



Daily Newswatch

Market Review

The FBMKLCI closed lower, pressured by late-session selling, as investor sentiment turned increasingly cautious. Additionally, recent U.S. dollar weakness has supported commodity-linked names such as petrochemicals by improving export competitiveness and margin outlook. Industrial counters with diversified export exposure-particularly those integrated into intra-ASEAN supply chains-are seen as relatively insulated from direct U.S.- China tariff pressures. Focus now turns to the upcoming Federal Open Market Committee (FOMC) meeting. While it is widely expected that the Fed will leave rates unchanged, the Committee's forward guidance will be more closely scrutinised. Between the key index constituents, the top laggards were IOICORP (-2.9%), CIMB (-1.6%) and MAXIS (-1.4%). Sector wise, negative performance led by Health Care (-1.0%), Plantation (-0.9%) and Financial Services (-0.6%). The overall market breadth turned negative with 603 losers significantly outnumbered the 366 gainers.

Asian stocks ended Tuesday's session on a mixed note as investors looked past the U.S.-EU trade deal and awaited the outcome of ongoing U.S.-China talks in Stockholm. As the August 1 deadline nears, U.S. President Donald Trump said on Monday that most trading partners that do not negotiate separate trade deals would soon face tariffs of 15% to 20% on their exports to the United States and that some 200 countries would be notified soon of their new "world tariff" rate. SHANGHAI CI rose 0.3% to 3,609.7, reversing an early slide after Trump said he may visit China at Chinese President Xi Jinping's invitation, which Trump said had been extended. HSI dipped 0.2% to 25,524.5, with tech stocks falling following reports of the U.S. Commerce Department delaying approvals for NVIDIA's export licenses to China.

European stocks ended higher on Tuesday, supported by a wave of regional corporate earnings and ahead of key monetary policy decisions from major central banks, including the US Federal Reserve. While some European leaders expressed concerns over the recently agreed US EU trade deal, calling it "unsatisfactory" and "significantly imbalanced," investors largely brushed off the criticism and focused on earnings momentum. Despite warnings from senior officials that the deal could pose risks to the EU's economic stability and job market, market sentiment remained upbeat. The EURO STOXX 50 reversed and close higher 0.8% to 5,379.2.

U.S. stocks reversed early gains to close lower on Tuesday, with the Dow falling 0.5%, the Nasdaq down 0.4%, and the S&P 500 slipping 0.3%, as investors engaged in profit-taking after recent record highs. Caution prevailed ahead of the Federal Reserve's policy announcement, which is expected to hold rates steady but may influence rate outlook, while attention also remained on upcoming jobs data, tech earnings, and U.S.-China trade talks in Stockholm. On the economic front, U.S. consumer confidence improved slightly in July to 97.2, while job openings in June declined marginally less than expected.

Macro Snapshots

- US; CN:** Trump says he is not seeking summit with Xi, but may visit China
- EU:** ECB to consider 'climate factor' when lending to banks
- MY;IND:** Reach important agreements in annual consultation — Anwar
- US:** Job openings fall to 7.4m after back-to-back jumps
- US:** Consumer confidence rises on outlook for economy, job market
- MY:** Ditches plan for luxury goods tax, over two years after it was first proposed

Corporate Snapshots

- Tasco:** 1Q net profit rises 31% on higher contribution by international business solutions
- Jati Tinggi:** Bags RM31.6m underground cable works

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)	



- **United Malacca:** Gain full control of Indonesian plantation unit in RM42m deal
- **FGV:** Succeeds in second bid to privatise FGV at same price
- **DXN:** 1Q profit falls 13.6% to RM73.9m, blames strong ringgit
- **Focus Point:** Estimates RM300,000 increase per month in rental cost from SST expansion

Macro News

US; CN: Trump says he is not seeking summit with Xi, but may visit China

US President Donald Trump said on Tuesday that he is not seeking a summit with Chinese President Xi Jinping, but added that he may visit China at Xi's invitation, which Trump said had been extended. "I may go to China, but it would only be at the invitation of President Xi, which has been extended. Otherwise, no interest!" Trump said on Truth Social. Aides to Trump and Xi have discussed a potential meeting between the leaders during a trip by the US president to Asia later this year, sources previously told *Reuters*. A trip would be the first face-to-face encounter between the men since Trump's second term in office, at a time when trade and security tensions between the two superpower rivals remain elevated. (Reuters)

EU: ECB to consider 'climate factor' when lending to banks

The European Central Bank will add climate change considerations to its lending operations from late 2026, it said on Tuesday, raising pressure on banks to channel financing towards greener sectors as the eurozone seeks to reduce its carbon footprint. The ECB regularly lends to banks on both shorter and longer durations against appropriate collateral, and while such lending has been muted in recent years, an uptick is expected as the bank slowly reduces excess liquidity in the financial system. "The Governing Council has decided to introduce a 'climate factor' which could reduce the value assigned to eligible assets pledged as collateral, depending on the extent to which an asset can be impacted by these uncertainties," the ECB said in a statement. The new policy, set to come into effect in the second half of 2026, is expected to act as a buffer against the possible financial impact of uncertainties related to climate change, it said. (*Bloomberg*)

MY;IND: Reach important agreements in annual consultation — Anwar

Malaysia and Indonesia reached several important agreements in the 13th annual consultation held in Jakarta, including border issues, expanding economic cooperation and efforts to accelerate the implementation of new energy projects, said Prime Minister Datuk Seri Anwar Ibrahim. He said among the main achievements of the talks were the signing of four memoranda of understanding (MOUs) covering border issues including Pulau Sebatik, health, information and communication and internet governance. "We touched on various important issues including a US\$30bn (RM127.1bn) bilateral trade target, investment cooperation in Ibu Kota Nusantara (IKN), as well as smoother cross-border access facilities in Entikong," he said at a press conference after the talks. Anwar also stressed that Malaysia's investments in strategic sectors in Indonesia were based on a genuine spirit to strengthen regional prosperity. (*Bernama*)

US: Job openings fall to 7.4m after back-to-back jumps

US job openings fell in June after jumping in each of the prior two months, hovering at a level that indicates generally stable demand for workers. Available positions decreased to 7.4m from a revised 7.7m reading in May, according to Bureau of Labor Statistics data published on Tuesday. The median estimate in a *Bloomberg* survey of economists called for 7.5m openings. The pullback in openings was broad, driven by accommodation and food services, healthcare as well as finance and insurance. Tuesday's report supports characterisations of a cooling labour market, but only gradually. Job openings remain above average levels seen prior to the pandemic, suggesting there is still a relatively healthy demand for workers. However, hiring has slowed and it is taking unemployed people longer to secure a new position. (Reuters)

US: Consumer confidence rises on outlook for economy, job market

US consumer confidence increased in July after declining last month as concerns eased about the outlook for the broader economy and the labour market. The Conference Board's gauge of confidence rose two points to 97.2, data released Tuesday showed. The median estimate in a *Bloomberg* survey of economists called for a reading of 96. A measure of expectations for the next six months climbed in July to 74.4, the highest since February, while a gauge of present conditions fell to 131.5. Consumer concerns about inflation and the broader US economy eased after President Donald Trump signed his budget megabill into law early this month that made 2017 tax cuts permanent and incentivised business investment. Even with the advance, the gauge remains below pre-pandemic levels higher import duties risk keeping inflation elevated while the job market cools. (*Bloomberg*)

MY: Ditches plan for luxury goods tax, over two years after it was first proposed

Malaysia has officially scrapped its plan to impose a high-value goods tax (HVGT), a proposal that was first announced more than two years ago. In a written parliamentary reply on Tuesday, the Ministry of Finance (MOF) confirmed that the government has decided not to proceed with the HVGT, previously known as the luxury goods tax. "Nevertheless, the elements of the HVGT have been incorporated into the revamped sales tax regime, where luxury and discretionary items are now taxed at rates of 5% or 10%," the MOF stated. The reply was in



response to a query from Datuk Shamshulkahar Mohd Deli (BN-Jempol), who had asked about the projected increase in national revenue from the government's fiscal reforms. These reforms included the proposed HVGT, a digital goods tax (DGT), a capital gains tax (CGT), a low-value goods tax (LVGT), and the expansion of the sales and service tax (SST). (*The Edge*)

Corporate News

Tasco: 1Q net profit rises 31% on higher contribution by international business solutions

Tasco Bhd's net profit for the first quarter rose 30.6% year-on-year (y-o-y) to RM9.2m, thanks to stronger earnings contribution from its international business solutions (IBS). A year ago, net profit stood at RM7 million. Earnings per share expanded to 1.15 sen for the quarter ended June 30, 2025 (1QFY2026) from 0.88 sen a year before, its bourse filing showed on Tuesday (July 29). Quarterly revenue, however, dropped 10.9% y-o-y to RM222.6m from RM249.9m, largely dragged down by weaker revenue contribution from its domestic business solutions (DBS). No dividend was declared for the quarter under review. IBS' profit before tax (PBT) nearly tripled to RM7.7m in 1QFY2026 from RM2.8m, despite a slightly lower revenue of RM99.9m posted, versus RM100.8m in 1QFY2025. (*The Edge*)

Jati Tinggi: Bags RM31.6m underground cable works

Jati Tinggi Group Bhd has bagged a RM31.6m subcontract job from Pintar Gembira Sdn Bhd (PGSB) for underground cable works in Selangor and the South Zone. The scope of work includes the installation, testing, and commissioning of 11-kilovolt underground cables and related accessories for asset development. The contract spans a duration of 20 months, the filing showed. Jati Tinggi said its wholly owned subsidiary, Jati Tinggi Holding Sdn Bhd accepted the letter of award (LOA) from PGSB. Jati Tinggi expects the LOA to contribute positively to its future earnings, earnings per share and net assets per share over the duration of the contract. With this latest award, Jati Tinggi has secured a cumulative RM370.8m in new projects since December 2024. (*The Edge*)

United Malacca: Gain full control of Indonesian plantation unit in RM42m deal

Oil palm planter United Malacca Bhd is set to acquire full control of its Indonesian plantation subsidiary PT Lifere Agro Kapuas (LAK) in a US\$10m (RM42.2m) deal to streamline its regional operations. United Malacca currently has an effective interest of about 83% in LAK, held via its subsidiary International Natural Resources Pte Ltd (INR). United Malacca holds 88.2% in INR, which in turn owns 94.1% of LAK. The acquisition involves purchasing the balance 17% effective interest in LAK from PT Bank OCBC NISP Tbk, an Indonesian-listed subsidiary of Singapore's Oversea-Chinese Banking Corporation (OCBC Singapore). This also makes it a related party transaction, as OCBC Singapore is a substantial shareholder of United Malacca. (*The Star*)

FGV: Succeeds in second bid to privatise FGV at same price

Trading in the shares of FGV Holdings Bhd will be suspended upon market close on Aug 15 as its largest shareholder, the Federal Land Development Authority (Felda), has crossed the shareholding threshold required to take the plantation firm private. Felda and parties acting in concert held 3.3bn shares or a 91.7% stake in FGV at market close on Tuesday, said Maybank Investment Bank in a statement, above the 90% threshold required. This is Felda's second attempt to privatise FGV, which it offered to acquire for RM1.3 per share — unchanged from its first attempt in 2020, which valued the group at RM4.7bn. The latest bid saw FGV extend the offer deadline from July 7 to Aug 15. (*The Edge*)

DXN: 1Q profit falls 13.6% to RM73.9m, blames strong ringgit

DXN Holdings Bhd, primarily engaged in the global direct selling of health-oriented and wellness consumer products, reported a 13.6% drop in its first quarter (1Q) net profit, which it blamed on foreign exchange losses due to the strengthening of the Malaysian ringgit. Its net profit for the first quarter ended May 31, 2025 (1QFY2026) fell to RM73.9m from RM85.6m in 1QFY2025, its Tuesday bourse filing showed. The profit decline came despite a marginal increase in its revenue to RM479.1m from RM475.1m. The group's other expenses for the quarter also rose to RM227.1m, up from RM207.2m a year earlier, though the specific nature of these expenses was not disclosed. DXN declared a dividend per share of 0.9 sen, consistent with the amount paid a year earlier. (*The Edge*)

Focus Point: Estimates RM300,000 increase per month in rental cost from SST expansion

Focus Point Holdings Bhd has estimated that it will see an additional RM300,000 monthly increase in rental cost as a result of the expanded sales and service tax (SST), which will now cover rental. "With the implementation of the SST expansion, there are some challenges. But overall, the optical business is still doing okay as we are an essential business," said president and chief executive officer Datuk Liaw Choon Liang said at a press conference after Focus Point's extraordinary general meeting on Tuesday (July 29). Annually, the group's rental costs range between RM30m and RM40m, shared Liaw. To manage higher rental costs due to expanded SST, Focus Point is undertaking cost rationalisation measures such as reassigning existing staff to new outlets, reducing manpower where feasible, and leveraging bulk procurement to secure rebates and supplier support for marketing campaigns. (*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		



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