



Daily Newswatch

Market Review

The FBM KLCI closed lower last Friday at 1,576.3, weighed down by profit-taking in heavyweights despite improved global market sentiment following the United States' decision to extend its 90-day tariff truce with China until Nov 10. Sentiment was further tempered by caution ahead of the meeting between US President Donald Trump and Chinese President Xi Jinping in Alaska on Friday to discuss trade relations. Among the index constituents, the top three decliners were MRDIY (-3.8%), PETDAG (-3.6%) and YTLPOWR (-1.6%). Sector-wise, Plantation (-1.0%) led the laggards, while Telecommunications & Media (-0.8%) and Industrial Products & Services (-0.8%) also recorded losses. Overall, market breadth turned negative with 450 gainers versus 487 losers.

Asian stocks slipped last Friday as investors turned cautious ahead of a key U.S. jobs report that could influence the future policy-rate path, offsetting optimism from the extension of the tariff truce between the U.S. and China. The Shanghai Composite increased 0.8% to 3,696.8 while Hong Kong's Hang Seng dropped 0.9% to 25,270.1, with losses in financial and property stocks outweighing advances in technology and consumer counters.

The Euro Stoxx 50 rose last Friday, supported by stronger-than-expected corporate earnings from major European companies and resilient manufacturing-sector data that lifted investor sentiment. Additional gains came as easing energy prices and hopes that upcoming central bank meetings might signal a slower pace of policy tightening bolstered confidence, with the index climbing 0.3% to close at 5,448.6.

US equities ended mixed last Friday as early optimism over progress in US-China trade talks faded, despite President Trump signing a last-minute executive order extending the tariff pause on Chinese goods by 90 days. Gains in technology and industrial shares were offset by profit-taking and caution ahead of upcoming jobs data, leaving the Dow up 0.1%, while the Nasdaq slipped 0.4% and the S&P 500 dropped 0.3%.

Macro Snapshots

- US:** Consumer sentiment falls as inflation expectations climb
- MY:** Economy expands steadily in 2Q as main growth engine stays robust
- MY:** Service tax exemption on ship and aircraft leasing aimed at preventing offshore registration, ensuring competitiveness
- MY:** 4.4% 1H 2025 GDP growth shows Madani economy policies delivering results
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- JP:** Growth beats forecasts, boosting rate-hike case for BOJ

Corporate Snapshots

- SPSETIA:** CEO Choong Kai Wai steps down, COO Zaini Yusoff to take over role on Sept 30
- TAKAFUL:** Proposes RM1bn Tier 2 subordinated sukuk programme
- AFFIN:** 2Q net profit rises over 21%, flags 'modest' impact on margins from rate cut
- IJM:** Secures RM1.4bn data centre project in Johor, its biggest yet

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,581.1	(0.3)	(3.7)
Dow Jones	44,911.3	(0.0)	5.6
Nasdaq CI	21,710.7	(0.0)	12.4
S&P 500	6,468.5	0.0	10.0
SX5E	5,434.7	0.9	11.0
FTSE 100	9,177.2	0.1	12.3
Nikkei 225	42,649.3	(1.4)	6.9
Shanghai CI	3,666.4	(0.5)	9.4
HSI	25,519.3	(0.4)	27.2
STI	4,256.5	(0.4)	12.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,404.8	(11.1)
Value traded (RM m)	2,664.4	(13.2)
Gainers	450	
Losers	487	
Unchanged	497	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TWL	0.025	0.0	53.2
TANCO	0.720	2.1	50.2
OXB	0.410	7.9	36.6
PHARMA	0.175	(5.4)	34.3
MRDIY	1.540	(3.8)	32.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
CIMB	7.200	0.1	222.9
TM	7.130	(1.4)	186.4
GAMUDA	5.610	0.0	155.4
MAYBANK	9.840	(0.2)	111.3
YTLPOWR	4.220	(1.6)	101.9

Currencies	Last Close	% Chg
USD/MYR	4.212	(0.1)
USD/JPY	147.780	(0.0)
EUR/USD	1.165	0.0
USD/CNY	7.182	(0.1)
US Dollar Index	98.254	0.4

Commodities	Last Close	% Chg
Brent (USD/barrel)	66.8	1.8
Gold (USD/troy oz)	3,334.1	(0.0)
CPO (MYR/metric t)	4,338.0	(0.7)
Bitcoin (USD/BTC)	118,125.1	0.1



- **SDS:** Buys Mamee's factories in Johor for RM28m
- **BMGREEN:** Bags RM95m job to develop solar plant

Macro News

US: Consumer sentiment falls as inflation expectations climb

US consumer sentiment unexpectedly fell for the first time since April and inflation expectations rose on lingering anxiety about the impact of tariffs. The preliminary August sentiment index fell to 58.6 from 61.7 a month earlier, according to data from the University of Michigan released on Friday. Consumers expect prices to rise at an annual rate of 4.9% over the next year, wiping out the prior month's improvement. They saw costs rising at an annual rate of 3.9% over the next five to 10 years.

Both the sentiment index and the inflation gauges were worse than economists had anticipated in a *Bloomberg* survey. (*Bloomberg*)

MY: Economy expands steadily in 2Q as main growth engine stays robust

Malaysia's economy expanded steadily in the second quarter as robust domestic demand, its main engine of growth, cushioned deceleration in exports, official data showed. Gross domestic product rose 4.4% in the second quarter from a year earlier, according to the Department of Statistics Malaysia. The rate of expansion, however, was a shade lower than the official advance estimate of 4.5% growth. In the first quarter, the economy grew 4.4% year-on-year as well. On a seasonally-adjusted basis, economic growth accelerated to 2.1% quarter-on-quarter from 0.7% in the first three months of 2025. (*The Edge*)

MY: Service tax exemption on ship and aircraft leasing aimed at preventing offshore registration, ensuring competitiveness

An exemption from having to pay the 8% service tax is given for ship and aircraft leasing to prevent offshore registration, the Ministry of Finance (MOF) said on Saturday. The imposition of the service tax may encourage local ship and aircraft owners to register abroad, which could lead to a reduction in economic and tourism activities in Malaysia, the MOF said in a statement. The ministry said another reason for the exemption is to ensure the competitiveness of local industries, considering that neighbouring countries do not impose such a tax. "Without the exemption, customers may switch to foreign shipping or aviation services," it added. (*The Edge*)

MY: 4.4% 1H 2025 GDP growth shows Madani economy policies delivering results

Despite global uncertainties, Malaysia's gross domestic product (GDP) grew 4.4% in the first half (1H) of 2025, proving that the Madani economy policies are yielding results for the nation and, most importantly, the rakyat, said Finance Minister II Datuk Seri Amir Hamzah Azizan. He said unemployment narrowed to 3% in the second quarter of 2025 (2Q 2025) from 3.1% in the preceding quarter, while headline inflation moderated to 1.3% compared to 1.5% previously, reflecting Malaysia's favourable economic prospects. In a statement on Friday, Amir Hamzah said robust domestic demand supported the growth of the Malaysian economy against a global backdrop marked by trade and geopolitical uncertainties, sustaining growth at 4.4% in 2Q 2025. (*Bernama*)

CN: Factory output, retail sales growth slump in blow to economy

China's factory output growth slumped to an eight-month low in July, while retail sales slowed sharply, raising pressure on policymakers to roll out more stimulus to revive domestic demand and ward off external shocks to the US\$19tn (RM80.2tn) economy. The underwhelming indicators come as officials navigate pressure on multiple fronts ranging from US President Donald Trump's trade policies to extreme weather, excessive competition in the domestic market, and chronic weakness in the property sector. Industrial output grew 5.7% year-on-year in July, National Bureau of Statistics data showed on Friday, the lowest reading since November 2024, and compared with a 6.8% rise in June. It missed forecasts for a 5.9% increase in a *Reuters* poll. (*Reuters*)

JP: Growth beats forecasts, boosting rate-hike case for BOJ

Japan's economy expanded faster than expected last quarter, led by solid domestic demand, boosting the case for the Bank of Japan (BOJ) to raise its benchmark rate again this year, while giving embattled Prime Minister Shigeru Ishiba some rare good news. Gross domestic product (GDP) grew at an annualised pace of 1% in the three months through June from the prior period, surpassing economists' forecast of a 0.4% gain, the Cabinet Office reported Friday. Authorities revised the previous quarter's results to 0.6% growth, reversing from a preliminary contraction. The yen gained versus the dollar on the news. Gains were led by business investment, which rose 1.3% from the previous quarter, surpassing the consensus estimate of 0.7% growth. Private consumption nudged 0.2% higher. (*Bloomberg*)

UK: Economy grows by stronger-than-expected 0.3% in 2Q

Britain's economy grew by a faster-than-expected 0.3% in the second quarter of 2025 after growth of 0.7% in the first three months of the year, offering a boost to finance minister Rachel Reeves, official figures showed on Thursday. Economists polled by Reuters, as well as the Bank of England, had forecast 0.1% growth in gross domestic product for the April-June period. Thursday's data from the Office for National Statistics showed British GDP rose by 0.4% in June alone after a 0.1% fall in output in May due to surprisingly strong growth across services, industrial output and construction. (*Reuters*)



Corporate News

SPSETIA: CEO Choong Kai Wai steps down, COO Zaini Yusoff to take over role on Sept 30

Property developer S P Setia Bhd on Friday announced the appointment of its chief operating officer, Datuk Zaini Yusoff, as the company's new president and chief executive officer. Zaini will assume the role on Sept 30, following the retirement of Datuk Choong Kai Wai, who has led the company as its president and CEO since October 2021. Speculation over Choong's departure first surfaced in August last year. Joining from I&P Group Sdn Bhd in 2017, S P Setia said Zaini has served as its COO since 2023. He is also the deputy president of the Real Estate and Housing Developers' Association (Rehda) Malaysia, the company said in a statement. *(The Edge)*

TAKAFUL: Proposes RM1bn Tier 2 subordinated sukuk programme

Syarikat Takaful Malaysia Keluarga Bhd has proposed the establishment of a Tier 2 subordinated sukuk programme of up to RM1bn in nominal value based on the shariah principle of wakalah bi al-istithmar. The company said in a filing with Bursa Malaysia on Thursday that the programme, known as the sukuk wakalah programme, will be used to issue Tier 2 subordinated sukuk with a tenure of not less than five years from the issue date. "The Tier 2 sukuk wakalah issued under the sukuk wakalah programme is intended to qualify as Tier 2 capital of Takaful Malaysia under the Risk-Based Capital Framework for Takaful Operators issued by Bank Negara Malaysia on Dec 17, 2018," it said, adding that the framework may be further amended, revised or substituted from time to time. *(Bernama)*

AFFIN: 2Q net profit rises over 21%, flags 'modest' impact on margins from rate cut

Affin Bank Bhd's net profit rose over 21% in the second quarter from a year earlier thanks to stronger interest and non-interest income. Net profit for the three months ended June 30, 2025 (2QFY2025) totalled RM143.5m, according to the lender in an exchange filing. Year-on-year, net interest income climbed 11% to RM212.7m while non-interest income surged 30% to RM184.6m. For the remainder of the year, Affin Bank said its margin will take a "modest" short-term hit from the recent policy rate cut and loan growth may moderate amid softer economic conditions. *(The Edge)*

IJM: Secures RM1.4bn data centre project in Johor, its biggest yet

IJM Corporation Bhd, via its wholly owned subsidiary IJM Construction Sdn Bhd, has secured a RM1.4bn contract to build a large-scale data centre in Johor Bahru, its biggest data centre project to date. This marks IJM Construction's fourth data centre project in Johor. The client's identity was not disclosed in the group's Friday statement. The fast-track contract involves constructing a six-storey data centre with integrated office facilities, as well as a refuse and recycling facility. It boosts IJM Corp's outstanding order book to RM9.2bn, from RM7.6bn as at end-March 2025. *(The Edge)*

SDS: Buys Mamee's factories in Johor for RM28m

SDS Group Bhd is acquiring factories, production lines and related assets from Mamee Bakery Sdn Bhd in Plentong, Johor for RM28m as part of its expansion. The assets include the factories' full production lines of machinery, equipment and tools for producing and packaging London/Tora Swiss Roll, layer cakes and bear cakes. Its indirect wholly-owned subsidiary, SDS Top Baker Sdn Bhd, signed the agreements on Friday. According to its bourse filing, the acquisitions will enhance manufacturing capacity and operational scalability, enabling the group to better meet growing demand and adapt to changing consumer preferences. *(The Edge)*

BMGREEN: Bags RM95m job to develop solar plant

Biomass boiler manufacturer BM Greentech Bhd secured a RM95m job on Friday for the development of a 29.9-megawatt alternating current (MWac) solar photovoltaic plant. In a bourse filing, the group said the plant will operate under the New Enhanced Dispatch Arrangement (NEDA) as part of the Energy Commission's Corporate Green Power Project initiative. The location of the plant was not disclosed. The first contract, which is the RM64.8m procurement contract, covers the supply of machinery, equipment and materials, including photovoltaic panels and mounting structures. *(The Edge)*



Upcoming key economic data releases	Date
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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