



Daily Newswatch

Market Review

The FBM KLCI closed higher on Tuesday at 1,590.2, supported by sustained buying in selected heavyweights, despite cautious sentiment in regional markets. Also bolstering gains was positive trade data released by the Ministry of Investment, Trade and Industry, which showed a rebound in exports in July amid a surge in electrical and electronic product demand. Among index constituents, the top gainers were SIME (+3.5%), SUNWAY (+2.3%), and PCHEM (+1.9%), with market breadth at 439 gainers versus 411 losers. Sector-wise, Energy (+1.6%) led the gainers, followed by Health Care (+0.8%) and Industrial Products & Services (+0.5%).

Asian stocks ended lower, with China's market declining as shares related to robots, diesel generators, and liquor led the gains, while insurance, PEEK plastics, and defense stocks were among the biggest decliners. The Shanghai Composite closed flat at 3,727.3. Meanwhile, the Hang Seng Index dropped 0.2% to 25,122.9, dragged lower by tech stocks, while real estate and EV shares rose on Beijing's housing and consumption pledges.

The EURO STOXX 50 slipped on Tuesday, despite stronger-than-expected corporate earnings from major European companies and resilient manufacturing-sector data. Investor caution over rising geopolitical tensions and the uncertainty surrounding upcoming central bank meetings outweighed optimism, leading the index to drop 0.9% to close at 5,483.3.

US equities ended mixed on Tuesday, driven lower by a sell-off in some of this summer's biggest winners, such as Palantir and Advanced Micro Devices. Investors were instead bidding up some of this year's less favored sectors, such as utilities and healthcare. The economy has been unexpectedly resilient to President Trump's tariffs, but the job market has slowed, and some measures of inflation are edging higher. New data on Tuesday pointed to a stronger-than-expected homebuilding industry, with a jump in housing starts last month. As a result, the Dow ended flat, while the Nasdaq dropped 1.5%, and the S&P 500 declined 0.6%.

Macro Snapshots

- US:** Trump widens metal tariffs to target baby gear, motorcycles
- MY:** Foreign worker quota reopened till Dec 31, says home minister
- MY:** July exports rebound sharply driven by record electronics shipments
- JP:** 20-year bond auction highlights lingering fiscal concerns
- VN:** Touts US\$48bn in project investments to spur growth
- UK:** Wealth tax would spur millionaire exits to US, survey says

Corporate Snapshots

- AEON:** Launch JV to build centralised membership and data platform
- SHANG:** 2Q net profit more than doubles to RM4m, declares three sen dividend
- CYPARK:** Secures RM1.3bn financing from MBSB Bank to refinance RE assets
- KNM:** Proposes regularisation plan to exit PN17 status after nearly three years
- SRIDGE:** Cyberjaya data centre project falls through as PKNS unit exits JV

| Key Indices | Last Close | Daily chg % | YTD chg % |
|-------------|------------|-------------|-----------|
| FBM KLCI | 1,590.2 | 0.3 | (3.2) |
| Dow Jones | 44,922.3 | 0.0 | 5.6 |
| Nasdaq CI | 21,315.0 | (1.5) | 10.4 |
| S&P 500 | 6,411.4 | (0.6) | 9.0 |
| SX5E | 5,483.3 | 0.9 | 12.0 |
| FTSE 100 | 9,189.2 | 0.3 | 12.4 |
| Nikkei 225 | 43,546.3 | (0.4) | 9.2 |
| Shanghai CI | 3,727.3 | (0.0) | 11.2 |
| HSI | 25,122.9 | (0.2) | 25.2 |
| STI | 4,216.2 | 0.7 | 11.3 |

| Market Activities | Last Close | % Chg |
|-----------------------|------------|-------|
| Vol traded (m shares) | 2,599.1 | 2.3 |
| Value traded (RM m) | 2,744.6 | 1.0 |
| Gainers | 439 | |
| Losers | 411 | |
| Unchanged | 474 | |

| Top 5 Volume | Last Close | Daily chg % | Vol (m) |
|--------------|------------|-------------|---------|
| VELESTO | 0.190 | 2.7 | 78.4 |
| TANCO | 0.730 | (0.7) | 72.0 |
| TWL | 0.025 | 0.0 | 65.1 |
| ZETRIX | 0.865 | (3.9) | 52.7 |
| GENETEC | 0.565 | (9.6) | 48.9 |

| Top 5 Turnover | Last Close | Daily chg % | Val (RM m) |
|----------------|------------|-------------|------------|
| TM | 7.210 | 0.1 | 173.6 |
| MAYBANK | 9.800 | 0.2 | 142.0 |
| GAMUDA | 5.700 | 0.0 | 107.5 |
| CIMB | 7.390 | 0.8 | 102.4 |
| TENAGA | 13.720 | 0.7 | 86.4 |

| Currencies | Last Close | % Chg |
|-----------------|------------|-------|
| USD/MYR | 4.224 | (0.0) |
| USD/JPY | 147.620 | 0.0 |
| EUR/USD | 1.165 | 0.0 |
| USD/CNY | 7.183 | 0.0 |
| US Dollar Index | 98.265 | 0.1 |

| Commodities | Last Close | % Chg |
|--------------------|------------|-------|
| Brent (USD/barrel) | 65.8 | (1.2) |
| Gold (USD/troy oz) | 3,316.1 | 0.0 |
| CPO (MYR/metric t) | 4,409.0 | (0.9) |
| Bitcoin (USD/BTC) | 113,259.0 | (0.3) |



- **PESTEC:** Triggers PN17 after shareholders' equity falls below required level, seeks waiver

Macro News

US: Trump widens metal tariffs to target baby gear, motorcycles

President Donald Trump stunned the logistics industry on Friday by widening his steel and aluminium tariffs to include more than 400 consumer items that contain the metals, such as motorcycles and tableware. Customs brokers and importers in the US were given little notice to account for the change, which went into effect Monday and did not exclude goods in transit. The new tariff inclusion list was posted by the Customs and Border Protection agency just as many were leaving for the weekend and appeared in the Federal Register on Tuesday, creating fresh headaches for trade professionals. Official guidance has been muddled, especially for goods already on their way to the US, and it's unclear whether the metal levies stack on top of country-by-country tariffs. *(Bloomberg)*

MY: Foreign worker quota reopened till Dec 31, says home minister

Applications for the employment quota of foreign workers in three main sectors — agriculture, plantations and mining — as well as in 10 selected subsectors on a case-by-case basis, are now open until Dec 31. Home Minister Datuk Seri Saifuddin Nasution Ismail said that for the agriculture, plantation and mining sectors, applications for foreign worker employment are allowed for all subsectors under them. For the services sector, Saifuddin Nasution said the permitted subsectors are wholesale and retail, land warehouse, security guards, metal and scrap materials, restaurants, laundry, cargo, and building cleaning. *(Bernama)*

MY: July exports rebound sharply driven by record electronics shipments

Malaysia's exports defied expectations with a strong rebound in July, thanks to a sharp surge in shipments of electronics. Exports climbed to RM140.4bn, the highest since September 2022, marking a 6.8% increase from a year earlier, according to the Ministry of Investment, Trade and Industry (Miti). The print outperformed Bloomberg's median forecast of a 3.2% contraction. In June, exports had shrunk 3.5%. A broadly similar tariff rate imposed by the US across Asean will "continue to support our competitiveness," Miti said. The ministry added that it will stay vigilant amid shifting global trade dynamics and rising geopolitical tensions. *(The Edge)*

JP: 20-year bond auction highlights lingering fiscal concerns

Japan's 20-year government bond auction drew demand that was weaker than its 12-month average, reflecting investor caution about longer-dated debt facing fiscal risks like higher government spending and tax cuts. The sale saw a bid-to-cover ratio of 3.1, compared with 3.2 at the previous auction and a 12-month average of 3.2. Japan's bond futures extended losses and yields rose after the result. The nation's longer-maturity bonds have been in sharp focus after the ruling coalition lost its majority at last month's upper house election. Japanese Prime Minister Shigeru Ishiba's dismal election performance last month and the prospect of an early leadership race have investors speculating about fiscal expansion. Those concerns also come at a time when the Bank of Japan is gradually reining in its massive bond purchases, leaving a demand gap. *(Bloomberg)*

VN: Touts US\$48bn in project investments to spur growth

Vietnam on Tuesday said around 250 projects, with investments totalling about US\$48bn (RM202.8bn), are being pursued in the country as the government seeks to show it's boosting economic growth. The state is funding 129 projects ranging from urban development to transportation with a total investment of about 478tn dong (US\$18bn or RM77bn), according to a statement on the government's website. Another roughly US\$30.5bn in investments for 121 projects financed by other sources, including from a handful of foreign companies, are simultaneously getting underway, it said. *(Bloomberg)*

UK: Wealth tax would spur millionaire exits to US, survey says

More than half of UK millionaires in a survey signalled they'd be more likely to leave the country if the Labour government introduces a new wealth tax. About 60% of the respondents also said that they thought they could have a better quality of life overseas, according to the survey by financial advisory firm Arton Capital. Nearly half of the questioned millionaire Labour voters indicated they'd be more inclined to exit if a new levy was brought in. The US topped the rankings among wealthy Britons for potential relocation, followed by Canada, Australia and the United Arab Emirates, according to Arton's survey, indicating a desire for lower-tax environments and English-speaking countries. The firm polled more than a thousand UK residents with a net worth of at least £1m (US\$1.4m or RM5.9m) between the end of July and early August. *(Bloomberg)*



Corporate News

AEON Launch JV to build centralised membership and data platform

AEON Co (M) Bhd and AEON Credit Service (M) Bhd on Tuesday agreed to form a joint venture (JV) to create a centralised membership and data platform. This platform will unify customer loyalty and digital services across AEON's retail, financial, and digital businesses in Malaysia. The new entity, dubbed "AEON 360", will be owned 51% by AEON Credit and 49% by AEON Co, with an initial paid-up capital of RM50m. The JV is designed to consolidate AEON's disparate membership and loyalty programmes into a unified platform accessible through a single app, according to AEON Credit managing director (MD) Daisuke Maeda. The JV is targeting at least 10m active members within five years. (*The Edge*)

SHANG: 2Q net profit more than doubles to RM4m, declares three sen dividend

Hospitality group Shangri-La Hotels (Malaysia) Bhd's net profit more than doubled thanks to improved contributions from Shangri-La Hotel Kuala Lumpur and Rasa Sayang Resort, together with lower net financing charges. It reported a RM4.3m net profit in the second quarter ended June 30, 2025 (2QFY2025) from RM1.9m a year earlier. As a result, earnings per share for 2QFY2025 came in higher at 0.9 sen compared with 0.4 sen for 2QFY2024, its Bursa Malaysia filing showed on Tuesday. (*The Edge*)

CYPARK: Secures RM1.3bn financing from MBSB Bank to refinance RE assets

Cypark Resources Bhd has secured RM1.3bn in Islamic financing facilities from MBSB Bank Bhd to refinance its renewable energy (RE) assets in solar and waste-to-energy projects. Under the facilities, MBSB Bank will refinance Cypark's established renewable energy assets in solar and waste-to-energy. As at end-April, the group's long-term borrowings stood at RM1.2bn while short-term borrowings amounted to RM343.2m, on the back of a cash position of RM171.5m. (*The Edge*)

KNM: Proposes regularisation plan to exit PN17 status after nearly three years

KNM Group Bhd has proposed a regularisation plan to exit its Practice Note 17 status after being classified as financially troubled for nearly three years. KNM's regularisation plan includes selling Deutsche KNM GmbH (which owns crown jewel Borsig GmbH) for €270m (RM1.3bn), cutting its share capital to RM275.9m to erase accumulated losses and combining every four shares into one, the group's bourse filing on Tuesday showed. KNM's plan to cut its share capital will erase RM1.4bn in accumulated losses at the group level into RM432.7m retained earnings. (*The Edge*)

SRIDGE: Cyberjaya data centre project falls through as PKNS unit exits JV

Telecommunications services provider Silver Ridge Holdings Bhd's plan to build six data centres in Cyberjaya has collapsed after its joint venture partner, Selangor Industrial Corporation Sdn Bhd (SIC), a Perbadanan Kemajuan Negeri Selangor (PKNS) unit, withdrew from the deal. The project was to be developed on an eight-acre site in Cyberjaya owned by PKNS. Silver Ridge in a filing with the bourse said its unit, SR Total Digital Sdn Bhd, received notice of SIC's withdrawal from the joint venture. SIC pulled out, saying it couldn't get the required lease approvals, board resolution, or power of attorney from PKNS for the eight-acre land. (*The Edge*)

PESTEC: Triggers PN17 after shareholders' equity falls below required level, seeks waiver

Pestec International Bhd has triggered Practice Note 17 status because its shareholders' equity dropped to 50% or less of its issued share capital, based on its audited financial results for March 31, 2025 (FY2025). In a bourse filing on Tuesday, the power infrastructure engineering company said it will apply for a waiver from being classified as an affected listed issuer, pointing to measures it has undertaken to shore up its capital base. These include the listing of 231.7m restricted shares in June at 12 sen each, which lifted its share capital to RM420.7m from RM392.9m previously. (*The Edge*)



| Upcoming key economic data releases | Date |
|-------------------------------------|--------|
| EU – CPI (Jul) | Aug 20 |
| FOMC Minutes Meeting | Aug 20 |
| Initial Jobless Claims | Aug 21 |
| Fed Chair Powell Speech | Aug 23 |
| 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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