



# Daily Newswatch

## Market Review

The FBMKLCI closed lower today, mirroring the cautious tone on U.S. as investors awaited clarity ahead of the U.S. trade tariff negotiations deadline. Market sentiment remains fragile, with heightened uncertainty surrounding the trajectory of U.S. trade policy under President Donald Trump's anticipated announcement, expected either today or tomorrow. This latest decline brings the FBMKLCI's return for July to -2.3%, reflecting persistent headwinds from external policy risks and uneven domestic sentiment. The recovery was driven by renewed investor optimism following Prime Minister Anwar Ibrahim's presentation of Malaysia's strategic policy vision under the 13th Malaysia Plan (RMK13). The plan lays the foundation for the country's medium-term economic transformation, with a strong emphasis on inclusive growth, environmental sustainability, and technological innovation. Between the key index constituents, the top laggards were PETCHEM (-4.7%), PMETAL (-2.2%) and TENAGA (-2.0%). Sector wise, Industrial Products & Services (-1.1%) led the losses, followed by Financial Services (-0.8%) and Property (-0.6%). The overall market breadth turned neutral with 545 gainers and 475 losers.

Asian stocks ended mostly lower on Thursday, with the Federal Reserve's interest-rate decision, tech earnings, U.S. President Donald Trump's tariff threats and Chinese data in focus. Japanese markets outperformed as the Bank of Japan held interest rates steady and offered a cautiously optimistic view on the economic outlook. SHANGHAI CI fell 1.2% to 3,573.2 as data showed Chinese factory activity unexpectedly deteriorated in July to a three-month low. HSI tumbled 1.6% to 24,773.3 after Chinese leaders signalled they would refrain from rolling out more major stimulus for now. Japanese markets rallied, the yen strengthened, and shorter-dated bonds pared declines after the Bank of Japan revised up its inflation forecasts. Investors also cheered encouraging retail sales and industrial output data for June. Nikkei 225 Index jumped 1.0% to 41,069.8.

European markets ended mostly lower on Thursday as investors weighed corporate earnings, regional economic data, and ongoing trade developments. Markets also digested the U.S. Federal Reserve's decision to keep interest rates unchanged, with Fed Chair Jerome Powell striking a cautious tone that lowered expectations for a September rate cut. In Germany, import prices declined for the third straight month, down 1.4% YoY in June, while unemployment held steady at 6.3%, just below expectations but still near a five-year high. Inflation data for July was awaited. In France, inflation remained subdued, with harmonized consumer prices rising 0.9% YoY in July, matching June's pace. Producer prices fell 0.2% MoM but edged up 0.2% on a yearly basis, the slowest growth since February. As a result, the EURO STOXX 50 ended 1.4% lower.

U.S. stocks reversed early gains to close lower on Thursday, with the Dow falling 0.7%, the S&P 500 down 0.4%, and the Nasdaq edging slightly lower by less than 0.1%. Markets initially rallied on strong earnings from Meta Platforms (+11.3%) and Microsoft (+4.0%), both of which beat expectations and offered positive guidance. However, gains faded as investors turned cautious ahead of Friday's U.S. tariff deadline, with President Trump announcing a trade deal with South Korea and extensions of tariffs on Mexican imports, cars, and metals. Treasury Secretary Scott Bessent expressed optimism about a potential U.S.-China deal. On the economic front, U.S. consumer prices rose in line with expectations in June, according to data from the Commerce Department.

## Macro Snapshots

- CN:** Factory activity unexpectedly worsens as trade wobbles
- JP:** Central bank governor cools expectations of near-term hike after rate hold
- CN:** PBOC moves to stabilise yuan with fixing after dollar rally
- MY:** Aims for 4.5%-5.5% GDP growth under 13th Malaysia Plan 2026-2030; allocates RM430bn for development projects

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,513.3	(0.7)	(7.9)
Dow Jones	44,131.0	(0.7)	3.7
Nasdaq CI	21,122.5	(0.0)	9.4
S&P 500	6,339.4	(0.4)	7.8
SX5E	5,319.9	(1.4)	8.7
FTSE 100	9,132.8	(0.0)	11.7
Nikkei 225	41,069.8	1.0	2.9
Shanghai CI	3,573.2	(1.2)	6.6
HSI	24,773.3	(1.6)	23.5
STI	4,173.8	(1.1)	10.2

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,769.6	42.2
Value traded (RM m)	3,103.8	49.7
Gainers	545	
Losers	475	
Unchanged	391	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PHARMA	0.175	9.4	218.6
TWL	0.025	0.0	105.0
EAH	0.005	0.0	62.6
ZETRIX	0.880	4.1	55.9
TOPGLOV	0.685	2.2	46.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAYBANK	9.390	(0.6)	229.0
TENAGA	13.020	(2.0)	163.2
CIMB	6.550	0.0	162.3
PBBANK	4.210	(1.9)	132.3
RHBBANK	6.130	(1.1)	112.4

Currencies	Last Close	% Chg
USD/MYR	4.269	(0.6)
USD/JPY	150.640	0.1
EUR/USD	1.143	0.1
USD/CNY	7.200	(0.0)
US Dollar Index	99.968	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	71.7	(1.1)
Gold (USD/troy oz)	3,291.8	0.1
CPO (MYR/metric t)	4,155.0	(0.5)
Bitcoin (USD/BTC)	116,225.6	(0.2)



- **TW:** AI boom propels economy to fastest growth in four years
- **HK:** GDP expands 3.1%, faster than forecast

### Corporate Snapshots

- **Unisem:** 2Q profit drops 45%, pays two sen interim dividend; flags challenging times ahead
- **CAB Cakaran:** To buy Cargill Malaysia's animal feed business for RM231m
- **Ireka:** In early talks on plan to fix PN17 status, in reply to query on sharp rise in share price
- **PASDEC:** Former Pahang MB fails to set aside RM84,000 penalty by SC, as appellate court dismisses appeal
- **Bank Islam:** Appoints Siti Nur Huda as group CFO
- **DRB-Hicom:** Acquires remaining stake in property unit Scott & English Malaysia
- **Avillion:** Auditor flags going concern uncertainty

### Macro News

#### **CN: Factory activity unexpectedly worsens as trade wobbles**

China's factory activity unexpectedly deteriorated in July to a three-month low despite a tariff truce with the US, as early signs emerge exports are slowing and weak domestic demand persists. The official manufacturing purchasing managers index (PMI) was 49.3 after 49.7 in June, the National Bureau of Statistics (NBS) said on Thursday, below the 50 mark that indicates contraction. The reading was worse than all but one forecast in a *Bloomberg* survey of economists, whose median estimate was 49.7. The CSI 300 Index, a benchmark for onshore shares, fell about 1%, while China's government bond futures rose after the latest PMI report. A loss of momentum to start the third quarter suggests China is at risk of a more pronounced slowdown in the months ahead, made worse by threats to global trade and sluggish consumer demand at home. The world's second-biggest economy has so far held up well in the face of higher tariffs, thanks to front-loading by exporters and resilient shipments to markets outside the US. (Reuters)

#### **JP: Central bank governor cools expectations of near-term hike after rate hold**

Bank of Japan (BOJ) governor Kazuo Ueda said the central bank is not in danger of falling behind the curve on inflation after standing pat on rates, delivering a message that cooled heightened expectations of a near-term rate hike and weakened the yen. The BOJ kept the overnight call rate at 0.5% at the end of a two-day policy meeting in a unanimous vote, according to a statement on Thursday. All 56 surveyed economists forecast the decision. The nine-member board boosted its median inflation projection for the current fiscal year to 2.7% from 2.2% in its quarterly economic outlook report, reflecting persistent increases in food prices. It also slightly raised its forecasts for fiscal year 2026 and 2027, moves that weren't expected by economists. While the array of changes in the outlook suggested governor Kazuo Ueda's board is closer to its next rate hike, the central bank also avoided dropping any clear hints as to the timing. Officials likely need time to gauge how US tariffs will affect Japan's economy and global commerce, even after a deal was struck between the US and Japan that's reduced some of the economic uncertainty hanging over Japan. (*Bloomberg*)

#### **CN: PBOC moves to stabilise yuan with fixing after dollar rally**

China's central bank stepped in to stabilise the yuan with its daily reference rate, after the currency dropped to a two-month low in response to the dollar's surge. The People's Bank of China set the yuan's reference rate around 7.15 per dollar on Thursday, diverging from analyst estimates by the most since late April. The move signals a show of support for the currency which fell after the dollar rallied to its strongest level in two months. The central bank is renewing its support for the currency as the dollar's rise gains momentum following trade deals favouring the US and as the Federal Reserve signals patience on rate cuts. The PBOC had largely refrained from boosting the yuan in May and June as the currency was on a rising trajectory. (*Bloomberg*)

#### **MY: Aims for 4.5%-5.5% GDP growth under 13th Malaysia Plan 2026-2030; allocates RM430bn for development projects**

The 13th Malaysia Plan (13MP) will see the government putting up a target of 4.5% to 5.5% annual gross domestic product (GDP) for the 2026 to 2030 period, according to the country's latest five-year economic development blueprint, released on Thursday. The latest five-year GDP target compares with an average growth rate of 5.2% recorded between 2021 and 2024, which was at the lower end of the 12MP's 5%-6% target range. The government has also projected RM430bn for the federal government's development expenditure (devex) — up 3.6% from 2021-2025 — or an average of RM86bn a year in the five-year period, the report showed. Federal government fiscal deficit is aimed to hit under 3% of GDP by 2030, from 4.1% in 2024. (*Bernama*)



**TW: AI boom propels economy to fastest growth in four years**

Taiwan's economy clocked one of the world's quickest growth rates last quarter, expanding at its fastest in four years thanks to a record surge in exports as a global boom in artificial intelligence fuels demand overseas. Gross domestic product expanded 7.9% in the second quarter from a year earlier, compared with 5.4% in the previous three months, according to a statement by the statistics bureau in Taipei on Thursday. That exceeded every forecast in a Bloomberg survey of analysts, whose median estimate was 5.7%. The central bank had forecast a GDP increase of 5.5%, while the statistics bureau saw a gain of 5.2%. Net exports contributed to more than two-thirds of Taiwan's economic growth last quarter, with investment accounting for about a fifth. With the government looking to lift overall economic output to around US\$1tn (RM4.2tn) by 2028, Taiwan is harnessing its strength as the dominant producer of chips and servers that underpin the development of AI. *(Bloomberg)*

**HK: GDP expands 3.1%, faster than forecast**

Hong Kong's economy grew by a faster than expected 3.1% year-on-year in the second quarter, official advance estimates showed on Thursday, expanding for a 10th straight quarter on the back of strong exports and improved domestic demand. That compares with an average forecast of 2.7% from 13 economists polled by Reuters and with growth of 3% in the first quarter of 2025. GDP had expanded 2.5% in the fourth quarter of 2024. "Looking ahead, steady economic growth in Asia, particularly in the (Chinese) mainland, combined with the government's various measures to bolster consumption sentiment, attract investment, diversify markets, and promote economic growth, will continue to provide steadfast support for various segments of the Hong Kong economy," a government spokesman said. Overall investment expenditure increased alongside the economic expansion, while private consumption expenditure resumed growth, supported by stabilisation of consumption in the domestic market, the government said. *(The Edge)*

## Corporate News

**Unisem: 2Q profit drops 45%, pays two sen interim dividend; flags challenging times ahead**

Unisem (M) Bhd on Thursday said its net profit dropped 45.5% in the second quarter from a year earlier, largely dragged by lower gross profit margins stemming from changes in product mix and increased operating expenses. Net profit for the three months ended June 30, 2025 (2QFY2025) was RM9.1m against RM16.8m in the same quarter a year ago, the semiconductor packaging and testing firm said in a filing. Earnings per share fell to 0.57 sen, from 1.04 sen previously. Unisem posted its highest quarterly revenue to date of RM475.2m, up 20.4% from RM394.6m in 2QFY2024, thanks to higher sales volume across its customer base. *(The Edge)*

**CAB Cakaran: To buy Cargill Malaysia's animal feed business for RM231m**

Poultry producer CAB Cakaran Corp Bhd plans to buy commercial animal feed manufacturer Cargill Feed Sdn Bhd (CFSB) for RM231m in cash. This move will help CAB Cakaran strengthen its poultry business by producing its own animal feed for over 100 broiler and breeder farms across Peninsular Malaysia. CAB Cakaran said in a bourse filing on Thursday its unit CAB Cakaran Sdn Bhd (CABC) has signed a conditional share and purchase agreement (SPA) with Cargill Holdings (Malaysia) Sdn Bhd to buy 100% equity interest in CFSB. The group plans to pay for the acquisition using RM23.1m from its own funds and RM207.9m in bank loans. By the end of March 2025, the group had RM84.7m in cash and bank balances, and total borrowings of RM340.4m, according to its latest financial report. The deal is expected to be completed by the fourth quarter of this year. *(The Edge)*

**Ireka: In early talks on plan to fix PN17 status, in reply to query on sharp rise in share price**

Ireka Corp Bhd is in early talks with a party about a possible corporate plan to fix its Practice Note 17 (PN17) status. The construction outfit was responding to an unusual market query (UMA) from the bourse regulator. "The discussions/negotiations are still at a preliminary stage and no definitive agreement has been reached at this juncture," said Ireka in a bourse filing on Thursday. The company said it will make the necessary announcement in accordance with the listing requirements of Bursa Securities as and when there are material developments in relation to the aforesaid matter. Ireka also reiterated that it remains in full compliance with the disclosure obligations under the listing requirements of Bursa Securities, in particular Paragraph 9.03 on immediate disclosure of material information. *(The Star)*

**PASDEC: Former Pahang MB fails to set aside RM84,000 penalty by SC, as appellate court dismisses appeal**

Former Pahang Menteri Besar Tan Sri Adnan Yaakob failed to set aside an RM84,000 penalty from the Securities Commission (SC) over missing key details in PASDEC Holdings Bhd's prospectus when he was its chairman. A three-member Court of Appeal bench led by Datuk Azimah Omar rejected his appeal, which Adnan argued himself. Adnan, 75, who earned a law degree from the International Islamic University in 2022, asked the Court of Appeal to send the case back to the magistrate's court for a full trial. He argued he shouldn't be responsible for the breach because his role as PASDEC chairman was a state government appointment. *(The Edge)*

**Bank Islam: Appoints Siti Nur Huda as group CFO**

Bank Islam Malaysia Bhd has appointed Siti Nur Huda Sufian as its new group chief financial officer (CFO), effective Friday, Aug 1. Siti Nur Huda, 42, currently serves as the group financial controller and director of strategy, finance at group institutional banking. She succeeds Azizan Abd Aziz, who left the bank last month to become the CFO of Bursa Malaysia Bhd. With nearly 20 years of experience in the financial services industry, Siti Nur Huda brings a strong background in strategy, corporate finance, and institutional banking, Bank Islam said in a filing. Her previous roles include being the head of finance analytics, balance sheet management and strategy at Maybank Islamic, and an



assistant manager in audit and assurance at PwC. (The Edge)

**DRB-Hicom: Acquires remaining stake in property unit Scott & English Malaysia**

DRB-Hicom Bhd announced that its wholly owned subsidiary, Hicom Holdings Bhd, has acquired the remaining 30% equity interest in property firm Scott & English (Malaysia) Sdn Bhd (SEMSB) for RM20m, bringing its total ownership to 100%. According to a bourse filing, the stake was purchased from Arah Kiara Sdn Bhd (AKSB), whose substantial shareholders are Tang Hon Shan and Ng Kong Chin, holding 40.1% and 35.9% equity interest in AKSB respectively. SEMSB is currently engaged in the rental of properties located in Glenmarie, Shah Alam, and Jalan Chan Sow Lin, Kuala Lumpur. DRB-Hicom said the acquisition will enable the group to secure full ownership of SEMSB, allowing it to optimise and unlock value from the strategic assets. The properties reportedly generate stable rental income and offer long-term redevelopment potential. (The Edge)

**Avillion: Auditor flags going concern uncertainty**

Avillion Bhd on Thursday said its external auditor has flagged uncertainty over the hotel operator's ability to continue as a going concern in the group's audited financial statements for the year ended March 31, 2025 (FY2025). In a filing with Bursa Malaysia, Avillion said the auditor, Baker Tilly Monteiro Heng PLT, has highlighted the group's net loss of RM20.6m and a negative cash position of RM8.9m for FY2025, which raises significant doubt about its ability to continue as a going concern. "Our opinion is not modified in respect of this matter," the auditor stated. Baker Tilly highlighted that Avillion's ability to remain viable depends on initiatives such as rolling out innovative and attractive packages to enhance hotel occupancy and revenue. Other initiatives include the disposal of low-or non-yielding land bank, intensifying sales and marketing efforts to sell the remaining units from the current development project and completed properties, and continuous engagement with bankers for financial services. (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
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		





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