



# Daily Newswatch

## Market Review

The FBMKLCI opened the week on a positive footing, chalking up early gains during the morning session. However, the initial strength faded as the day progressed, with the benchmark reversing course to close in negative territory amid heightened investor caution ahead of Thursday's tariff negotiation deadline. Market is expected to remain in consolidation mode in the near term, as participants await further clarity from the Malaysia-US trade discussions or potential tariff-related developments from the U.S. administration. Meanwhile, sentiment was mildly supported by reports indicating a 90-day postponement of additional tariffs by Washington and Beijing, ahead of trade talks held in Stockholm yesterday. Among major index constituents, PPB (-2.3%) led the decline and followed by TENAGA (-1.8%) and QL (-1.6%). Sector wise, the top 3 underperforming sectors were Technology (-0.9%), Health Care (-0.5%) and Consumer Products & Services (-0.3%). The overall market breadth remained negative with 554 losers slightly outpaced the 421 gainers.

Asian shares rose broadly on Monday, though Japanese markets fell sharply due to profit taking after last week's rally. Underlying sentiment remained supported somewhat as the EU and the U.S. struck a last-minute trade agreement and reports suggested the U.S. and China are likely to extend their tariff truce for another 90 days. SHANGHAI CI edged up by 0.1% to 3,597.9 ahead of U.S.-China talks in Stockholm to resolve trade tensions and extend the truce before it expires on August 12. Investors shrugged off data that showed China's industrial earnings fell for a second straight month in June. HSI rose 0.7% to 25,562.1 as concerns about a potentially painful trade war eased. Japanese markets fell sharply as investors looked ahead to the Bank of Japan's rate decision on Thursday for hints about the near-term rate outlook.

European stocks gave up early gains to close mostly lower on Monday, as initial optimism over a U.S.-EU trade agreement faded. Investor sentiment turned cautious ahead of upcoming corporate earnings, key economic data, and monetary policy announcements from both the Federal Reserve and the Bank of Japan later this week. U.S. President Donald Trump announced on Sunday that the U.S. and EU had reached a trade agreement, under which the U.S. will impose a 15% tariff on European imports. Trump described it as "a good deal for everybody," a sentiment echoed by EU Commission President Ursula von der Leyen. As part of the deal, the EU reportedly committed to \$750 billion in U.S. energy purchases and an additional \$600bn in investments in the American economy. However, the agreement has drawn criticism from several high-ranking EU officials, including a senior lawmaker who labelled the draft deal as "unsatisfactory" and "significantly imbalanced," warning it could threaten the bloc's economic stability and job security. The EURO STOXX 50 ended down 0.3% to 5,337.6.

U.S. stocks ended Monday with mixed performance, as the Nasdaq (+0.3%) and S&P 500 (flat) closed at new record highs, while the Dow dipped 0.1%. Early gains were driven by news of a last-minute U.S.-EU trade deal and expectations of a 90-day extension to the U.S.-China tariff truce. However, gains were limited ahead of the upcoming Federal Reserve policy announcement and key economic data, including the U.S. jobs report and earnings from major tech firms. The U.S.-EU deal includes a reduced 15% tariff on European goods, alongside EU commitments to purchase \$750 billion in U.S. energy and invest \$600 billion in the U.S. economy.

## Macro Snapshots

- US; CN:** Launch new talks on tariff truce extension, easing path for Trump-Xi meeting
- JP:** Expects only 1%-2% of US\$550bn US fund to be investment
- MY:** Producer price index down 4.2% in June
- SK:** Pitches Trump on shipyards for last-minute trade deal

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,529.4	(0.3)	(6.9)
Dow Jones	44,837.6	(0.1)	5.4
Nasdaq CI	21,178.6	0.3	9.7
S&P 500	6,389.8	0.0	8.6
SX5E	5,337.6	(0.3)	9.0
FTSE 100	9,081.4	(0.4)	11.1
Nikkei 225	40,998.3	(1.1)	2.8
Shanghai CI	3,597.9	0.1	7.3
HSI	25,562.1	0.7	27.4
STI	4,241.1	(0.5)	12.0

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,000.5	4.9
Value traded (RM m)	2,297.8	6.4
Gainers	421	
Losers	554	
Unchanged	436	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZETRIX	0.835	(8.2)	256.1
EKOVEST	0.440	10.0	73.8
NEXG	0.530	1.0	49.9
TANCO	0.925	1.1	44.4
YTL	2.450	(1.2)	31.3

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
ZETRIX	0.835	(8.2)	214.8
TENAGA	13.360	(1.8)	187.4
CIMB	6.750	0.0	113.6
MAYBANK	9.540	0.0	84.3
YTL	2.450	(1.2)	79.4

Currencies	Last Close	% Chg
USD/MYR	4.231	(0.2)
USD/JPY	148.520	0.0
EUR/USD	1.159	0.0
USD/CNY	7.179	(0.1)
US Dollar Index	98.634	1.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	70.0	2.3
Gold (USD/troy oz)	3,314.1	(0.0)
CPO (MYR/metric t)	4,181.0	0.7
Bitcoin (USD/BTC)	117,859.4	(0.2)



- **MY:** BNM revises Malaysia's 2025 growth forecast to 4.0%-4.8%, set for slowdown
- **MY:** Median monthly wage for formal sector rises to RM3,000 in 1Q2025

## Corporate Snapshots

- **Zetrix AI:** No longer involved in renewal of foreign worker permits, Home Ministry official confirms
- **Kinergy Advancement:** Gan Kong Hiok emerges as substantial shareholder with 6.1% stake
- **Yinson:** JV to charter FSO vessel to Vietnam's Phu Quoc Petroleum
- **YTL Power:** Nvidia deal to boost Malaysia as Asean AI hub
- **Berjaya Food:** Plans one-for-two bonus warrants
- **TechStore:** Bags customs contract for RTS Link project

## Macro News

### **US; CN:** Launch new talks on tariff truce extension, easing path for Trump-Xi meeting

Top US and Chinese economic officials will resume talks in Stockholm on Monday to try to tackle longstanding economic disputes at the centre of a trade war between the world's top two economies, aiming to extend a truce by three months and keeping sharply higher tariffs at bay. China is facing an Aug 12 deadline to reach a durable tariff agreement with US President Donald Trump's administration, after Beijing and Washington reached preliminary deals in May and June to end weeks of escalating tit-for-tat tariffs and a cut-off of rare earth minerals. Without an agreement, global supply chains could face renewed turmoil from US duties snapping back to triple-digit levels, that would amount to a bilateral trade embargo. (Reuters)

### **JP:** Expects only 1%-2% of US\$550bn US fund to be investment

Japan expects only 1% to 2% of its recently agreed upon US\$550bn (RM2.3tn) US fund to be deployed as investment, with loans making up the bulk of the rest, according to the nation's top chief negotiator Ryosei Akazawa. Meanwhile, Tokyo stands to save roughly ¥10 tn (US\$68bn or RM285.4bn) through lower tariff rates in its deal with the US, Akazawa told public broadcaster *NHK* on Saturday. The details revealed by Akazawa suggest the Japanese may end up giving up much less than at first glance. The US\$550bn investment framework combines investments, loans and loan guarantees provided by financial institutions backed by the Japanese government, Akazawa said. Of the total, investment will comprise 1% or 2% and the US and Japan will split the profits of that investment at a ratio of 90-10, he said. Japan had originally proposed a 50-50 ratio, he added. (Bloomberg)

### **MY:** Producer price index down 4.2% in June

Malaysia's producer price index (PPI), which measures price changes at the producer level, went down further by 4.2% in June, after a 3.6% decline in the previous month, said the Department of Statistics Malaysia on Monday. Its chief statistician Datuk Seri Dr Mohd Uzir Mahidin said all sectors registered year-on-year declines in June, with mining and manufacturing sectors emerging as the primary contributors to the overall negative trend of the index. The mining sector declined by 8.0%, compared with -15% in May, affected by declines in the extraction of natural gas (-12%) and extraction of crude petroleum (-6.7%) indices. At the same time, the manufacturing sector went down by 4.3%, against 3.0% in May, contributed by significant downturns in the manufacture of coke and refined petroleum products (-17.7%) and manufacture of computer, electronic and optical products (-7.8%) indices, he said in a statement on Monday. (Bernama)

### **SK:** Pitches Trump on shipyards for last-minute trade deal

South Korea is pitching the US on a shipbuilding partnership as a key proposal to seal a last-minute agreement to avoid a 25% tariff rate. While details remain unclear, *Yonhap News* reported that South Korea has proposed a multi-billion dollar project dubbed "Make American Shipbuilding Great Again". South Korea's Industry Ministry declined to comment. "We confirmed the US side's strong interest in the shipbuilding sector and the two countries agreed to work together to develop mutually acceptable terms that include shipbuilding cooperation," South Korea's presidential office said in a statement on Saturday. As countries across Asia clinched deals last week, Seoul's negotiators have been racing to stay engaged with their US counterparts as Washington shifted its focus to the European Union and China. The US and EU announced a pact on Sunday that will see the bloc face 15% tariffs on most of its exports to the US, including automobiles. The latest agreement, which follows a Japan deal last week, adds to the pressure on Asia's fourth-largest economy to clinch a deal. (Reuters)

### **MY:** BNM revises Malaysia's 2025 growth forecast to 4.0%-4.8%, set for slowdown

Malaysia's economy remains on a "strong footing" and may expand 4.0%-4.8% this year, the central bank said on Monday, days ahead of the US tariff deadline. The latest forecast, compared to its previous projection for a 4.5%-5.5% growth, takes into account various tariff scenarios, ranging from a continued elevation of tariffs to more favourable trade negotiation outcomes, Bank Negara Malaysia (BNM) said in a statement. The pace of expansion however will be slower than 5.1% growth in 2024. "The Malaysian economy remains resilient despite



global uncertainties,” said BNM Governor Datuk Seri Abdul Rasheed Ghaffour. “This is, in part, the outcome of structural reforms that we have undertaken over the years.” The US has threatened to raise import tariffs on Malaysian goods to 25% but left room to negotiate before enforcing the levies on Aug 1. (*The Edge*)

**MY: Median monthly wage for formal sector rises to RM3,000 in 1Q2025**

The median monthly wage for Malaysia’s formal sector rose 5.5% to RM3,000 in March 2025, up from RM2,844 a year earlier, according to the *Employee Wages Statistics (Formal Sector) Report for the First Quarter of 2025*, released by the Department of Statistics Malaysia (DOSM) on Monday. In a statement, chief statistician Datuk Seri Dr Mohd Uzir Mahidin said the increase reflects the country’s continued economic growth and the impact of the revised minimum wage policy, which has positively influenced the labour market. As of March, he said the formal-sector workforce stood at 6.8m, comprising 55.1% men and 44.9% women. (*Bloomberg*)

## Corporate News

**Zetrix AI: No longer involved in renewal of foreign worker permits, Home Ministry official confirms**

Zetrix AI Bhd, formerly known as MyEG Services Bhd, is no longer involved in the renewal of foreign worker permits. The company’s contract with the government ended following finalisation of a six-year contract with Bestinet Sdn Bhd for the use of the Foreign Workers Centralised Management System (FWCMS), according to the latest report released by the bipartisan Public Accounts Committee on Monday. “We did engage with MyEG, and we also had an evaluation committee,” Dr Hebat Hisham Mohd Yusoff, an official with the Home Ministry, was cited as saying in the report during one of the PAC proceedings. “Within that committee, a decision was made not to extend the contract.” MyEG, up until its change of name to Zetrix AI earlier this month, has yet to announce the end of the contract. The effective date of the decision was not mentioned in the report. Hebat Hisham, the deputy divisional secretary of the immigration affairs division, noted that the contract with MyEG was structured as a one-plus-one-year arrangement rather than a fixed two-year term. As such, the government had the prerogative whether or not to exercise the option to extend. (*The Edge*)

**Kinergy Advancement: Gan Kong Hiok emerges as substantial shareholder with 6.1% stake**

Datuk Gan Kong Hiok has emerged as a substantial shareholder in Kinergy Advancement Bhd following the acquisition of a 6.1% stake in the company. Gan, who is the largest shareholder of Nextgreen Global Bhd, acquired 63.3m KAB shares via a direct business transaction on July 24, KAB’s bourse filing on Monday showed. The shares were purchased from Kington Tong Kum Loong, reducing his direct stake in the company to 4.4% or 93.4m shares. Tong also holds an indirect stake of 1.5% or 31.5m shares in the company, which is involved in electrical and mechanical engineering services as well as sustainable energy solutions. (*The Edge*)

**Yinson: JV to charter FSO vessel to Vietnam's Phu Quoc Petroleum**

Yinson Holdings Bhd, through its 49:51 joint venture with PetroVietnam Technical Services Corp, has secured a contract to charter a floating storage and offloading (FSO) vessel for the Block B field offshore Vietnam. The contract spans 14 years with an optional 9-year extension, potentially reaching a total value of approximately US\$600m. The project aims to supply over 5 billion standard cubic meters of gas annually to meet the growing energy demand in southwest Vietnam, delivering economic benefits to the government, Petrovietnam, and stakeholders. (*The Star*)

**YTL Power: Nvidia deal to boost Malaysia as Asean AI hub**

Malaysia is poised to emerge as a regional hub and centre of excellence for artificial intelligence (AI) in Asean following the signing of a strategic partnership between Nvidia Corp and YTL Power International Bhd. Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said the agreement aims to develop AI infrastructure powered by green energy in Malaysia, backed by an investment worth RM10bil. “This landmark project includes the development of AI data centres, deployment of Nvidia’s high-performance graphics processing units (GPUs), and most importantly, the creation of Malaysia’s own sovereign large language model (LLM),” he said in a post on social media platform X today. YTL Power is a subsidiary of YTL Corp Bhd. Tengku Zafrul added that YTL will also build an AI ecosystem in collaboration with technology partners, suppliers and local contractors. He said the partnership also reflects the tangible outcomes of Prime Minister Datuk Seri Anwar Ibrahim’s international engagements, laying the groundwork for investments that could reshape the nation’s economic and technological landscape. (*The Edge*)

**Berjaya Food: Plans one-for-two bonus warrants**

Berjaya Food Bhd has proposed to undertake a bonus issue of up to 885.9m warrants, on the basis of one warrant for every two shares held. In a bourse filing on Monday, the franchise operator of Starbucks and Kenny Rogers’ Roasters said the entitlement date for the bonus issue will be announced later, pending necessary approvals. The warrants are exercisable at any time for a tenure of 10 years from the date of issuance, the company said. For illustrative purposes, the company has assumed an exercise price of 30 sen per warrant, representing a premium of 7.4% to the five-day volume weighted average price of 27.9 sen up to July 24. Assuming full exercise of the warrants at that price, Berjaya Food could potentially raise gross proceeds of RM265.8m, which will be used for working capital purposes. (*The Edge*)

**TechStore: Bags customs contract for RTS Link project**

Newly listed TechStore Bhd said it has secured a contract from the Royal Malaysian Customs Department to provide leasing and training



services for four baggage scanner units and two body scanner units. The RM7.7m contract will support operations at the Woodlands North Customs, Immigration and Quarantine (CIQ) complex in Singapore, as part of the Johor Bahru-Singapore Rapid Transit System (RTS) Link, said the IT services provider in a statement on Monday. "The RTS Link represents a major milestone in cross-border transportation infrastructure, and we are honoured to contribute to this strategic initiative," said managing director Eugene Tan Hock Lim. "This award reflects the government's confidence in our ability to deliver secure and reliable enterprise IT solutions for high-security border control." (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.*



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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