



Daily Newswatch

Market Review

The FBM KLCI rose 0.2% to 1,679 points on Wednesday as renewed weakness in global technology stocks and escalating tensions in West Asia prompted investors to rotate into more defensive and domestically oriented markets. Plantation (+0.6%), Transportation & Logistics (+0.5%) and Financial Services (+0.4%) led sectoral gains, driven by Petronas Chemicals (+2.4%), Kuala Lumpur Kepong (+1.8%) and Sunway Healthcare (+1.7%). Market breadth was bearish, with losers outnumbering gainers at 692 to 420, and 536 counters closing unchanged.

Asian markets closed broadly lower on Wednesday due to escalating Middle East tensions and a pullback in AI-related technology and semiconductor stocks prompted investors to reduce risk exposure. South Korea's KOSPI tumbled 4.5% to 7,730.8, while Taiwan's TAIEX fell 3.3% to 43,225.5. Japan's Nikkei 225 also retreated 1.9% to 64,179.3. In Greater China, losses were comparatively modest, with the Shanghai Composite easing 0.4% to 3,993.2 and Hong Kong's Hang Seng Index slipping 0.6% to 24,408. In China, losses were led by Utilities (-1.9%), Energy (-1.7%) and Information Technology (-1.7%), dragged by Shenzhen Fortune (-12.7), Suzhou Convert Semiconductor (-11.2%) and Hangzhou MDK Opto Electronic (-11.1%) while South Korea saw Electronic Technology (-6.3%), Technology Services (-5.5%) and Consumer Durables (-4.5%) led the losses, with Il Jeong Industrial (-29.1%), Joosung Corp (-12.7%) and Dae-Il Corp (-12.1%) among the worst performers.

European markets closed lower on Wednesday as investors remained cautious amid escalating Middle East tensions following US-Iran strikes and ahead of the ECB's monetary policy decision on Thursday. The STOXX 50 fell 0.7%, while the STOXX 600 was unchanged. Market sentiment was also influenced by expectations of a 25-basis point ECB rate hike and stronger inflation signals after US May CPI reached a three-year high of 4.2%, reinforcing expectations of a Federal Reserve rate hike in December. Meanwhile, UK banking stocks extended losses, while STMicroelectronics edged lower despite a broker upgrade.

US markets closed lower on Wednesday as escalating tensions in the Middle East following additional US strikes on Iran lifted oil prices and heightened concerns over inflation and potential interest rate hikes. Investor sentiment was further weighed down by renewed selling in technology and semiconductor stocks amid concerns over elevated AI-related valuations. The Dow fell 1.9%, while the S&P 500 and Nasdaq Composite declined 1.6% and 2.0%, respectively. Oracle shares also dropped more than 10% in extended trading after unveiling plans to raise an additional \$20bn to support its AI expansion.

Macro Snapshots

- **US:** Inflation Rate Accelerates to Fresh 2023-Highs
- **US:** Mortgage Applications Rise Most Since February
- **CN:** Consumer inflation stalls even as factory prices surge
- **MY:** VM2026 on track with 17.5 million tourist arrivals recorded as of May

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- **GAMUDA:** To acquire stake in another solar farm in Australia
- **ROHAS:** Bags second TNB contract in two days, worth RM42m
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- **OGX:** Bags RM97m job to supply fibre optic cables

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,679.0	0.2	(0.1)
Dow Jones	49,918.8	(1.9)	3.9
Nasdaq CI	25,169.5	(2.0)	8.3
S&P 500	7,267.0	(1.6)	6.2
SX5E	6,010.0	(0.7)	3.8
FTSE 100	10,254.8	0.3	3.3
Nikkei 225	64,179.3	(1.9)	27.5
Shanghai CI	3,993.2	(0.4)	0.6
HSI	24,408.0	(0.6)	(4.8)
STI	4,958.9	(1.3)	6.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,970.6	5.5
Value traded (RM m)	2,725.4	(6.0)
Gainers	420	
Losers	692	
Unchanged	536	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
HONGSENG	0.010	(33.3)	826.1
ZETRIX	0.845	2.4	199.2
VSI	0.210	5.0	43.9
SFPTECH	0.300	(7.7)	39.8
CAPITALA	0.400	(3.6)	38.9

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
ZETRIX	0.845	2.4	168.4
CIMB	7.400	0.4	121.5
MAY	10.680	0.6	120.3
PMAH	8.900	(0.7)	90.3
PBK	4.800	0.6	82.4

Currencies	Last Close	Daily chg %
USD/MYR	4.069	(0.2)
USD/JPY	160.540	0.0
EUR/USD	1.153	(0.0)
USD/CNY	6.776	(0.0)
US Dollar Index	99.947	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	93.1	1.8
Gold (USD/troy oz)	4,064.5	(0.2)
CPO (MYR/metric t)	4,450.0	(0.1)
Bitcoin (USD/BTC)	61,422.9	(0.5)

Source: Bloomberg



Macro News

US: Oil climbs after fresh US strikes on Iran over helicopter attack

Oil rebounded on Wednesday after the US launched fresh strikes against Iran following the downing of an American helicopter, posing a new threat to a fragile truce that has been tested by recent attacks in the Middle East. Brent crude rose as much as 2% to trade above US\$93 (RM377.86) a barrel, while West Texas Intermediate (WTI) rallied to US\$90, before paring gains after the US announced the end of its brief retaliatory campaign. Iran launched a drone strike on the US Fifth Fleet in Bahrain in response, state-run *IRIB* reported, along with attacks on American military facilities in Jordan and Kuwait. (*Bloomberg*)

US: Inflation Rate Accelerates to Fresh 2023-Highs

The annual inflation rate in the US rose to 4.2% in May 2026, marking its highest level since April 2023, from 3.8% in April and in line with market expectations. This represents the third consecutive monthly acceleration in headline inflation, with energy costs jumping 23.5% (vs 17.9% in April), due to the energy shock triggered by the conflict with Iran. Gasoline prices soared 40.5%, after a 28.4% gain. Fuel oil also increased 58.9% (vs 54.3%). In addition, inflation accelerated once again for shelter (3.4% vs 3.3%) and food (3.1% vs 2.3%). Compared to the previous month, the CPI was up 0.5%, slightly less than 0.6% in April, and in line with forecasts. Energy prices rose 3.9% and accounted for over 60% of the monthly gain. (*U.S. Bureau of Labor Statistics*)

US: Mortgage Applications Rise Most Since February

US mortgage applications increased by 10.8% in the first week of June, according to data from the Mortgage Bankers Association. This rebound follows a 2.5% decline in the previous period and ends a three-week streak of decreases, marking the highest rise since late February, even as benchmark mortgage rates climbed. Refinance applications, which are particularly sensitive to short-term interest rate changes, jumped by 15.3%, while applications for mortgages to purchase a home rose by 7.3%. (*Mortgage Bankers Association of America*)

US: Opec oil output lowest since at least 2000 as US blockade squeezes Iran, survey shows

Opec oil output in May hit its lowest in more than two decades, a *Reuters* survey found, as a US naval blockade cut Iran's exports and Iran's effective closure of the Strait of Hormuz slashed exports by other Gulf producers. Output by the 11-member Organization of the Petroleum Exporting Countries fell by 1.06 million barrels per day month-on-month to 16.13 million bpd, the survey found. That was the lowest monthly figure since at least 2000, according to *Reuters* surveys, and well below the levels seen during the Covid-19 pandemic in 2020 when demand collapsed. (*Reuters*)

US: Business group says some critical minerals are 'nearly unobtainable' from China

US access to critical minerals from China remains difficult due to export controls and licensing delays, a US business lobby said on Wednesday, with Beijing's restrictions driving three-quarters of impacted companies to search for new supplies. Introduced in April 2025 in retaliation for US President Donald Trump's tariffs, Beijing's controls tightly restrict exports of certain rare earths crucial for advanced manufacturing. That's despite Trump's deal with China's Xi Jinping in October in which the White House said China committed to "effectively eliminate" all current and proposed critical mineral export controls. (*Reuters*)

US: Consumer prices increase as expected in May

US consumer inflation increased at its fastest pace in three years in May as the Middle East conflict raised the price of gasoline and other energy products, giving more ammunition for the Federal Reserve to keep interest rates unchanged into 2027. The Consumer Price Index increased 4.2% in the 12 months through May, the largest gain since April 2023, the Labor Department's Bureau of Labor Statistics said on Wednesday. The CPI advanced 3.8% year-on-year in April. Prices increased 0.5% on a monthly basis after climbing 0.6% in April. Economists polled by *Reuters* had forecast the CPI increasing 4.2% year-on-year and gaining 0.5% on a monthly basis. (*Reuters*)

US: Rising fuel prices hit US farms as Iran war drags on

High energy costs are squeezing grain and soybean growers across the US farm belt, as the Iran war chokes fuel supplies through the Strait of Hormuz and pushes diesel prices to record highs in key agricultural states. Many farmers were already under pressure before the conflict and facing a fourth straight year of shrinking margins, battered by a resurgent drought, high input costs and fallout from US President Donald Trump's trade policies, which have weighed on crop prices. The conflict drove diesel prices in several states across the Midwest, America's primary corn and soybean-producing region, to new all-time highs in May, just as farmers ramped up plantings and other spring fieldwork. Wisconsin diesel hit US\$5.873 (RM23.88) per gallon, while Indiana reached US\$6.167, and Illinois rose to US\$6.14 in mid-May. (*Reuters*)

CN: Consumer inflation stalls even as factory prices surge

China's consumer inflation unexpectedly stalled in May even as factory prices gained at the fastest pace in almost four years, as higher commodity costs bring closer the end of a record streak of economy-wide deflation. The consumer-price index climbed 1.2% from a year earlier, rising at the same pace as in the previous month and missing the median estimate of 1.3% in a *Bloomberg* survey of economists. A 16% plunge in pork prices had a 0.3 percentage-point drag on the CPI, according to data published by the National Bureau of Statistics (NBS) on Wednesday. (*Bloomberg*)



JP: BOJ watchers see two rate hikes in 2026, starting with next week

Bank of Japan (BOJ) watchers are pencilling in two hikes to the benchmark interest rate this year — with the first coming next week — as they increasingly see the war in Iran as likely to spark a sustained run of inflation. Some 49 of 51 economists expect the BOJ will raise the key rate a quarter point to 1%, the highest since 1995, when the policy board concludes a two-day meeting on June 16, according to a survey by *Bloomberg News*. The poll also shows respondents seeing the rate rise to 1.25% by year-end, implying one more hike by then. The survey comes as elevated oil prices prompt monetary authorities around the world to shift towards a hawkish bias. (*Bloomberg*)

MY: VM2026 on track with 17.5 million tourist arrivals recorded as of May — deputy minister

Foreign visitor arrivals under the Visit Malaysia 2026 (VM2026) campaign are on a strong trajectory, with 17.5 million tourists recorded as of May, says Deputy Tourism, Arts and Culture Minister Chiew Choon Man. He said that in pursuit of the campaign's target of 47 million visitors, the ministry, through Tourism Malaysia, had organised various promotional programmes both domestically and abroad to attract more tourists to Malaysia. "We are also intensifying promotions through collaboration with local stakeholders such as travel agents, Key Opinion Leaders (KOLs) and the media to attract visitors to our country," he told reporters after launching the Visit Malaysia 2026 Special Registration Number (NPI) series here on Wednesday. (*Bernama*)

MY: Palm oil reserves jump most in five months as exports drop — MPOB

Palm oil stockpiles in Malaysia climbed at the fastest pace in five months as a sharp drop in exports overshadowed weaker production in the world's second-largest grower. Inventories in May climbed 5.2% from a month earlier to 2.43 million tonnes, according to data released by the Malaysian Palm Oil Board (MPOB) on Wednesday. The gain was more than double the 2.2% rise forecast in a *Bloomberg* survey. The buildup reflects a sharp slowdown in overseas shipments as buyers flocked to discounted Indonesian cargoes following Jakarta's overhaul of its key commodity exports. (*Bloomberg*)

MY: Malaysia, Japan to deepen energy, critical minerals ties amid supply security concerns

Malaysia and Japan have agreed to deepen cooperation in energy security and critical minerals supply chains, amid concerns over geopolitical risks, export restrictions and disruptions to global supply chains. The commitment was outlined in a joint statement issued after Prime Minister Datuk Seri Anwar Ibrahim and Japanese Prime Minister Sanae Takaichi held a bilateral summit in Tokyo on Wednesday. Both leaders reaffirmed the importance of the Partnership on Wide Energy and Resources Resilience Asia (POWER Asia), which was launched in April, as a platform to strengthen regional energy security amid the destabilisation of global energy supply and geopolitical risks stemming from the Middle East. (*The Edge*)

MY: Malaysia, Japan can strengthen regional tech supply chains — PM Anwar

Malaysia and Japan can make a meaningful contribution to strengthening regional supply chains, particularly in semiconductors, Prime Minister Datuk Seri Anwar Ibrahim said on Wednesday. He said Malaysia's strengths in assembly, testing and advanced packaging complement Japan's leadership in materials, equipment and advanced manufacturing, creating opportunities to build more resilient and integrated technology ecosystems. "This is where Malaysia and Japan can make a meaningful contribution," he said at the Nikkei Forum on "Navigating Strategic Uncertainty", held as part of the 31st Nikkei Forum under the theme "Working Together for a More Resilient and Prosperous Asia" here. (*Bernama*)

MY: Amir Hamzah warns of fiscal slippage, downplays recent ringgit drop

Malaysia may not meet its fiscal deficit targets for 2026 as the Iran war drives up the cost of fuel subsidies, Second Finance Minister Datuk Seri Amir Hamzah Azizan said, adding that longer-term goals remain intact. "If I end up at the end of the day, slightly short of the targets, it's okay," Amir said in an interview with *Bloomberg TV's* Haslinda Amin on Tuesday, underscoring that the government's priority right now is to protect vulnerable groups. However, Amir said the government remains determined to achieve its medium-term goal of bringing the fiscal deficit to below 3% of gross domestic product by 2028. That shortfall stood at 5.5% when Prime Minister Datuk Seri Anwar Ibrahim came to power in late 2022. (*Bloomberg*)

MY: MTA flags cautious 2026 outlook after record takaful growth in 2025

The Malaysian Takaful Association (MTA) expects a cautious outlook for the Islamic insurance industry in 2026, following record contributions in 2025, due to geopolitical tensions and other risks that may affect demand. It said businesses are facing higher costs, supply chain disruptions and raw material shortages, which could lead to higher consumer prices and reduce demand for their products, interim chairman Borhanudin Samsudin said during a speech on Wednesday. He added that customers continuing their takaful coverage is important for operators to keep providing protection services. (*The Edge*)

Corporate News

MAYBANK: Says Indonesian staff only witnesses in ongoing inquiry, not target of probe

Malayan Banking Bhd said its Indonesian unit is not the subject of any investigation, after media reports said bankers at Maybank Indonesia had been questioned by authorities over an ongoing matter involving certain corporate customers. In a statement on Wednesday, Maybank said Maybank Indonesia personnel have been requested to provide information as witnesses to assist the authorities. "Maybank Indonesia's personnel have been requested to provide information as witnesses to assist the authorities, and the bank is not the subject of any investigation," Maybank said. *(The Edge)*

GAMUDA: To acquire stake in another solar farm in Australia

Gamuda Bhd said on Wednesday it is acquiring a stake in Hazelwood North Solar Farm and battery energy storage system in Victoria, Australia. The 450-megawatt hybrid project is set to enter construction in 2028 with commercial operation expected in 2030, pending a final investment decision, Gamuda said in a statement. The acquisition is subject to approval from Australia's Foreign Investment Review Board. Transaction details on the acquisition and project's financials were not disclosed. *(The Edge)*

SCIENTX: 3Q net profit rises 15%, steps up cost control in packaging amid headwinds

Scientex Bhd, which posted a 14.8% increase in net profit for the third quarter, said it is undertaking proactive measures to ensure operational stability and supply reliability in its packaging division. The measures include closer engagement with customers, as well as ongoing cost optimisation and efficiency initiatives to enhance resilience and competitiveness, it said in a filing with the stock exchange, amid a challenging environment driven by geopolitical tensions, energy price volatility, and supply chain and logistics disruptions. *(The Edge)*

ANNJOO: JV disposes of second Gurun industrial plot in three months

Ann Joo Resources Bhd said on Wednesday its joint venture has disposed of a 62-acre industrial land parcel in Gurun Heavy Industrial Park, Kedah, in a deal worth RM119.6 million, marking its second land transaction in three months. In a bourse filing, the steel manufacturer said its indirect subsidiary Gurun Heavy Industrial Park Sdn Bhd (GHIP), together with Transyear Sdn Bhd, had entered into an agreement with Zichen Malaysia Sdn Bhd for the disposal of the land, known as Plot 5. Zichen is principally engaged in investment advisory services, business management consultancy, and the import and export of batteries and accumulators. *(The Edge)*

ROHAS: Bags second TNB contract in two days, worth RM42m

Rohas Tecnic Bhd's subsidiary has secured its second contract from Tenaga Nasional Bhd in two days, with the latest award worth RM42.4 million for fibre optic supply and services on the utility company's high-voltage infrastructure. In a filing with Bursa Malaysia on Wednesday, Rohas said the contract was awarded to its 86.8%-owned unit HG Power Transmission Sdn Bhd. The contract was originally awarded in August 2025 but only came into full effect following the execution of a letter of addendum dated June 5, which resolved outstanding administrative matters relating to sales and service tax treatment. *(The Edge)*

ISF: Secures subcontract for data centre sewerage works

End-to-end piping solutions provider ISF Group Bhd has secured a subcontract worth RM14.54 million to undertake internal sewerage works for a hyperscale data centre project. In a filing with Bursa Malaysia, ISF said its wholly-owned unit Yeo Plumber Sdn Bhd was awarded the job by a private limited company incorporated in Malaysia. ISF did not disclose the company's name, saying only that it is principally involved in civil engineering and building construction. The works are scheduled for completion by March 26, 2027. Following the award, ISF's unbilled order book has increased to RM153.5 million. *(The Edge)*

AMWAY: Appoints Leng Kek Mun as managing director

Amway (Malaysia) Holdings Bhd has announced the appointment of Jason Leng Kek Mun as its new managing director, effective Wednesday. Leng, 45, previously served as the general manager of Amway Malaysia and Brunei, according to the health and wellness company's filing with Bursa Malaysia. The managing director's position for Amway Malaysia was held by Mike Duong, who is also managing director of Amway Singapore, Indonesia, Brunei and the Philippines, according to the company's 2025 annual report. Amway Malaysia said Leng brings 20 years of experience in sales and marketing leadership roles within the fast-moving consumer goods industry in Malaysia, Singapore and Brunei. *(The Edge)*

OGX: Bags RM97m job to supply fibre optic cables

OGX Group Bhd has secured a RM96.64 million contract to supply fibre optic cables, patch panels and related materials for data centres. The products have to be delivered within six months to a client identified only as Customer E, OGX said in an exchange filing. The contract is expected to contribute to OGX's earnings for the financial year ending May 31, 2027. The contract is expected to strengthen OGX's presence in the data centre segment and enhance its participation in the broader data centre supply chain, the company said. OGX, which provides information technology infrastructure products and services, was listed on the ACE Market on March 12 at an initial public offering price of 35 sen per share. *(The Edge)*

CARIMIN: Extends Sealink's deadline to respond to privatisation proposal until end-June

Carimin Petroleum Bhd has granted Sealink International Bhd a further extension until end-June to decide on its proposal to take the company private at 41 sen per share in cash. In a bourse filing on Wednesday, Sealink said it had received a letter from Carimin granting an additional 21 days for the company to come to a decision regarding the privatisation proposal. This marks the second extension granted by Carimin. Sealink had earlier requested an additional 60 days from the original deadline of May 26 to consider the proposal, but was only granted a 14-day extension up to June 9. (*The Edge*)

TANCO: Limit-down for third straight day, nearly RM8bn wiped out in just days

Tanco Holdings Bhd fell to its lower-limit again on Wednesday as investors continued to dump shares of the property developer. The stock plunged as much as 30 sen, the maximum allowed decline for a stock under RM1 in a single day, less than 30 minutes after the opening bell. Tanco did not recover since then and ended the day at 50 sen as close to 38 million shares changed hands. Tanco did not respond to queries from *The Edge* regarding the latest decline in its share price. Wednesday's decline would mark the third straight day that Tanco hit its limit-down. The sharp fall also triggered a suspension of intraday short selling that happens automatically when a stock drops more than 15% or 15 sen from the previous day's closing price. (*The Edge*)

Upcoming key economic data releases	Date
US Retail Sales (MoM) (May)	June 17
US Core Retail Sales (MoM) (May)	June 17
US Fed Interest Rate Decision	June 18
US Philadelphia Fed Manufacturing Index (Jun)	June 18
US Initial Jobless Claims	June 18
<i>Source: Investing.com</i>	



Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.71	0.06	9.22
MBM Resources	Consumer	5.10	0.43	8.49
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.43
YTL Hospital REIT	REIT	1.01	0.08	8.02
KIP REIT	REIT	0.85	0.07	8.00
Paramount Corporation	Property	1.00	0.07	7.34
Ta Ann Holdings	Plantation	5.27	0.39	7.32
Sports Toto	Consumer	1.29	0.09	7.29
MAG Holdings	Consumer	1.27	0.09	7.09
Magnum	Consumer	1.27	0.09	7.09
Al-Salam REIT	REIT	0.50	0.03	6.80
Bermaz Auto	Consumer	0.90	0.06	6.37
Al-Aqar Healthcare REIT	REIT	1.18	0.07	6.36
Matrix Concepts Holdings	Property	1.22	0.08	6.31
TIME dotCom	Telco	6.03	0.38	6.30

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		
MM Computer Systems Berhad	ACE Market	0.22	56.7	47.3	25 May	11 June
Pentech Holdings Berhad	ACE Market	0.20	172.0	-	29 May	15 June
Elsa Berhad	ACE Market	0.23	118.4	52.5	3 June	16 June
Sum Technology Berhad	ACE Market	0.28	117.0	-	4 June	18 June
HSS Holdings Berhad	ACE Market	0.18	75.0	36.4	9 June	23 June
RT Pastry Holdings Berhad	ACE Market	0.18	91.5	-	15 June	29 June
Eckem Holdings Berhad	ACE Market	0.12	125.0	62.5	19 June	3 July

Source: Bursa Malaysia

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