



Daily Newswatch

Market Review

The FBMKLCI closed higher, supported by a wave of last-minute buying interest. The index traded within a narrow range for most of the day, hovering around 1,522, before a sharp uptick in the final 10 minutes pushed it to close at 1,524.5. Earlier in the session, sentiment was weighed down by the conclusion of the latest round of U.S.-China trade discussions, which once again failed to deliver a substantive breakthrough. With less than 48 hours remaining before the U.S. tariff negotiation deadline, coinciding with the Federal Open Market Committee (FOMC) meeting-market volatility is beginning to reprice accordingly. As of 4.30pm MYT, VIX futures remained elevated at 17.8, reflecting increased demand for downside protection. The futures curve is notably steeper than typical at these levels, signalling heightened hedging activity ahead of a pivotal earnings cycle and the Fed's policy announcement. Between the key index constituents, the top gainers were PETCHEM (+7.4%), PBBANK (+0.9%) take and HLBANK (+1.4%). Sector wise, Industrial Products & Services (+0.9%) take the led, followed by REIT (+0.3%) and Telecommunications & Media (+0.2%). The overall market breadth remained neutral with 377 gainers and 570 laggards.

Asian stocks ended mixed in cautious trade on Wednesday as caution prevailed ahead of big U.S. tech earnings, the Fed and BoJ rate decisions, and the August 1 tariff deadline. Upcoming U.S. inflation and jobs data also remained on investors' radar. U.S. and Chinese officials concluded two days of talks in Stockholm, but there was no agreement on tariff truce extension. U.S. officials said President Trump will decide whether to extend truce. SHANGHAI CI ended up 0.2% at 3,615.7 after hitting a 6 month high earlier on eased concerns over U.S. tariff threats. HSI fell 1.4% to 25,176.9 on concerns about Chinese growth in the second half of the year.

European stocks closed mixed on Wednesday as investors weighed corporate earnings and awaited the U.S. Federal Reserve's policy decision. France's Q2 GDP grew 0.3% QoQ, beating expectations, while Germany's economy contracted 0.1% as forecast. German retail sales surprised on the upside, rising 1.0% MoM and 4.9% YoY in June, signaling resilient consumer spending. As a result, the EURO STOXX 50 closed higher (+0.3%) and ended at 5,393.2.

U.S. stocks closed mixed on Wednesday, with the Nasdaq rising 0.2%, while the S&P 500 and Dow slipped 0.1% and 0.4%, respectively, as markets remained range-bound following recent volatility. The Federal Reserve, in a split vote, held interest rates steady at 4.25%–4.50%, with Chair Jerome Powell stating no decision has been made regarding a rate cut in September. On the economic front, data showed private sector employment rose more than expected in July, adding 104,000 jobs, while second-quarter GDP rebounded strongly, growing 3.0% versus expectations of 2.5%, driven by higher consumer spending and reduced imports.

Macro Snapshots

- US:** Trump says India may get 20% to 25% tariff but not yet final
- MY:** Secures US\$700m in digital investments from China — ministry
- CN:** Top leaders vow support for economy, crackdown on disorderly competition
- MY:** Zafrul- RM11.3bn in manufacturing investments operational under Madani govt
- AU:** 2Q inflation surprises on low side, heralds rate cut
- GE:** Economy shrank by 0.1% in second quarter

Corporate Snapshots

- Dialog:** Associate to invest US\$330m following 25-year storage contract win
- Paramount:** Flags softer property market, may cut sales target

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,524.5	0.0	(7.2)
Dow Jones	44,461.3	(0.4)	4.5
Nasdaq CI	21,129.7	0.1	9.4
S&P 500	6,362.9	(0.1)	8.2
SX5E	5,393.2	0.3	10.2
FTSE 100	9,136.9	0.0	11.8
Nikkei 225	40,654.7	(0.0)	1.9
Shanghai CI	3,615.7	0.2	7.9
HSI	25,176.9	(1.4)	25.5
STI	4,219.4	(0.2)	11.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,651.5	(21.0)
Value traded (RM m)	2,073.8	(4.8)
Gainers	377	
Losers	570	
Unchanged	464	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
NEXG	0.530	0.0	105.6
TANCO	0.835	(9.7)	57.9
ZETRIX	0.845	0.0	49.1
PHARMA	0.160	(11.1)	47.7
LCTITAN	0.720	5.9	43.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	9.450	(0.7)	167.5
CIMB	6.550	(1.4)	102.7
TENAGA	13.280	(0.3)	86.5
PCHEM	4.070	7.4	74.0
PBBANK	4.290	1.9	65.0

Currencies	Last Close	% Chg
USD/MYR	4.243	(0.2)
USD/JPY	149.340	0.1
EUR/USD	1.143	0.2
USD/CNY	7.197	(0.3)
US Dollar Index	99.815	0.9

Commodities	Last Close	% Chg
Brent (USD/barrel)	73.2	1.0
Gold (USD/troy oz)	3,281.4	0.2
CPO (MYR/metric t)	4,169.0	(1.0)
Bitcoin (USD/BTC)	117,706.3	0.5



LBS: Granted with development rights for RM8.3bn project in Kwasa Damansara

- **Alpha Ocean Resources:** Inks preliminary deal for RM360m project in Kota Kinabalu
- **Steel Hawk:** Bags scaffolding services contract from EPOMS
- **S P Setia:** Breaks ground on US\$81m Setia Garden Residences in Ho Chi Minh City

Macro News

US: Trump says India may get 20% to 25% tariff but not yet final

President Donald Trump said that India may be hit with a tariff rate of 20% to 25%, while cautioning that the final levy still hadn't been finalised as the nations negotiate a trade deal ahead of an Aug 1 deadline. "I think so," Trump told reporters Tuesday when asked if that was a possible tariff rate for New Delhi. "India has been a good friend, but India has charged basically more tariffs than almost any other country," Trump said aboard Air Force One as he returned to Washington from a five-day visit to Scotland. "You just can't do that." The Indian rupee extended a three-day decline on the tariff threat, while the BSE Sensex gave up early gains to trade flat. The local currency fell as much as 0.5% to 87.2 to the dollar. (Reuters)

MY: Secures US\$700m in digital investments from China — ministry

Malaysia has secured RM2.9bn (US\$702m) in confirmed investments from leading Chinese technology companies, the digital ministry said on Wednesday. The investing firms include Baidu, Tsing Digital, iSoftStone, Inspur Group, China Mobile International, and China Unicom, the ministry said in a statement. The funds will be used to develop artificial-intelligence capabilities and next-generation digital infrastructure, and will create 6,800 high-value digital jobs, the ministry said. (Bloomberg)

CN: Top leaders vow support for economy, crackdown on disorderly competition

China's top leaders have pledged to support an economy facing various risks by managing disorderly competition among firms and beefing up capacity management in key industries in the year's second half, the official news agency *Xinhua* said. Chinese leaders have signalled they will rein in price wars among producers as expectations grow for a new round of factory capacity cuts in a long-awaited but challenging campaign against deflation, a move that could pose risks to economic growth. In the second half of the year, China will keep policy stable while boosting flexibility, looking to stabilise employment, companies, the market, and expectations, *Xinhua* said on Wednesday. (Bernama)

MY: Zafrul- RM11.3bn in manufacturing investments operational under Madani govt

A total of 11 manufacturing projects worth RM11.3bn have been approved and have begun operations nationwide under the Madani government's leadership. Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said the companies were part of a broader wave of investments, with more projects still under construction. "This is only part of the companies that have already started operating. If we include those still under construction, the number is even higher," he said in a video posted on social media platform X. Among manufacturers that have committed investments are INV New Material Technology (M) Sdn Bhd (RM3.2bn), Alliance Contract Manufacturing Sdn Bhd (RM1.5bn), Chery Corporate Malaysia Sdn Bhd (RM1.4bn), Dominant OptoTechnologies (RM1bn), and Cosmx Technology Malaysia Sdn Bhd (RM921m). (Reuters)

AU: 2Q inflation surprises on low side, heralds rate cut

Australian consumer prices grew at the slowest pace in over four years in the June quarter, data showed on Wednesday, while core inflation hit a fresh three-year low and cemented market wagers for a cut in interest rates next month. The surprisingly benign report will be a huge relief to the board of the Reserve Bank of Australia (RBA) which paused its easing cycle this month on concerns core inflation would not cool as much as hoped, a shock decision that badly wrong-footed markets. "We believe that the board now has the confirmation it needs to continue on its 'cautious' — if not so predictable — path of removing current monetary restrictiveness," said Luci Ellis, chief economist at Westpac. "We therefore expect it to cut rates by 25 bps at its August meeting," she added. "Further cuts in November, February 2026 and May 2026, also look increasingly likely. (Bloomberg)

GE: Economy shrank by 0.1% in second quarter

Germany's economy contracted by 0.1% in the second quarter, data showed on Wednesday, as demand from the United States slowed following months of strong purchases in anticipation of US tariffs. The contraction was in line with forecasts, marking a reversal from the 0.4% growth recorded in the first quarter, when US importers bought more goods earlier than usual because they expected tariffs to go up. Investment in Germany fell in the second quarter, while consumption and government spending rose compared to the previous three months period, the statistics office said. The US struck a framework trade agreement with the European Union on Sunday, imposing a 15% import tariff on most EU goods, half of what was originally threatened. The agreement helped avoid a bigger trade war between the two allies, who together make up almost a third of global trade. (The Edge)



Corporate News

Dialog: Associate to invest US\$330m following 25-year storage contract win

Dialog Group Bhd said its associate Pengerang Terminals (Two) Sdn Bhd (PT2SB) is spending US\$330m (RM1.4bn) to expand its storage capacity in the refinery town in Johor, after securing a 25-year storage and handling agreement for a joint venture involving Petronas, Eni SpA and Euglena Co Ltd. PT2SB, which is 25%-owned by Dialog, will develop a storage capacity of 272,000 cbm dedicated to Pengerang Biorefinery Sdn Bhd (PBSB), Dialog said. The terminal use agreement is under a take-or-pay mechanism, and the total investment also covers costs associated with shared facilities at the terminal. (*The Edge*)

Paramount: Flags softer property market, may cut sales target

Paramount Corp Bhd is flagging softening property sales as domestic and external worries dampen demand, after lagging behind its target. Outlook for the second half remains subdued amid concerns ranging from tariff risks to fuel subsidy rationalisation locally, chief executive officer Jeffrey Chew Sun Teong said at a briefing on Wednesday. There are few catalysts to spur recovery in the property market, he noted. "There's a chance we may have to revise (lower) our sales target," he said. "We are seeing a softening in the market." Paramount has achieved RM600m in property sales — still far from its full-year target of RM1.5bn for the financial year ending Dec 31, 2025 (FY2025). (*The Edge*)

LBS: Granted with development rights for RM8.3bn project in Kwasa Damansara

Kwasa Land Sdn Bhd, a wholly owned subsidiary of the Employees Provident Fund (EPF), has awarded LBS Bina Group Bhd development rights for an RM8.3bn residential project in the Kwasa Damansara township. The Development Rights Agreement was signed between Kwasa Land and LBS' subsidiary LBS Kwasa Damansara Sdn Bhd, granting LBS Kwasa Damansara the exclusive rights to progressively develop 192.3 acres across 11 freehold parcels in the township. The development, to be executed over 14 years in phases, will comprise 2,922 residential units, including a mix of low- and mid-rise condominiums and landed homes. The total value of the development rights amounts to RM1.2bn, largely representing the land cost. (*The Star*)

Alpha Ocean Resources: Inks preliminary deal for RM360m project in Kota Kinabalu

Alpha Ocean Resources Bhd, a tuna supplier listed on the LEAP Market, is set to undertake a proposed revitalisation project in Kota Kinabalu, Sabah, in return for a 30-year management concession. The project involves the enhancement and upgrading of a tuna and deep-sea fishing landing port and a maritime tourism infrastructure and hospitality belt. AORB has inked a memorandum of agreement (MOA) with the mayor of the Kota Kinabalu City Hall for the project, which is estimated to cost RM360 million, according to AORB in a bourse filing on Wednesday (July 30). (*The Edge*)

Steel Hawk: Bags scaffolding services contract from EPOMS

Steel Hawk Bhd's wholly owned subsidiary Steel Hawk Engineering Sdn Bhd (SHESB) has secured a contract to provide scaffolding services for EPOMS Sdn Bhd's operations. In a filing with Bursa Malaysia, the company said SHESB was awarded the contract on July 25, 2025, but only obtained written consent from EPOMS on Wednesday to release the announcement to Bursa Malaysia Securities Bhd. The contract duration is for two years, starting from July 25, 2025 to July 24, 2027, with a one-year extension option. "For clarification, the contract is on a call-out basis (which does not have a fixed contract value), and the company is engaged by EPOMS to provide specified services for the duration of the said contract, as and when such services are required," it said. (*The Edge*)

S P Setia: Breaks ground on US\$81m Setia Garden Residences in Ho Chi Minh City

S P Setia Bhd marked the commencement of its flagship overseas development with a groundbreaking ceremony for Setia Garden Residences at EcoXuan, Binh Duong Province in Ho Chi Minh City on Saturday (July 26) morning. Setia Garden Residences, with a gross development value of US\$81m (RM381.1m), comprises three towers ranging between 27 and 28 floors and will offer 865 apartments and shophouses. Scheduled for completion in 2027, the development includes studio to three-bedroom units and is located along Binh Duong Boulevard, a major corridor connecting the city centre with surrounding provinces. President and chief executive officer Datuk Choong Kai Wai said, "Setia is committed to being a leader in building sustainable communities and enriching lifestyles, not just in Malaysia but globally, especially in strengthening our presence in Vietnam." (*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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