MERCURY SECURITIES SDN BHD
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Daily Newswatch

Market Review

The FBM KLCI closed high 0.8% to 1,691.5 on Friday, shows a strong rebound in financial services stocks that lifted the overall market sentiment, in line with gains across regional markets. Easing concerns over Middle East tensions allowed investors to resume buying cyclical stocks. Plantation (+3.6%), Energy (+3.1%) and Consumer Products & Services (+2.2%) led sectoral gains, driven by Sunway Healthcare (+3.7%), both IOI Corp & Sunway (+3.4%) and IOI Properties (+2.7%), while Gainers outnumbered Losers 648 to 443 with 581 counters closed unchanged. WoW: Industrial Products & Services (+1.7%), Health care (+1.2%) and Energy (+1.2%) led sectoral gains, driven by Petronas Chemicals (+5.1%), CelcomDigi (+4.0%) and Kuala Lumpur Kepong (+3.5%).

Asian markets closed mostly positive on Friday, led by chip and AI firms, as investors brushed off concerns over stalled energy supplies through the Strait of Hormuz despite escalating US-Iran tit-for-tat attacks. KOSPI led gains (+2.5% to 7,475.9), followed by Nikkei 225 (+1.2% to 68,557.7), Hang Seng (+0.6% to 24,175.1), TAIEX (-0.8% to 45,354.6) and Shanghai Composite (-1.0% to 3,996.2). China's losses were led by Electronic Technology (-4.0%), Process Industries (-2.1%) and Producer Manufacturing (-1.6%), while South Korea gained on Producer Manufacturing (+5.7%), Finance (+5.4%) and Health Services (+5.0%). Hong Kong was supported by Health Technology (+2.9%), Miscellaneous (+2.7%) and Non-energy Minerals (+1.7%). WoW: KOSPI (+5.8% to 8,088.4) led, followed by Nikkei 225 (+1.5%), Hang Seng (+1.3%), Shanghai Composite (+0.4%) and TAIEX (+0.1%).

European stocks closed mixed on Friday, capping a volatile week as tech weakness offset bank gains. The Euro STOXX 50 fell 0.2% to 6,270, while the STOXX Europe 600 was flat at 641. ASML fell 2.1%, Siemens Energy lost 2.6%, and Infineon slipped 1.3%, despite strong demand for SK Hynix's US debut. Meanwhile, BBVA, Deutsche Bank, and UniCredit gained around 1.5% as Eurozone bonds extended gains and oil prices eased. WoW: Euro STOXX 50 lost 0.8% and the STOXX Europe 600 fell 0.7% from last Friday's record highs.

Wall Street closed higher on Friday ahead of earnings season. The S&P 500 rose 0.4%, the Nasdaq CI gained 0.3%, and the Dow rise 0.3%. SK Hynix ADRs surged 12.8% above their IPO price after raising US$26.5 bn in the largest-ever US listing by a foreign company. Chipmakers were mixed, with Nvidia (+4.0%) and AMD (+2.0%) higher, while Broadcom (-0.3%) and Intel (-2.4%) fell. Meta jumped 6.0% after a bullish SemiAnalysis report on its AI compute business. Easing oil prices supported financials, with JPMorgan (+0.3%), Bank of America (+0.7%), and Mastercard (+0.7%) higher. Applied Materials (+2.4%) and Caterpillar (+1.6%) also advanced. WoW: S&P 500 flat, Nasdaq fell 0.8% while the Dow rose 1.1%

Macro Snapshots

- **US:** Traders hedge for FX volatility return as Fed uncertainty builds
- **CN:** Omits job goal for first time in decades as AI spreads
- **MY:** Growth could be in upper half of 4%-5% range — BNM governor

Corporate Snapshots

- **LFG:** Acquires two Ultramax bulk carriers for RM213m
- **GFM:** Services bags contracts worth RM148m
- **ADVCON:** Bags RM121m construction and earthworks job in Port Dickson

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,691.5	0.8	0.7
Dow Jones	52,637.0	0.3	9.5
Nasdaq CI	26,281.6	0.3	13.1
S&P 500	7,575.4	0.4	10.7
SX5E	6,270.0	(0.2)	8.3
FTSE 100	10,497.3	0.2	5.7
Nikkei 225	68,557.7	1.2	36.2
Shanghai CI	3,996.2	(1.0)	0.7
HSI	24,175.1	0.6	(5.7)
STI	5,469.3	0.7	17.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	2,848.1	7.8
Value traded (RM m)	2,246.5	2.5
Gainers	648	
Losers	443	
Unchanged	581	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TANC	0.195	2.6	98.3
ZETRIX	0.750	3.4	90.9
NATGATE	0.880	9.3	71.9
HHR	0.110	15.8	42.0
SRKKAI	0.600	(1.6)	31.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
PMAH	7.700	1.9	114.5
MAY	10.900	0.4	111.1
TNB	14.300	0.0	93.7
CIMB	7.640	0.5	90.3
ZETRIX	0.750	3.4	67.2

Currencies	Last Close	Daily chg %
USD/MYR	4.072	0.1
USD/JPY	161.680	0.4
EUR/USD	1.142	(0.1)
USD/CNY	6.777	0.2
US Dollar Index	100.952	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	76.0	(0.4)
Gold (USD/troy oz)	4,119.9	(0.1)
CPO (MYR/metric t)	4,455.0	(0.6)
Bitcoin (USD/BTC)	64,118.3	0.5

Source: Bloomberg

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Macro News

US: Demands Iran declare Hormuz open to all ships

The US is demanding that Iran issue a public statement that all channels of the Strait of Hormuz are open to shipping and that they will not attack transiting civilian vessels, according to senior administration officials. The officials, who briefed reporters on condition of anonymity on Friday, said they expect talks to continue despite the latest flare-up in tensions with Iran. Still, the US officials warned that failure to do so by Tehran to deliver the public assurance would result in consequences. An official said that the US expects Iran to say something publicly to allay US concerns. *(Bloomberg)*

US: NYC lawyers slam new tax on luxury second homes as 'half-baked money grab'

Frustrated real estate lawyers are pleading with New York City officials for more details on how a new tax on luxury second homes is going to work ahead of the Aug 30 deadline when owners will find out how much they have to pay. Several dozen real estate brokers and tax attorneys weighed in at a remote Department of Finance hearing on Thursday, commenting on a bare-bones regulatory framework the city issued last month after the state enacted the new tax as part of its annual budget in late May. *(Bloomberg)*

US: Traders hedge for FX volatility return as Fed uncertainty builds

Currency traders are starting to buy protection against bigger exchange-rate swings after months of calm, as banks warn that shifting Federal Reserve expectations and elevated geopolitical tensions could be about to jolt markets. A gauge of expected volatility in major currencies over the coming month has edged higher in recent weeks, though it remains only slightly above five-year lows touched in June, and well below this year's average. Simarly, one-year euro-dollar implied volatility has ticked up from 2022 lows, though one-month euro-Swiss franc volatility remains at the lowest in more than a decade. *(Bloomberg)*

US: Markets brace for renewed funding pressure as leverage rises

US equity funding markets remain stretched in the wake of last month's spike in short-term borrowing costs, as near-record stock prices and a frenzy over popular technology shares fuel demand for leverage. Concerns centre on the equity repurchase or repo market, where investors and traders borrow short-term cash against stock holdings. Ahead of the June quarter-end, financing costs in that market surged as demand for leveraged equity exposure intensified. (*Reuters*)

US: Direct-lending activity falls even as private credit firms raise more cash

Direct lending by US private credit firms fell sharply in the second quarter even as fund-raising by such firms rebounded, underscoring the deviation between capital raised for the asset class and the deal flow to absorb it. North America-focused closed-end direct-lending funds raised US$16.25bn in the quarter, up from US$1.3bn in the first quarter, according to Preqin data, the highest in two years. But lending volumes moved in the opposite direction. (*Reuters*)

EU: ECB is back to square one as US-Iran war resumes

The European Central Bank (ECB) is back to square one in its fight against high inflation in the euro zone after new hostilities between the US and Iran caused energy prices to rise again, ECB policymaker Yannis Stournaras said on Friday. The ECB raised rates at its June 10-11 meeting and investors expect it to do so twice more over the next year to contain the fallout from the Iran war on fuel costs. "Hostilities started again," Stournaras, the Greek central bank governor, told an event in Greece. (*Reuters*)

EU: Financial stability watchdog examining private credit risks, adviser says

The EU's financial stability watchdog is examining the risks private credit poses to the region's banks and economy, one of its advisers said, and may recommend regulators be given greater direct oversight of the US$3.1tn shadow lending industry. Richard Portes, a member of the European Systemic Risk Board's advisory committee and co-chair of a recently launched credit taskforce, told *Reuters* it is focusing on the role of private credit in the macro-economic cycle. (*Reuters*)

CN: Omits job goal for first time in decades as AI spreads

China dropped a numerical target for urban job creation over the next five years for the first time in decades, in an apparent nod to rising uncertainty over employment as AI spreads through the economy. The government will instead keep new urban jobs at a "considerable scale" in 2026-2030, according to a five-year plan released Thursday by the Ministry of Human Resources and Social Security. Annual targets will be set flexibly based on each year's conditions, it said. *(Bloomberg)*

JP: Signals massive pension shift to domestic assets, sparking rally in yen, bonds

Japan's finance minister said on Friday the government aims to steer the country's vast state pension funds to "substantially" increase investments in domestic assets, sparking gains in the yen and bonds as investors bet bns of dollars could be channelled into Japanese markets. The comments put the spotlight on the Government Pension Investment Fund (GPIF), the world's largest pension fund, which managed ¥293.6tn (US$1.8tn or RM7.4tn) in assets at the end of March. (*Reuters*)

MY: Palm oil stockpiles up 4.78% to 2.54m tonnes in June — MPOB

Malaysia's palm oil stockpiles rose 4.78%, or 116,123 tonnes, to 2.54m tonnes in June from 2.43m tonnes a month earlier, according to the Malaysian Palm Oil Board (MPOB). The MPOB said crude palm oil (CPO) stocks increased 3.75%, or 48,153 tonnes, to 1.33m tonnes in June 2026 from 1.28m in May 2026. "Processed palm oil stockpiles surged 5.94% to 1.21m tonnes from 1.14m tonnes," it said in its June industry performance report. *(Bernama)*

MY: And Thailand in talks to resolve sea bass, prawn trade issues

Malaysia and Thailand are in talks to address concerns surrounding the trade of sea bass and prawns, with both countries working towards an amicable resolution. Fisheries director general Datuk Adnan Hussain said the discussions focused on enhancing technical requirements to facilitate trade without compromising biosecurity, food safety and aquatic animal health. *(Bernama)*

MY: Consumer splurge at slower pace in May as wholesale, retail trade moderate

Malaysian consumers continued to splurge in May but at a slower pace, as wholesale and retail trade moderated during the holidays-filled month. Wholesale and retail trade totalled RM171.3bn, an increase of 11% compared with the same month in 2025, the Department of Statistics Malaysia said in a statement. In April, distributive trade rose 15.3% year-on-year, the strongest expansion in nearly four years largely driven by higher prices. *(Bernama)*

MY: Growth could be in upper half of 4%-5% range — BNM governor

Malaysia's economy continues to show resilient growth despite the ongoing West Asia conflict, Bank Negara Malaysia (BNM) governor Datuk Seri Abdul Rasheed Ghaffour said. The economy expanded 5.4% in the first quarter of the year. In an interview with *Bernama*, he said high-frequency indicators point to some moderation in economic activity in the second quarter of 2026 (2Q2026. *(Bernama)*

MY: May jobless rate steady, labour market to stay resilient

Malaysia's jobless rate remained steady in May amid steady hirings as the labour market expanded with economic growth, official data showed. The unemployment rate in May was 3%, the Department of Statistics Malaysia (DOSM) said in a statement on Friday. Economists generally consider a 3% unemployment rate as the economy having full employment. While there are external uncertainties that may affect hiring activities in some industries, the overall labour market stability is expected to be sustained, the department said. (*The Edge*)

MY: MOF sees govt's statutory debt remaining below 65% of GDP in 2026

The federal government's statutory debt level, after taking into account borrowing requirements for 2026, is projected to remain below 65% of gross domestic product (GDP). The Ministry of Finance (MOF) stated that, from a debt management perspective, the government consistently ensures that the debt level remains below the statutory limit. (*Bernama*)

Corporate News

AAX: Thai tourism authority strengthen partnership

AirAsia Group Bhd and the Tourism Authority of Thailand (TAT) have strengthened their long-standing partnership through the signing of a memorandum of understanding (MOU) to jointly promote Thailand as one of the region's leading travel destinations. In a statement Friday, the aviation company said the three-year flight collaboration, spanning 2026 to 2029, marks a shared commitment to boost tourism, strengthen regional connectivity and inspire more travellers to discover the many experiences Thailand has to offer. (*Bernama*)

TALAMT: Shareholders reject bid to oust board at EGM

Talam Transform Bhd shareholders rejected all resolutions tabled at Friday's extraordinary general meeting (EGM) to remove its current board and appoint a fresh line-up, thwarting an attempt by a group of minority shareholders to seize management control. Shareholders voted to reject all 14 ordinary resolutions tabled to affect the boardroom coup at the EGM — the second this year pushed forward by a group of shareholders: Ang Lam Poah, Loo Leong Fatt and his daughter Loo Foong Lan — who collectively hold a 12.62% stake in the group. (*The Edge*)

LSH: Plans RM1.91 bil mixed-use Subang project with RM198 m land buy from Railway Assets Corp

Lim Seong Hai Capital Bhd on Friday announced it is planning a mixed development with an estimated gross development value (GDV) of RM1.91 bn in Subang Jaya after sealing an agreement to buy and develop 17.4 acres of land from Railway Assets Corporation (RAC) for RM197.9 m. In a Bursa Malaysia filing on Friday, the group said its wholly-owned Astana Setia Development Sdn Bhd had entered into a conditional sale and development agreement with RAC. (*Reuters*)

SUNSURIA: KL City Gateway appoints Maple Hospitality Group as hospitality management partner for Sutera Suites

KL City Gateway Sdn Bhd has entered into a strategic partnership with Maple Hospitality Group, appointing the firm as the hospitality and short-term rental management partner for Sutera Suites. According to a press statement on Friday, Sutera Suites is the inaugural development within the seven-acre KL City Gateway integrated transit-oriented masterplan, which is being jointly developed by Sunsuria Bhd and Suez Capital Sdn Bhd. *(The Edge)*

CDB: Appoints former MISC CEO Yee Yang Chien and Khazanah's Farid Mohamed Sani to board

CelcomDigi Bhd has appointed former MISC Bhd chief executive officer Datuk Yee Yang Chien as its new independent and non executive director.CIn separate Bursa Malaysia filings on Friday (July 10), the telecommunications group also appointed Dr Farid Mohamed Sani as a non-independent and non-executive director, following Vivek Sood's resignation from the same position. All boardroom changes took effect on Friday. *(The Edge*)

LFG: Acquires two Ultramax bulk carriers for RM213m

Lianson Fleet Group Bhd is acquiring two Ultramax-class bulk carriers for US$52.32m (RM213.2m) in cash. The marine logistics service provider said the vessel will be Lianson Fleet's first Ultramax-class bulk carriers, which is expected to strengthen the group’s earnings visibility, taking advantage of strong current charter rates and high utilisation rates. “Demand and charter rates for bulk carriers remain robust, supported by regional trade flows of bulk cargo and commodities. *(The Edge*)

GFM: Services bags contracts worth RM148m

GFM Services Bhd has secured contracts worth RM148.2m for maintenance works tied to the upcoming plant turnaround at the Pengerang Integrated Complex in Johor. The orders involve provision of manpower, tools, equipment, materials, consumables and other services for mechanical work on static equipment, the company said in a filing with the bourse. The timeline was not disclosed though GFM noted that the contracts will contribute to 2027 earnings. *(The Edge*)

ADVCON: Bags RM121m construction and earthworks job in Port Dickson

Advancecon Holdings Bhd has secured a RM121.66m subcontract to undertake construction and related earthworks for an off-river storage (ORS) facility for a water supply scheme development in Port Dickson, Negeri Sembilan, that is being built to supply water to a data centre there. In a bourse filing on Friday, the company said its wholly-owned subsidiary, Advancecon Infra Sdn Bhd, had accepted the letter of award on July 10 by an undisclosed customer. The works are scheduled to be completed within 30 months. *(The Edge*)

EMCC: Pawnbroker Evergreen Max Cash plans transfer from ACE Market to Main Marketto settle RM64.24m outstanding payment

Evergreen Max Cash Capital Bhd plans to transfer its listing to the Main Market from ACE Market. The company said in an exchange filing on Friday that it has fulfilled requirements for the transfer, including the profit requirements and healthy financial position. The transfer is expected to be completed by the fourth quarter of 2026. (*The Edge*)

MMM: Bursa rejects MMM Group's PN17 exit plan; delisting looms if August appeal fails

Bursa Malaysia has rejected MMM Group Bhd's proposed regularisation plan to exit its Practice Note 17 (PN17) status amid concerns about its proposed RM16m acquisition of outdoor advertising company EDSB Outdoor Sdn Bhd, the cornerstone of the plan. In a bourse filing, MMM said Bursa had informed the company via a letter on Friday that it was not satisfied that the proposed regularisation plan complied with listing rules, in that it be fair and reasonable to the company and its shareholders, and result in sustainable value enhancement. *(The Edge*)

SIMEPROP: ESR break ground on Metrohub 3 logistic facility in Klang

Metrohub 3, the fourth phase of SDPLOG’s E-Metro Logistics Park in Bandar Bukit Raja, Klang, has broken ground, with one of its two blocks holding a provision for dangerous goods storage, following increased electric-vehicle (EV) component demand in the Malaysian market. Its second block will be for general warehousing purposes. The groundbreaking ceremony was held on Friday for the 177-acre industrial park, the flagship asset of SDPLOG, a joint venture between Sime Darby Property Bhd and ESR Group. *(The Edge*)

Upcoming key economic data releases	Date
CPI (MoM) (Jun)	July 14
Core CPI (MoM) (Jun)	July 14
CPI (YoY) (Jun)	July 14
PPI (MoM) (Jun)	July 15
Retail Sales (MoM) (Jun)	July 16
Core Retail Sales (MoM) (Jun)	July 16
Philadelphia Fed Manufacturing Index (Jul)	July 16
Initial Jobless Claims	July 16
Source: Investing.com	

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Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.71	0.07	9.15
MBM Resources	Consumer	4.75	0.42	8.93
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.43
KIP REIT	REIT	0.84	0.07	8.10
Bermaz Auto	Consumer	1.03	0.08	7.96
YTL Hospital REIT	REIT	1.05	0.08	7.71
Paramount Corporation	Property	1.00	0.07	7.30
Al-Salam REIT	REIT	5.71	0.39	6.76
Sports Toto	Consumer	1.33	0.09	7.07
Ta Ann Holdings	Plantation	0.57	0.04	7.08
TIME dotCom	Telco	6.05	0.40	6.60
Al-Aqar Healthcare REIT	REIT	1.16	0.07	6.47
UOA Development	Property	1.29	0.08	6.20
MAG Holdings	Consumer	1.29	0.08	6.20
Magnum	Consumer	1.69	0.11	6.27

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		
Enest Group Berhad	ACE Market	0.13	116.3	15.1	02 July	15 July
Stratus Global Holdings Berhad	Main Market	0.80	356.3	-	10 July	21 July

Source: Bursa Malaysia

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