



Daily Newswatch

Market Review

The FBMKLCI closed higher last Friday, buoyed by renewed investor confidence following the White House's announcement of a 19% tariff on Malaysian exports. This decision places Malaysia on par with regional peers such as Indonesia, Thailand, Cambodia, and the Philippines-lower than Vietnam, Taiwan, and India, but higher than Japan. The announcement, published earlier today, ends four months of speculation and uncertainty, giving both businesses and policymakers a clearer path forward for strategy execution. The broader macro policy backdrop has also become more supportive. The 13th Malaysia Plan (RMK-13), unveiled by the Prime Minister last week, anchors medium-term policy around geoeconomic resilience, supply chain realignment, and digital transformation. Between the key index constituents, the top gainers were GAMUDA (+4.3%), CIMB (+3.7%) and AMBANK (+2.8%). Sector wise, Construction (+3.1%) led the gain, followed by Financial Services (+1.9%) and Property (+1.0%). The overall market breadth turned positive with 570 gainers and 452 losers.

Asian stocks fell on last Friday as higher U.S. tariffs kicked in and a private survey showed Chinese manufacturing activity returned to contractionary territory in July as a result of softening new business growth. Seoul markets led regional losses after the government proposed higher taxes on investors and companies in a bid to shore up revenue. U.S. President Donald Trump on Thursday confirmed imports from most countries will face a minimum tariff rate of 10%, while imports from countries with trade surpluses with the U.S. face duties of 15% or higher. SHANGHAI CI dropped 0.4% to 3,560.0 on worrying signs about the economy's momentum in the period ahead. HSI slumped 1.1% to 24,507.8 on Fed rate jitters and soft Chinese data.

European stocks plunged on last Friday, marking one of their worst sessions in months, as newly announced sweeping tariffs by U.S. President Donald Trump sparked fears of a global economic slowdown. The tariffs, ranging from 10% to 41%, target dozens of countries including Canada, Switzerland, and the EU, which now faces a 15% levy on its exports to the U.S. Additional steep tariffs were imposed on India, Brazil, and Canada as part of Trump's push to address trade imbalances and bolster domestic manufacturing under national security grounds. Pharmaceutical stocks also came under pressure after Trump urged 17 majors global drugmakers to cut prices in the U.S. As a result, the EURO Stoxx 50 declined by 2.9%.

U.S. stocks extended their losses on last Friday, with major indexes closing sharply lower as economic concerns weighed on investor sentiment. The Nasdaq dropped 2.2%, the S&P 500 fell 1.6%, and the Dow declined 1.2%, capping a rough week where all three benchmarks posted steep weekly losses—2.9% for the Dow, 2.4% for the S&P 500, and 2.2% for the Nasdaq. The sell-off was driven by heightened worries over the economic fallout from newly announced U.S. tariffs ranging up to 41%, alongside a disappointing jobs report showing only 73,000 new jobs in July and significant downward revisions to prior months, with the unemployment rate ticking up to 4.2%.

Macro Snapshots

- US:** Job growth slows sharply in July; unemployment rate rises to 4.2%
- US:** Manufacturing extends slump; factory employment lowest in five years
- US:** Trump fires data chief on bad job news, gets chance to tilt Fed
- MY:** US tariff rate to have no impact on competitiveness of Malaysia's commodities, says Johani Ghani
- MY:** Eases import rules, keeps national interests to secure 19% US tariff, says Zafrul
- HK:** Eases listing rules for one of world's hottest markets

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,533.4	1.3	(6.6)
Dow Jones	43,588.6	(1.2)	2.5
Nasdaq CI	20,650.1	(2.2)	6.9
S&P 500	6,238.0	(1.6)	6.1
SX5E	5,165.6	(2.9)	5.5
FTSE 100	9,068.6	(0.7)	11.0
Nikkei 225	39,995.5	(2.0)	0.3
Shanghai CI	3,560.0	(0.4)	6.2
HSI	24,507.8	(1.1)	22.2
STI	4,153.8	(0.5)	9.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,159.2	(16.2)
Value traded (RM m)	2,228.2	(28.2)
Gainers	570	
Losers	452	
Unchanged	389	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PHB	0.005	0.0	197.6
TWL	0.025	0.0	96.7
PHARMA	0.170	(2.9)	80.5
TANCO	0.840	0.6	63.7
EKOVEST	0.435	4.8	62.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
GAMUDA	5.400	4.2	122.3
TENAGA	13.300	2.2	116.5
CIMB	6.790	3.7	114.9
MAYBANK	9.600	2.2	92.3
RHBBANK	6.190	1.0	54.0

Currencies	Last Close	% Chg
USD/MYR	4.246	0.8
USD/JPY	147.630	(0.2)
EUR/USD	1.156	(0.2)
USD/CNY	7.193	0.1
US Dollar Index	98.800	(0.3)

Commodities	Last Close	% Chg
Brent (USD/barrel)	69.3	(0.5)
Gold (USD/troy oz)	3,355.3	(0.2)
CPO (MYR/metric t)	4,193.0	0.4
Bitcoin (USD/BTC)	114,409.3	(0.0)

Corporate Snapshots

- **TSA:** Stainless steel maker diversifies into quarry business
- **SkyGate Solutions:** Forms JV with Singaporean firm for precision manufacturing in Penang
- **F&N:** 3Q net profit falls 30% on subdued consumer sentiment, start-up losses from dairy farm
- **HCK Capital:** Acquires two plots of land in Selangor for RM38.6m
- **Bintulu Port:** IRB slaps RM44.2m tax bill
- **Axis REIT:** Acquires warehouse in Port Klang for RM80m
- **ITMAX:** Bags 10-year smart parking job in Subang Jaya, to operate with state-owned Rangkaian Mesra
- **RHB:** Inks new bancassurance deal with Tokio Marine and Takaful Malaysia worth RM1.6bn

Macro News

US: Job growth slows sharply in July; unemployment rate rises to 4.2%

US job growth slowed more than expected in July while the prior month's data was revised sharply lower, pointing to a sharp moderation in the labour market. Non-farm payrolls increased by 73,000 jobs last month after rising by a downwardly revised 14,000 in June, the Labor Department's Bureau of Labor Statistics said in its closely watched employment report on Friday. Economists polled by *Reuters* had forecast payrolls increasing by 110,000 jobs after rising by a previously reported 147,000 in June. The unemployment rate rose to 4.2% from 4.1% in June. Estimates ranged from no jobs added to an increase of 176,000 positions. The Federal Reserve on Wednesday left its benchmark interest rate in the 4.25%-4.50% range. Fed chair Jerome Powell's comments after the decision undercut confidence the central bank would resume policy easing in September as had been widely anticipated by financial markets and some economists. (*Reuters*)

US: Manufacturing extends slump; factory employment lowest in five years

US manufacturing contracted for a fifth straight month in July and factory employment dropped to the lowest level in five years amid tariffs that have raised prices of imported raw materials. The Institute for Supply Management (ISM) said on Friday that its manufacturing PMI dropped to 48.0 last month from 49.0 in June. A PMI reading below 50 indicates contraction in manufacturing, which accounts for 10.2% of the economy. Economists polled by *Reuters* had forecast the PMI edging up to 49.5. The weak PMI reading is consistent with economists' expectations for a slowdown in activity in the third quarter as the effects of the import duties become more apparent. The ISM survey's forward-looking new orders sub-index rose to 47.1 from 46.4 in June but this was still a contraction for the sixth consecutive month. Its production measure increased to 51.4 from 50.3 in the prior month. (*Bloomberg*)

US: Trump fires data chief on bad job news, gets chance to tilt Fed

US President Donald Trump got some bad economic news on Friday, and responded by shooting the messenger. Trump fired the head of the Bureau of Labor Statistics (BLS), hours after it sent markets tumbling with a report that showed a dramatic slowdown in US hiring. It's an escalation of his campaign against economic institutions long held to be above partisan politics — one that until now has principally targeted the Federal Reserve (Fed). And Trump got an unexpected opportunity that same afternoon to exert more influence at the central bank too, when governor Adriana Kugler announced her imminent resignation, just as investors were still digesting the jobs numbers and the BLS news. He will now get to name a replacement, likely one who's inclined to support his drive for lower interest rates. (*Bloomberg*)

MY: US tariff rate to have no impact on competitiveness of Malaysia's commodities, says Johani Ghani

The US' move to impose a 19% reciprocal tariff on Malaysian goods will not have any impact on the competitiveness of Malaysia's commodities in the global market, said Plantation and Commodities Minister Datuk Seri Johari Abdul Ghani. He said the tariff rate remains competitive compared to other Asean countries, including Indonesia, which also faces the same tariff rate. "We are almost on a par with the lowest rates in Asean. For example, Indonesia is the world's top producer of oil palm, and we are number two. "They are also subject to the 19% rate, so for us, 19% is fair. It's not a problem," he said when asked whether the US tariff would impact Malaysia's commodity market. (*Bernama*)

MY: Eases import rules, keeps national interests to secure 19% US tariff, says Zafrul

Malaysia agreed to ease some non-tariff barriers — like streamlining halal and facility registration for US food imports — to help reduce US tariffs on Malaysian goods from 25% to 19%, according to Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz. However, the government rejected US requests to remove excise duties on cars, tobacco, and alcohol to protect national interests. At



a media briefing, Zafrul said Malaysia's commitments include improving non-tariff procedures to boost its image as a business and trade-friendly country. "There are also discussions on issues affecting various industries in the agriculture sector. For example, we are looking at ways to expedite import processes, particularly for meat and chicken — these are some of the areas being considered," he said. *(The Edge)*

HK: Eases listing rules for one of world's hottest markets

Hong Kong eased some of its rules to list in the city, potentially bolstering what's already been one of the hottest markets in the world for initial public offerings (IPOs) this year. Starting next week, the city will ease minimum float requirements for mainland China-traded companies seeking to add a listing in Hong Kong, and allow for big funds to secure bigger share allocations than retail investors, according to a Hong Kong Exchanges and Clearing Ltd statement on Friday. The new rules are likely to boost institutional investors' influence during the pricing of new listings, and the move comes after a consultation with market participants that wrapped up in March. It paves the way for more companies, particularly mainland Chinese ones, to go public in Hong Kong after attracting the world's biggest listing of 2025. *(Bloomberg)*

Corporate News

TSA: Stainless steel maker diversifies into quarry business

TSA Group Bhd said it has been appointed to operate and distribute granite quarry products in Perak's Manjung district, marking the group's entry into the quarrying sector. The move, the group said, is aimed at diversifying its revenue and reducing a reliance on its current core business of manufacturing welded stainless steel pipes and trading in stainless steel and other metal products "Despite this move, the board intends to continue operating the metal-related business as usual," added TSA in a bourse filing on Friday. Under the deal, Kuari Asas Hasrat Sdn Bhd, the mining leaseholder of the 33-hectare granite quarry site, has granted Asas Bumi Rezeki Sdn Bhd (ABR) rights to be the exclusive operator of the site. *(The Edge)*

SkyGate Solutions: Forms JV with Singaporean firm for precision manufacturing in Penang

SkyGate Solutions Bhd, formerly known as Ewein Bhd, has entered into a joint venture with Singapore-based New Jin Hai Pte Ltd (NJH) to establish a high-precision manufacturing business in George Town, Penang. In a filing with Bursa Malaysia on Friday, the precision engineering and industrial property group said a new company — SkyGate NHJ Technology Sdn Bhd (NHJ Tech) — will be formed, with its wholly-owned unit, SkyGate NHJ Sdn Bhd (SNHJ), holding a 51% stake and NJH the remaining 49%. NJH, wholly-owned by Suzhou New Hongji Precision Part Co Ltd, mostly operates as an investment company. Penang-based SkyGate Solutions' capital commitment for the venture amounts to RM19.5m, representing 51% of the total capital contribution of RM38.3m. The funds will be channelled towards setting up the factory, workforce development and operational working capital. *(The Edge)*

F&N: 3Q net profit falls 30% on subdued consumer sentiment, start-up losses from dairy farm

Fraser & Neave Holdings Bhd reported weaker third quarter earnings as sales slowed and its dairy farm continued to incur start-up losses. Net profit for the quarter ended June 30, 2025 (3QFY2025) declined 30% to RM84.8m from RM121.6m a year ago, while revenue inched down 4.5% to RM1.2bn from RM1.3bn. Revenue contribution from both its domestic and Indochina operations fell, reflecting cautious post-festive consumer sentiment and lower tourist arrivals in Thailand, the beverage company said in its quarterly financial performance announcement on Friday. The company also noted that its exports to Cambodia were affected by the closure of the Thailand-Cambodia border. However, it saw double-digit export growth to other markets, which helped to mitigate the impact. *(The Star)*

HCK Capital: Acquires two plots of land in Selangor for RM38.6m

HCK Capital Group Bhd is acquiring two parcels of freehold land from Bandar Setia Alam Sdn Bhd for a combined RM38.6m in cash. In a bourse filing, HCK Capital said its indirect wholly-owned subsidiary Reside Capital Sdn Bhd has entered into two conditional sale and purchase agreements (SPA) with Bandar Setia Alam for the land acquisition. The first plot of land, measuring 1.2 acres, costs RM19.5m, while the second plot, at 1.2 acres, is valued at RM19.1m. Both parcels are located in the Setia City BizPark, Selangor. Bandar Setia Alam is principally involved in property development and property investment holding. "The SPA is conditional upon, among others: approval of the Economic Planning Unit (EPU) in the event the Purchase Consideration exceeds RM20m (if applicable); and issuance of separate title and, where applicable, State Authority consent for transfer," HCK Capital said. *(The Edge)*

Bintulu Port: IRB slaps RM44.2m tax bill

Sarawak's largest port operator Bintulu Port Holdings on Friday said it received notices of assessment from the Inland Revenue Board (IRB) totalling RM44.2m for the years of assessment 2020 to 2023. The company received four notices of assessment for RM6.8m, RM11m, RM12.7m and RM13.8m for the years of assessment 2020, 2021, 2022 and 2023, respectively, it said in a bourse filing. Bintulu Port said it will be appealing and challenging the "correctness and validity" of the tax assessments. The group, however, did not disclose the basis of the IRB's claims. *(The Edge)*

Axis REIT: Acquires warehouse in Port Klang for RM80m

Axis Real Estate Investment Trust has proposed to acquire a warehouse in Port Klang for RM80m in cash. The single-storey detached warehouse comes with an annexed double-storey office, as well as a 1½-storey detached warehouse and other ancillary buildings, which were built upon a portion of leasehold land, the REIT said in a filing with Bursa Malaysia on Friday. RHB Trustees Bhd, the trustee for Axis



REIT, has entered into a sale and purchase agreement with the vendor TS Worldwide Warehousing Sdn Bhd for the purchase. TS Worldwide will undertake to subdivide the master land and deliver to RHB Trustees a final land area of about 41,248 square metres (10.2acres), along with the buildings on it. (The Edge)

ITMAX: Bags 10-year smart parking job in Subang Jaya, to operate with state-owned Rantaian Mesra

ITMAX System Bhd said on Friday that its 70%-owned subsidiary, Selmax Sdn Bhd, has secured a 10-year contract from the Subang Jaya City Council (MBSJ) to manage parking in the city under the Selangor Intelligent Parking (SIP) system, with an option for a five-year extension. Selmax will implement the contract in partnership with Rantaian Mesra Sdn Bhd, which serves as the SIP system provider, ITMAX said in a bourse filing. The smart parking operator said the parties will formalise their roles through a tripartite agreement involving Selmax, MBSJ and Rantaian Mesra. (The Edge)

RHB: Inks new bancassurance deal with Tokio Marine and Takaful Malaysia worth RM1.6bn

RHB Bank Bhd on Friday signed new 20-year exclusive bancassurance and bancatakaful partnerships with Tokio Marine Life Insurance Malaysia Bhd and Syarikat Takaful Malaysia Keluarga Bhd. The new partnership comes after RHB was reported to have explored alternative bancassurance partners over the past year, ahead of the expiry of its 10-year deal with Tokio Marine on Dec 31, 2024. It also came as a surprise that RHB had ultimately chosen to renew its partnership with Tokio Marine despite their legal dispute last year. Under the new agreement, the bancassurance period has been extended to 20 years, compared with 10 years in the previous deal. In a statement, RHB said it formalised the new partnerships through two distribution agreements — one between RHB Bank and Tokio Marine for conventional life insurance, and the other between RHB Islamic Bank and Takaful Malaysia for family and general takaful — as well as a joint framework agreement. (The Edge)

Upcoming key economic data releases	Date
US – ISM Non-Manufacturing PMI (Jul)	Aug 5
US – Initial Jobless Claims	Aug 7
UK – BoE Interest Rate Decision	Aug 7
US – CPI (Jul)	Aug 12
US – PMI (Jul)	Aug 14
JP – GDP (Q2)	Aug 14
US – Core Retail Sales (Jul)	Aug 15
EU – CPI (Jul)	Aug 20
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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