



Daily Newswatch

Market Review

The FBMKLCI closed higher today, reversing the previous session's decline, supported by broad-based strength across domestic equities. Utilities sectors led the gains, while agriculture-related counters trailed. We view the uptrend in utility stocks as a function of interest rate dynamics. Utilities are inherently sensitive to changes in interest rates due to their capital-intensive structure, high debt loads, and dividend-driven valuations. When rates stabilise or decline — as observed following last month's OPR cut by Bank Negara Malaysia and amid increasing expectations of a more accommodative US policy stance — their yields become more attractive relative to fixed-income instruments. This has prompted renewed investor interest in rate-sensitive and income-generating sectors. Between the key index constituents, the top gainers were PCHEM (+4.0%), YTLPOWR (+2.9%) and PMETAL (+2.5%). Sector wise, Utilities (+0.9%) led the gain, followed by Technology (+0.8%) and Industrial Products and Services (+0.8%). The overall market breadth turned positive with 479 gainers and 533 losers.

Asian stocks rose for a second consecutive session on Tuesday after a Federal Reserve official said the time is nearing for rate cuts. Tech shares drove the rally after data intelligence group Palantir boosted its 2025 outlook and said its sales jumped almost 50% in the second quarter amid robust demand for artificial intelligence services. Chinese and Hong Kong markets extended gains from the previous session as a survey showed strong recovery in China's services activity in July, with growth hitting a 14-month high on export demand. SHANGHAI CI climbed 1.0% to 3,617.6 while HSI gained 0.7% to close at 24,902.5.

European stocks ended slightly higher on Tuesday, with the Eurozone's benchmark STOXX 50 edging up 0.2%, supported by strong corporate earnings and renewed hopes of a U.S. rate cut following weaker-than-expected jobs data. Positive results from companies like Smith+Nephew, Diageo, and Infineon helped lift market sentiment, while a modest rise in eurozone business activity added to the cautious optimism.

U.S. stocks slipped on Tuesday as weak economic data and renewed tariff concerns weighed on sentiment. The S&P 500 fell 0.5% to close at 6,299.2, while the Nasdaq Composite dropped 0.7% and the Dow Jones edged down 0.1%. A flat reading in the ISM Services index raised stagflation concerns, following last week's disappointing jobs report. Markets were further pressured after former President Trump signalled imminent tariffs on semiconductors and pharmaceuticals, sparking trade-related jitters. While Palantir surged nearly 8% on hitting \$1bn in revenue, losses in industrials like Eaton and Caterpillar added to the downbeat tone.

Macro Snapshots

- MY:** Stands firm on key national policies in US trade talks, says PM
- MY:** Federal govt's statutory debt at 62.7% of GDP as of end-June, says Anwar
- MY:** Miti pledges strong implementation of 13MP to drive sustainable, inclusive growth
- EU:** Still expects turbulence in trade relations with US
- HK:** Resumes currency intervention spree amid low rates
- ID:** 2Q growth unexpectedly jumps 5.12%, defying weak lending

Corporate Snapshots

- MAYBANK:** Inks partnership with Microsoft to accelerate digital transformation
- KJTS:** Enters deal to provide facility management services to college in Johor
- SKYWLD:** Expands in affordable housing, investing RM200m in PPVC technology

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,527.0	(0.4)	(7.0)
Dow Jones	44,173.6	1.3	3.8
Nasdaq CI	21,053.6	2.0	9.0
S&P 500	6,329.9	1.5	7.6
SX5E	5,242.3	1.5	7.1
FTSE 100	9,128.3	0.7	11.7
Nikkei 225	40,290.7	(1.2)	1.0
Shanghai CI	3,583.3	0.7	6.9
HSI	24,733.5	0.9	23.3
STI	4,197.2	1.0	10.8

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,629.1	(16.8)
Value traded (RM m)	1,945.0	(12.7)
Gainers	545	
Losers	475	
Unchanged	391	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TRIVE	0.015	50.0	69.0
INARI	1.990	(6.6)	61.2
MAGMA	0.385	(7.2)	58.2
ZETRIX	0.870	(2.8)	56.6
TANCO	0.820	(2.4)	56.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
INARI	1.990	(6.6)	122.8
GAMUDA	5.400	0.0	78.3
TENAGA	13.160	(1.1)	68.5
CIMB	6.750	(0.6)	58.8
MAYBANK	9.540	(0.6)	55.9

Currencies	Last Close	% Chg
USD/MYR	4.231	0.1
USD/JPY	146.730	0.2
EUR/USD	1.159	0.1
USD/CNY	7.181	0.2
US Dollar Index	98.589	(0.2)

Commodities	Last Close	% Chg
Brent (USD/barrel)	68.8	0.1
Gold (USD/troy oz)	3,377.3	0.1
CPO (MYR/metric t)	4,166.0	(0.6)
Bitcoin (USD/BTC)	115,025.1	0.2



- **AIZO:** Returns to property sector via JV with Lestari Astana
- **SPSETIA:** Launches AI & Proptech Innovation Challenge to drive homeownership, construction quality
- **SPSETIA:** Elysian launches with 40-unit freehold offering in Setia Alamsari, Kajang

Macro News

MY: Stands firm on key national policies in US trade talks, says PM

Malaysia was among the few countries that stood firm on protecting key national policies during trade negotiations with the US, Prime Minister Anwar Ibrahim told Parliament on Tuesday. Anwar said Malaysia had rejected several US demands, including challenges to the country's pro-Bumiputera policy, an affirmative action programme that benefits the majority ethnic Malays and other indigenous communities. "We still managed to secure a 19% tariff rate. Most importantly, we defended the Bumiputera policy, which the US considers discriminatory and contrary to international trade principles. (*Bernama*)

MY: Federal govt's statutory debt at 62.7% of GDP as of end-June, says Anwar

Prime Minister Datuk Seri Anwar Ibrahim said on Tuesday that the federal government's debt remains within legal limits, as the administration continues to narrow the fiscal deficit and reduce its reliance on new borrowings. As of end-June 2025, the country's statutory debt stood at 62.7% of gross domestic product (GDP) — still below the legislated ceiling of 65%. Statutory debt includes Malaysian Government Securities (MGS), Government Investment Issues (GII), and Malaysian Islamic Treasury Bills (MITB). (*The Edge*)

MY: Miti pledges strong implementation of 13MP to drive sustainable, inclusive growth

The Ministry of Investment, Trade and Industry (Miti) will ensure that the economic policies under its purview in the 13th Malaysia Plan (13MP) are implemented effectively, said its Minister, Tengku Datuk Seri Zafrul Abdul Aziz. In a statement on Tuesday, he said the move is aimed at driving sustainable and inclusive growth, strengthening government governance, improving quality of life, and creating more opportunities for small and medium enterprises (SMEs). "Through these initiatives, Miti is committed to driving the execution of strategic policies to realise 13MP's aspirations — positioning Malaysia as a global potential powerhouse," said Tengku Zafrul. (*Bernama*)

EU: Still expects turbulence in trade relations with US

The European Union (EU) still expects turbulence in trade relations with Washington, but it believes it has a good insurance policy thanks to a framework deal that covers most goods it exports to the US by a maximum 15% tariff, an EU official said. With the new rates set to enter into force in a couple of days, the 27-nation bloc, which is the US' biggest trading partner, is still waiting for executive orders that would bring down the tariff on some products, including cars and car parts, down to the agreed 15% rate. A senior EU official said he expects that to happen "very soon". (*Reuters*)

HK: Resumes currency intervention spree amid low rates

Hong Kong's brief pause from defending its beleaguered currency proved to be short lived as the authorities were forced to buy local dollars for the third time in a week amid stock outflows and low local rates. The Hong Kong Monetary Authority, the city's de facto central bank, bought HK\$6.4bn (RM3.5bn) of the local currency on Tuesday, in addition to its purchases on Aug 1 and July 30. That's after being absent from the market for two weeks. The resumption of currency intervention underscores the persistent pressure on the Hong Kong dollar as the city's low rates keep the yield gap with the US wide, spurring traders to short the local currency in favour of the higher-yielding greenback. Moreover, Chinese investors net sold the most amount of the city's shares since May 12 on Monday, as per *Bloomberg* calculations, adding to headwinds for the local currency. (*Bloomberg*)

ID: 2Q growth unexpectedly jumps 5.1%, defying weak lending

Indonesia's second-quarter growth unexpectedly accelerated to the fastest pace in two years, with exports and investment helping an economy that's beset by weak loan growth and mass job losses in manufacturing. Gross domestic product (GDP) in the three months through June rose 5.1% from a year ago, the nation's statistics office known as BPS announced on Tuesday. That beat expectations of a slowdown to 4.8% growth, according to the median estimate in a *Bloomberg* survey. The rupiah was little changed at 16,384 to the dollar, while stocks increased gains to 1% after the data. (*Bloomberg*)

Corporate News

MAYBANK: Inks partnership with Microsoft to accelerate digital transformation

Malayan Banking Bhd has entered into a five-year RM1bn partnership with Microsoft to accelerate its digital transformation. According to a statement on Tuesday, the partnership will see Maybank embracing the power of Microsoft's collaboration suite, cloud, artificial intelligence (AI), and security capabilities to drive customer centricity, enhance operational agility, and foster a culture of continued innovation. It will also include an upgrade of existing capabilities to Microsoft 365. "At the heart of this partnership, Maybank will adopt Microsoft Azure as one of the main cloud platforms for some of its most strategic systems, functions and data workloads," the statement said. *(Bernama)*

KJTS: Enters deal to provide facility management services to college in Johor

KJTS Group Bhd has secured a contract valued at RM13m to provide facility management services at Marlborough College Malaysia in Johor. The services to be provided by the building support services company, under the agreement signed with M East Sdn Bhd, include engineering, janitorial and pest control services, according to a bourse filing on Tuesday. The three-year contract, which commenced on July 1, will contribute positively to its earnings, said KJTS. Shares in KJTS ended seven sen or 4.9% higher at RM1.5, valuing the company at RM1bn. *(The Edge)*

SKYWLD: Expands footprint in affordable housing, investing RM200m in PPVC technology

Since its inception in 2014, SkyWorld Development Bhd has carved a niche in building high-rise affordable housing in Kuala Lumpur, delivering projects with a total gross development value (GDV) of over RM5bn. Its maiden project Ascenda Residences @ SkyArena in Setapak set the foundation for its growth. Last December, SkyWorld emerged as a joint-venture partner with Penang Development Corporation (PDC) via a tender exercise for what is considered the largest affordable housing project in the country. Under the Rumah Bakat Baru Madani Affordable Housing Scheme, the plan is to build more than 35,000 affordable housing units across Seberang Jaya (34 acres) and Batu Kawan (161.5 acres) in Penang. *(The Edge)*

AIZO: Returns to property sector via JV with Lestari Astana

AIZO Group Bhd, formerly known as Minetech Resources Bhd, has re-entered the property development sector through a joint venture (JV) with Lestari Astana Sdn Bhd (LASB). The collaboration is executed via a special purpose vehicle, AIZO Astana Sdn Bhd, in which AIZO holds a 51% controlling stake. Through the vehicle, AIZO will oversee the full value chain, from consultation and planning to marketing and sales, focusing on higher-margin, fast-moving developments. *(The Edge)*

SPSETIA: Launches AI & Proptech Innovation Challenge to drive homeownership, construction quality

S P Setia Bhd has launched the Setia AI & Proptech Innovation Challenge, a flagship initiative under the Bengkel Inovasi GLC (BIG) Programme aimed at advancing inclusive homeownership and enhancing construction quality. According to a media statement on Tuesday, the programme invites technology-driven start-ups to develop solutions that align with S P Setia's vision of building sustainable and inclusive communities. Through the use of artificial intelligence (AI) and proptech, S P Setia hopes to streamline the homebuying process and increase access to housing for all income levels, in line with the Malaysia Madani agenda. *(The Edge)*

SPSETIA: Elysian launches with 40-unit freehold offering in Setia Alamsari, Kajang

S P Setia Bhd has launched Elysian, a 40-unit freehold residential enclave within its Setia Alamsari township in Kajang. According to a media statement on Tuesday, the limited-release comprises 18 bungalows and 22 semidees, designed to offer exclusivity, privacy and contemporary living in a low-density setting. Built on land sizes ranging from 40ft by 80ft, to 60ft by 100ft, the homes have built-up areas from 2,946-3,295 sq ft. *(The Edge)*

Upcoming key economic data releases	Date
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
<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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