



Daily Newswatch

Market Review

The FBMKLCI ended lower by 0.4% last Friday, giving back gains from the previous session as investors opted to lock in profits ahead of a potentially volatile weekend. With the deadline for U.S. reciprocal tariff negotiations less than a week away, market participants adopted a cautious stance amid a lack of clear policy direction. Sentiment was further dampened by ongoing uncertainty over Malaysia's tariff treatment. Despite the day's pullback, the index still recorded a modest 0.5% gain on a week-on-week basis. Between the key index constituents, the top laggards were PETCHEM (-4.3%), TENAGA (-2.4%) and MRDIY (-2.4%). Sector wise, most of the sector ended in negative territory with the negative performance led by Health Care (-0.7%), Construction (-0.7%) and Industrial Product & Services (-0.6%). The overall market breadth turned negative with 600 losers significantly outnumbered the 357 gainers.

Asian stocks mostly closed lower on Friday as investors turned cautious ahead of a pivotal week featuring U.S. tariff decisions, major tech earnings, and central bank meetings. The U.S. dollar held near a two-week low, with attention shifting to the upcoming Federal Reserve and Bank of Japan meetings, both widely expected to keep interest rates unchanged. In China, the Shanghai CI dipped 0.3% to 3,593.7 following a lacklustre outcome from the EU-China summit. Meanwhile, HSI declined 1.1% to 25,388.4, ending a five-day winning streak amid anticipation of the next round of U.S.-China trade talks.

European stocks closed broadly lower on Friday, weighed down by concerns about the progress of trade negotiations, and some disappointing earnings updates. Investors also digested a slew of economic data from the region. Data showing a less than expected increase in retail sales, and a drop in consumer sentiment weighed on U.K. stocks. European Union officials are voicing optimism about a possible trade deal with the United States, but U.S. President Donald Trump's position is seen to have hardened ahead of the August 1 deadline. The member states adopted on Thursday the list of countermeasures targeting €93 billions' worth of U.S. products that will come into effect on August 7 in case the talks fail. The EURO STOXX 50 ended down 0.1% to 5,352.2.

The major U.S. stock markets put together a solid performance on the final day of the trading week, which saw the DOW reverse losses from the previous session and the NASDAQ and S&P 500 hit fresh record closing highs. The DOW jumped 0.5% to finish at 44,901.9, while the NASDAQ gained 0.2% to close at 21,108.3 and the S&P 500 improved 0.4% to end at 6,388.6. The strength on U.S. came on optimism that a number of trade deals will be worked out prior to President Donald Trump's August 1 deadline for the extension of his "reciprocal tariffs."

Macro Snapshots

- CN:** Industrial profits drop for second month amid price wars
- US:** Trump tariffs leave costly China supply question unanswered
- US:** Core capital goods orders decline amid policy uncertainty
- US:** Trump suggests Fed may be ready to cut interest rates
- MY:** Trade missions abroad bearing results, 2 foreign firms begin investment
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Corporate Snapshots

- Ecobuilt:** Bags RM35m job to build serviced apartments in Shah Alam
- Jentayu:** Sabah hydropower project remains on track despite MOU lapse
- Ekovest:** Lim Kang Ho extend deadline for RM1.1bn Credence deal to Aug 29
- Rhone Ma :** Wins related-party contract to build milk processing facility in Johor

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,533.8	(0.4)	(6.6)
Dow Jones	44,901.9	0.5	5.5
Nasdaq CI	21,108.3	0.2	9.3
S&P 500	6,388.6	0.4	8.6
SX5E	5,352.2	(0.1)	9.3
FTSE 100	9,120.3	(0.2)	11.6
Nikkei 225	41,456.2	(0.9)	3.9
Shanghai CI	3,593.7	(0.3)	7.2
HSI	25,388.4	(1.1)	26.6
STI	4,261.1	(0.3)	12.5

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,859.5	(3.8)
Value traded (RM m)	2,159.3	(5.9)
Gainers	600	
Losers	357	
Unchanged	454	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NEXG	0.525	1.9	99.6
FOCUS	0.010	0.0	86.9
ZETRIX	0.910	(0.5)	60.8
TANCO	0.915	0.0	46.3
VELESTO	0.185	2.8	45.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TENAGA	13.600	(2.4)	265.4
MAYBANK	9.540	(0.9)	112.6
CIMB	6.750	0.7	77.5
WPRTS	5.700	(0.2)	66.0
ZETRIX	0.910	(0.5)	55.3

Currencies	Last Close	% Chg
USD/MYR	4.222	(0.1)
USD/JPY	147.800	(0.1)
EUR/USD	1.176	0.1
USD/CNY	7.170	(0.2)
US Dollar Index	97.599	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.4	(0.0)
Gold (USD/troy oz)	3,336.1	(0.0)
CPO (MYR/metric t)	4,221.0	(0.9)
Bitcoin (USD/BTC)	119,290.9	0.4



- **TNB:** Hit with fresh RM840m tax notice from IRB
- **Globetronics:** Defends RM45m buy of loss-making Mpire as strategic diversification

Macro News

CN: Industrial profits drop for second month amid price wars

China's industrial earnings fell for a second straight month, with authorities set to intensify their drive to rein in excessive competition that's dragging down prices and compounding the pain from US tariffs. Industrial profits dropped 4.3% last month from a year earlier, after a contraction of 9.1% in May, according to data released Sunday by the National Bureau of Statistics. That took the decrease in the first half of this year to 1.8%. *Bloomberg Economics* had forecast a decline of 8% year-on-year in June. The extended earnings decrease underscored the urgency to curb cutthroat competition among companies — dubbed “involution” in China — as the authorities seek to reduce deflationary pressures in an economy suffering from weak domestic demand. Exports to the US plunged after Donald Trump's tariffs raised the cost of selling goods in the world's biggest consumer market, likely further squeezing the profit margins of Chinese manufacturers. (*Bloomberg*)

US: Trump tariffs leave costly China supply question unanswered

President Donald Trump's recent flurry of trade deals have given Asian exporters some clarity on tariffs, but missing are key details on how to avoid punitive rates that target China's supply chains. Trump unveiled tariffs of 20% for Vietnam and 19% for Indonesia and the Philippines, signalling those are the levels the US will likely settle on for most of Southeast Asia, a region that ships US\$352bn worth of goods annually to the US. He's also threatened to rocket rates up to 40% for products deemed to be transhipped, or re-routed, through those countries — a move largely directed at curbing Chinese goods circumventing higher US tariffs. But still unclear to manufacturers is how the US will calculate and apply local-content requirements, key to how it will determine what constitutes transhipped goods. Southeast Asian nations are highly reliant on Chinese components and raw materials, and US firms that source from the region would bear the extra tariff damage. (*Bloomberg*)

US: Core capital goods orders decline amid policy uncertainty

Orders placed with US factories for business equipment unexpectedly declined in June, suggesting companies remained cautious about capital spending due to trade and fiscal policy uncertainty. The value of core capital goods orders, a proxy for investment in equipment excluding aircraft and military hardware, decreased 0.7% last month after an upwardly revised 2% gain in May, Commerce Department figures showed Friday. Bookings for all durable goods — items meant to last at least three years and including orders for commercial aircraft and military equipment — fell 9.3%. Earlier this month, Boeing Co reported a slowdown in June orders. Non-defence capital goods shipments including aircraft, which feed directly into the equipment investment portion of the gross domestic product report, fell 0.9%. Rather than orders that can be cancelled, the government uses data on shipments as an input to GDP. (*Reuters*)

US: Trump suggests Fed may be ready to cut interest rates

President Donald Trump said on Friday he had a good meeting with Federal Reserve chair Jerome Powell and got the impression that the head of the US central bank might be ready to lower interest rates. The two men met on Thursday when Trump made a rare visit to the US central bank to tour its ongoing renovation of two buildings at its headquarters in Washington, which the White House has criticised as costing too much. Trump and Powell sparred over the price tag of the project during the visit. Trump also took the opportunity to again publicly call on Powell to slash rates immediately. "We had a very good meeting ... I think we had a very good meeting on interest rates," the president told reporters on Friday. The Fed is widely expected to leave its benchmark interest rate in the 4.25%-4.50% range at the conclusion of a two-day policy meeting next week. Powell has said the Fed should wait for more data before adjusting rates. (*Reuters*)

MY: Anwar's trade missions abroad bearing results, two foreign firms begin investment — Zafrul

Two foreign investment projects announced during the government's trade and investment missions abroad have now begun implementation, thus refuting claims that no results were obtained from Prime Minister Datuk Seri Anwar Ibrahim's official visit abroad. Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said that Gul Technologies, a company announced during the trade and investment mission to China in 2024, is currently building its factory in Kulim, Kedah, with an investment of RM350m for Phase 1. He said that the project is expected to create 350 job opportunities for the local people. "What is interesting is that this company is currently collaborating with Kulim Advanced Technologies Sdn Bhd, a subsidiary of Kulim Hi-Tech Park Corporation Sdn Bhd, which is responsible for training young talents. (*The Edge*)

US: Trump says 50-50 odds of trade deal with European Union

President Donald Trump put the odds of striking a trade deal with Europe to reduce the tariff rate on their imports at 50-50, even as diplomats from the trading bloc have expressed optimism in recent days that an agreement could be near. "I would say that we have a 50-50 chance, maybe less than that, but a 50-50 chance of making a deal with the EU," Trump told reporters Friday before departing for a golf trip to Scotland. But, in a signal of how quickly fortunes can turn in the trade negotiations, Trump then said US and EU negotiators were working



"closely" to strike a deal and predicted an agreement could come to fruition. "I think EU has got a pretty good chance of making a deal," Trump added. (*Bloomberg*)

Corporate News

Ecobuilt: Bags RM35m job to build serviced apartments in Shah Alam

Ecobuilt Holdings Bhd has secured a RM34.7m contract to undertake the main building works for a high-rise serviced apartment project in Shah Alam, Selangor. The company said in a bourse filing that its wholly-owned Ecobuilt Construction Sdn Bhd had accepted the letter of award on Friday (July 25) from Messrs C Wei Architect, which is acting on behalf of MOI Development Sdn Bhd, a subsidiary of Titijaya Land Bhd. The project entails the construction of a 25-storey residential block which will house 264 units of serviced apartments. This development is located along Jalan U6/20, Section U6, Shah Alam. Work on the contract is slated to begin on July 8, 2025, and to be completed in 22 months, by May 8, 2027. Ecobuilt noted that this contract, its first announced win for the year, is anticipated to positively contribute to the group's earnings starting from the financial year ending 2025 onwards. The company has been loss-making for the past three years. It reported a net loss of RM44.5m in FY2024, RM31.1 million in FY2023 and RM13.6m in FY2022, according to its annual report. (*The Edge*)

Jentayu: Sabah hydropower project remains on track despite MOU lapse

Jentayu Sustainables Bhd said a 162-megawatt run-of-river hydroelectric project at Hulu Sungai Padas, Sipitang, Sabah remains on schedule despite the withdrawal of its partner from the project. Jentayu said the project development collaboration agreement (PDCA) the company entered into with Sumitomo Corporation for the project in October 2024 was concurrently terminated together with the termination of a memorandum of understanding (MOU) between the two parties announced on Thursday. The MOU was signed two years ago to collaborate on a renewable energy project. Jentayu's 70%-owned subsidiary Oriole Hydro Padas Sdn Bhd had later signed a 40-year power purchase agreement with Sabah Electricity Sdn Bhd for the RM2.8bn hydroelectric project. "Operationally, Project Oriole remains ongoing, and the board does not foresee any disruption arising from the termination of the MOU and PDCA," said Jentayu in a filing on Friday. "Insofar as to the progress of project Oriole, the project timeline remains on track and continues to be aligned with the terms set out in the power purchase agreement (PPA)," it added. (*The Edge*)

Ekovest: Lim Kang Ho extend deadline for RM1.1bn Credence deal to Aug 29

Ekovest Bhd and its major shareholder Tan Sri Lim Kang Hoo have mutually agreed to an extension to Aug 29 to finalise the proposed RM1.1bn acquisition of Credence Resources Sdn Bhd (CRSB). This is to allow more time for the company to discuss, negotiate and finalise the terms of the definitive agreement to be executed between the parties. The initial deadline was July 28 this year. The proposed acquisition would be satisfied via the issuance of new Ekovest ordinary shares at 60 sen each. MBSB Investment Bank Bhd has been appointed as the principal adviser, while Astramina Advisory Sdn Bhd serves as the financial adviser for the proposed acquisition. CRSB's shareholders are Kang Hoo (90%), Ekovest managing director Tan Sri Lim Keng Cheng (5%), and executive director Datuk Lim Hoe (5%). (*The Edge*)

Rhone Ma : Wins related-party contract to build milk processing facility in Johor

Rhone Ma Holdings Bhd said the group has secured a RM15.6m contract to build a milk processing line at the Jemaluang Dairy Valley Complex in Mersing, Johor. The contract was awarded by Jemaluang Dairy Valley Sdn Bhd, a joint venture between A2 Fresh Holdings Sdn Bhd — which is 49%-owned by Rhone Ma — and Kulim (Malaysia) Bhd, according to a bourse filing on Friday. Rhone Ma, which provides end-to-end animal health solutions and food ingredients, said the group will supply 4,000 litres per hour of both fresh milk and recombined milk at the complex. The group said the project is not expected to have a material effect on its consolidated earnings and net assets for the financial year ending Dec 31, 2025, as site handover is anticipated only in 2026. Shares in Rhone Ma closed unchanged at 61.5 sen on Friday, valuing the group at RM134.9m. (*The Edge*)

TNB: Hit with fresh RM840m tax notice from IRB

Tenaga Nasional Bhd has been slapped with another tax bill amounting to RM840.1m for the Year of Assessment (YA) 2022. This comes after Tenaga earlier this month lost its RM1.25 billion tax assessment dispute in the Federal Court for YA 2018, as it wrongly claimed tax relief meant for manufacturers instead of utility companies, which is smaller. In a filing with Bursa Malaysia on Friday (July 25), the utility giant said it had on July 24 received the notice of additional assessment from the Inland Revenue Board (IRB). It is currently evaluating legal options available to address the tax bill, following the Federal Court's decision pertaining to a similar notice of additional assessment issued to TNB for YA 2018. "This evaluation takes into consideration that TNB has already submitted an application for Investment Allowance under Schedule 7B of the Income Tax Act 1967 (including those for YA 2022) to the Minister of Finance," it noted. (*The Edge*)

Globetronics: Defends RM45m buy of loss-making Mpire as strategic diversification

Cash-rich Globetronics Technology Bhd on Friday defended its RM45.1m acquisition in Mpire Global Bhd, saying the move aligns with its long term transformation strategy and provides business synergistic to its existing business. The investment provides a strategic entry point into a multi-segment platform, granting the group immediate operational exposure and a strong base to co-lead Mpire's future growth, particularly in fleet management and logistics-enabled services, said Globetronics in a bourse filing. The services include multi-brand vehicle



dealerships, after-sales support, and telematics-enabled vehicle lifecycle services, the group said. On July 18, Globetronics announced the acquisition of a 30.8% stake and 53.9% of warrants in Mpire (formerly known as Sand Nisko Capital Bhd), making the group the largest shareholder in the company. Mpire is involved in property construction and development, as well as fleet management services — including the trading and leasing of motor vehicles. (The Edge)

Upcoming key economic data releases	Date
US – JOLTS Job Openings (Jun)	July 29
US – GDP (Q2)	July 30
US – Fed Interest Rate Decision	July 30
CN – Manufacturing PMI (Jul)	July 30
JP – BoJ Interest Rate Decision	July 30
US – Core PCE Price Index	July 31
US – Initial Jobless Claims	July 31
US – Nonfarm Payrolls (Jul)	Aug 1
<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.



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MARKET WATCH
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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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