPR, while the five-year rate influences the pricing of mortgages. China's economy slowed less than expected in the second quarter, in a show of resilience against US tariffs, though analysts warn weak demand at home and rising global trade risks will ramp up pressure on Beijing to roll out more stimulus. *(Reuters)*

**UK: Home sellers slash prices to find buyers spoiled for choice**

UK home sellers slashed prices at a record pace this month as a decade-high number of properties for sale tips the scales in favour of buyers in some of the nation's most expensive markets. The average asking price dropped 1.2% to £373,709 (US\$502,810 or RM2.1m), Rightmove said. It was the second straight monthly decline and the biggest seen during a July since the property website began compiling the data more than 20 years ago. The steepest discounts were offered at the more expensive end of the property market, with prices in London falling 1.5%, more than any other region. The top tier saw the largest drop, down 1.6% to an average of £687,422. The figures chime with recent industry data from Halifax and Nationwide Building Society that show a cooling in home prices since a tax cut for buyers expired in April. At the same time, the broader economy has slowed as employers cut jobs following increases to the payroll tax and minimum wage. *(Bernama)*

## Corporate News

**Sunway Construction: An employee under investigation by anti-graft agency**

Sunway Construction Group Bhd said one of its employees is being investigated by the country's anti-graft agency over engagements with unnamed sub-contractors. The Malaysian Anti-Corruption Commission (MACC) has initiated an inquiry and "this isolated investigation does not concern the way SunCon secures contracts from its clients," the company said in an exchange filing. The investigation has no financial or operational impact on Sunway Construction, the company stressed, noting that it has been and continues to be fully cooperative with authorities. "SunCon is also currently seeking legal counsel to evaluate the appropriate actions to be taken on certain sub-contracts and parties," the company added. *(The Edge)*

**FACB Industries: Gets privatisation offer at RM1.6 per share**

FACB Industries Incorporated Bhd has received a privatisation offer worth RM134m from the son of its late founder. Chen Yiy Fon, the son of casino tycoon Chen Lip Keong, is making the offer equivalent to RM1.6 per share, according to the notice of takeover. The offer represents a 42% premium to the last price of the usually little traded stock. FACB Industries rose as much as 29% to RM1.46, its highest since 2021, following the announcement. Shareholders will have until August 10 to consider the conditional offer. The offer will turn unconditional once more than half of the shareholders accept the buyout, leading to the delisting of FACB Industries as Chen would not take any steps to address any shortfall in the public shareholding spread of the mattress manufacturer. *(The Edge)*

**Atlan: Disposes of wholly-owned subsidiary for RM175m**

Atlan Holdings Bhd has proposed to dispose of its entire stake in United Industries Holdings Sdn Bhd (UI) to its 75.53%-owned subsidiary, Duty Free International Ltd (DFIL), for RM175m to streamline its business structure and enhance capital efficiency. The move allows Atlan to monetise its investment in UI while retaining an indirect stake and provides funding for its property and hospitality expansion, including the redevelopment of its Jalan Ampang property. UI, now under DFIL, will gain improved financial flexibility and access to surplus funds to pursue growth in the automotive sector. *(The Edge)*

**Aneka Jaringan: Secures RM72.3 mil contract for data centre piling works in Eco Business Park V**

Aneka Jaringan Holdings Bhd has secured a RM72.3m contract from Quantum Alpha Sdn Bhd, a subsidiary of Eco World, to carry out piling and foundation works for a proposed data centre in Eco Business Park V, Selangor, with completion targeted by December 27, 2025. This award brings Aneka Jaringan's year-to-date project wins to RM259.21m as of July 21, 2025. *(The Edge)*

**PJBumi: To provide bioreactor technology to process municipal solid waste in Indonesia**

PJBumi Bhd has secured a contract through its 90%-owned subsidiary, PT Petra Jaya Bumi, to supply its ADiRA BioReactor technology for processing up to 20 tonnes of municipal solid waste per day at a site in Bandung, Indonesia. The contract, awarded by PT Inovasi Gerakan Masyarakat (INGRAM), includes a tipping fee of US\$10.10 per tonne for the first five years and a revised rate of US\$8.90 from year six, with a minimum daily waste volume commitment of 10 tonnes. *(The Edge)*

**Cahaya Mata Sarawak: Awards RM673m EPCC contract to double annual clinker capacity**

Cahaya Mata Sarawak Bhd (CMSB) has appointed Sinoma Industry Engineering (M) Sdn Bhd as the EPCC contractor for its new RM673 million Mambong Clinker Line 2, which will double its clinker production capacity from 900,000 to 1.9 million metric tonnes annually. The 6,000-tonne-per-day facility, expected to complete in 21 months, aims to reduce import dependency, improve supply reliability, and enhance



environmental performance with advanced energy-efficient technologies. Funded through a mix of internal funds and borrowings, the project is also expected to create up to 500 jobs and stimulate economic activity in the Kuching region. (*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		
Oxford Innotech Berhad	ACE Market	0.29	143.5	50.0	16 July	29 July



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