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# Daily Newswatch

## Market Review

**The FBM KLCI closed high 0.4% to 1,698.4 on Monday, shows investors rotated into defensive plantation stocks as firmer crude oil prices lifted sentiment towards the sector amid regional risk aversion, Strength in commodity-related sectors and resilient domestic market fundamentals are expected to lend support. Plantation (+2.0%), Energy (+0.6%) and Financial Services (+0.5%) led sectoral gains, driven by SD Guthrie (+3.4%), both IOI Corp and Press Metal Aluminium (+2.0%) and Kuala Lumpur Kepong (+1.3%), while Losers outnumbered Gaineers 440 to 653 with 533 counters closed unchanged.**

**Asian markets closed mostly bearish on Monday, as escalating conflict in the Middle East sent oil prices sharply higher, reviving concerns over global inflation and the prospect of further interest rate hikes. KOSPI led losses (-9.0% to 6,806.9), followed by Shanghai Composite (-2.1% to 3,913.8), Nikkei 225 (-2.0% to 67,242.7), Hang Seng (+0.2% to 24,213.7) and TAIEX (+0.1% to 45,380.5). China's losses were led by Commercial Services (-6.4%), Electronic Technology (-4.7%) and Producer Manufacturing (-4.6%), while South Korea losses on Electronic Technology (-12.5%), Industrial Services (-7.1%) and Finance (-6.1%). Hong Kong was supported by Energy Minerals (+1.8%), Consumer Non-Durables (+1.0%) and Communications (+0.7%).**

**European stocks closed slightly lower on Monday as escalating tensions in the Middle East weighed on sentiment. The Euro STOXX 50 edged flat to 6,271.0, while the STOXX Europe 600 (-0.1% to 641). Santander and Deutsche Bank fell more than 1% each as rising energy prices and sovereign yields tightened credit conditions. Meanwhile, ASML lost 1.8% and Infineon dropped nearly 3% after concerns that SK Hynix may miss earnings guidance pressured global chip stocks. In contrast, higher oil prices lifted energy producers, with TotalEnergies and ENI gaining 3% and 4%, respectively.**

**Wall Street closed lower on Monday amid chipmaker weakness and rising geopolitical tensions. The S&P 500 (-0.8% to 7,515.3), the Nasdaq CI (-1.6% to 25,873.2), and the Dow (-0.3% to 52,498.6). AI-related chipmakers declined on concerns over weaker hyperscaler spending, with SK Hynix ADRs (-8.6%), Nvidia (-3.5%), Broadcom (-4.0%), AMD (-4.2%), Intel (-6.1%), Sandisk (-12.6%), and Micron (-4.3%) lower. Markets also came under pressure after President Trump announced a blockade of Iranian ships in the Strait of Hormuz, raising energy-driven inflation concerns. Banks weakened ahead of earnings, with JPMorgan (-0.6%), Bank of America (-0.3%), and Goldman Sachs (-0.9%) lower.**

## Macro Snapshots

- **US:** Yields rise after attacks between US and Iran
- **EU:** Area outlook cut by economists as Iran war weighs on region
- **CN:** GDP growth set to slow, raising expectations for more stimulus
- **MY:** Govt reaffirms five commitments to strengthen plantation sector —Noraini

## Corporate Snapshots

- **SIMEPROP:** RM78.6m compensation overturned by court
- **MAXLAND:** Plans new rights issue to raise up to RM60m
- **VELESTO:** RM258.4m rig sale terminated as deal deadline lapses
- **PRKCORP:** Faces RM9m guarantee claim after associate defaults on project financing

| Key Indices | Last Close | Daily chg % | YTD chg % |
|---|---|---|---|
| FBM KLCI | 1,698.4 | 0.4 | 1.1 |
| Dow Jones | 52,498.6 | (0.3) | 9.2 |
| Nasdaq CI | 25,873.2 | (1.6) | 11.3 |
| S&P 500 | 7,515.3 | (0.8) | 9.8 |
| SX5E | 6,271.0 | 0.0 | 8.3 |
| FTSE 100 | 10,493.6 | (0.0) | 5.7 |
| Nikkei 225 | 67,242.7 | (1.9) | 33.6 |
| Shanghai CI | 3,913.8 | (2.1) | (1.4) |
| HSI | 24,213.7 | 0.2 | (5.5) |
| STI | 5,470.3 | 0.0 | 17.7 |

| Market Activities | Last Close | % Chg |
|---|---|---|
| Vol traded (m shares) | 3,096.8 | 8.7 |
| Value traded (RM m) | 2,238.3 | (0.4) |
| Gainers | 440 | |
| Losers | 653 | |
| Unchanged | 533 | |

| Top 5 Volume | Last Close | Daily chg % | Vol (m) |
|---|---|---|---|
| TANC | 0.240 | 23.1 | 356.2 |
| ZETRIX | 0.765 | 2.0 | 75.8 |
| VSI | 0.210 | 7.7 | 58.6 |
| HHR | 0.115 | 4.5 | 36.1 |
| PUC | 0.045 | 0.0 | 35.4 |

| Top 5 Turnover | Last Close | Daily chg % | Val (RM m) |
|---|---|---|---|
| PMAH | 7.850 | 1.9 | 128.4 |
| SDG | 6.450 | 3.4 | 110.7 |
| PBK | 4.920 | 0.6 | 112.4 |
| MAY | 10.940 | 0.4 | 83.1 |
| TANC | 0.240 | 23.1 | 79.0 |

| Currencies | Last Close | Daily chg % |
|---|---|---|
| USD/MYR | 4.071 | 0.0 |
| USD/JPY | 162.080 | (0.2) |
| EUR/USD | 1.143 | 0.1 |
| USD/CNY | 6.779 | (0.0) |
| US Dollar Index | 100.921 | (0.0) |

| Commodities | Last Close | % Chg |
|---|---|---|
| Brent (USD/barrel) | 78.6 | 3.4 |
| Gold (USD/troy oz) | 4,061.5 | (1.4) |
| CPO (MYR/metric t) | 4,472.0 | 0.4 |
| Bitcoin (USD/BTC) | 62,898.8 | (2.0) |

*Source: Bloomberg*

## Macro News

**US: Tech stocks skid, bond yields rise as Gulf conflict sends oil surging**

US and Iranian forces exchanged heavy missile and drone attacks over the weekend and into Monday, with Tehran striking US facilities across the Gulf and saying it had again closed the Strait of Hormuz, sending oil prices higher. Iran's Revolutionary Guards said on Monday they had targeted US military facilities in Bahrain and Kuwait, destroyed radar systems in Oman, and hit fuel tanks and ammunition depots at Prince Hassan Air Base in Jordan in response to US strikes. *(Reuters)*

**US: Stellantis shipments climb 10% on growth in North America**

Stellantis NV's shipments climbed 10% in the second quarter, fuelled by growth in North America, as the maker of Jeep sport utility vehicles and Ram pickup trucks pushes on with a turnaround plan. The manufacturer delivered an estimated 1.6m vehicles to dealers, distributors or directly to retail and fleet customers, Stellantis said on Monday. Shipments in North America jumped 38% as the automaker brought back models such as the Ram 1500 pickup truck with a Hemi V8 engine. *(Bloomberg)*

**US: Oil Jumps on Fresh US-Iran Strikes**

Crude oil rose more than 8% to $77 per barrel on Monday, the highest in about a month, after President Donald Trump said the US would reimpose a blockade on Iranian vessels using the Strait of Hormuz and seek payments on other cargo passing through the waterway. The comments followed renewed clashes between Washington and Tehran, with attacks on regional energy infrastructure adding to supply concerns. *(Bloomberg)*

**US: Yields rise after attacks between US and Iran**

US Treasury yields advanced on Monday, as hostilities between the US and Iran intensified and pushed up crude prices, fanning concerns about inflation pressures and their impact on Federal Reserve monetary policy. US and Iranian forces exchanged missile and drone attacks on Monday and clashed over control of the Strait of Hormuz, casting doubt on the viabnity of an interim deal to halt their war, with Iran announcing over the weekend that the strait was closed. (*Reuters*)

**EU: Area outlook cut by economists as Iran war weighs on region**

Growth in the euro zone is set to be weaker this year than previously predicted after hostilities in the Middle East resumed, economists say. Analysts cut their 2026 forecasts to 0.5% in a *Bloomberg* poll conducted July 3 to 8, according to the median of 56 estimates. That's lower than the 0.7% anticipated last month and the 0.8% projection in the European Central Bank's baseline. (*Bloomberg*)

**CN: GDP growth set to slow, raising expectations for more stimulus**

China's economy likely slowed in the second quarter after a solid start to the year, as weak domestic demand offset the boost from resilient exports during a global oil shock, fueling market expectations for fresh policy stimulus. Beijing is grappling with a deepening supply-demand imbalance, as strong industrial output, buoyed by AI-driven exports, contrasts with weakening consumption and private investment amid a prolonged property downturn and volatile global oil prices. (*Reuters*)

**CN: Aims to spur consumption in first five-year blueprint**

China is targeting retail sales of around 60tn yuan (US$8.85tn or RM27.9tn) by 2030 under a five-year plan to expand consumption, while pledging to raise household incomes. The plan, approved by the State Council and released on Monday, pledges to boost services consumption in areas including elderly care, childcare, healthcare, culture, tourism, sports and education. *(Reuters)*

**CN: Expands strategic mineral toolkit with new investment firm**

A new, Beijing-backed mining investment vehicle is aimed at bolstering China's grip on overseas resources, as the country pushes back against US and European efforts to curb its dominance of the mineral supply chain. Chinese companies have been aggressive buyers and builders of overseas mining assets for more than a decade, with a few champions leading the way. At a time when Western rivals were under shareholder pressure to cut spending, firms from the world's top metals consumer expanded in Congo's copper and cobalt production. (*Bloomberg*)

**Asia: Currencies slip on renewed Gulf conflict, Kospi tumbles over 9%**

Asian currencies weakened against the US dollar on Monday as renewed tension in the Middle East sent oil prices surging and revived fears of inflation, while South Korean shares fell over 9% to trigger a circuit breaker, led lower by SK Hynix. The US dollar index crept higher against a basket of major currencies on the day as renewed conflict in the Middle East sent oil prices 4% higher, fanning inflation fears as well as the prospect of rate hikes by central banks globally. *(Reuters)*

**MY: Anwar tells Miti, Economy Ministry to engage manufacturers on cost pressures**

Prime Minister Datuk Seri Anwar Ibrahim has directed the Ministry of Investment, Trade and Industry (Miti) and the Ministry of Economy to engage manufacturers facing mounting pressure from the global supply crisis to help ease cost pressures. In a post on X on Monday, Anwar, who is also finance minister, said the National Economic Action Council (MTEN), which he chaired earlier in the day, reviewed measures to strengthen the resilience of Malaysia's manufacturing sector (*Bernama*)

**MY: Consumer spending to moderate in 2H2026 amid cost pressures, say economists**

Economists expect Malaysia's distributive trade sector to remain on a positive growth trajectory this year, although expansion is likely to moderate in the second half as consumers become more cautious amid rising cost pressures. BIMB Securities kept its 2026 distributive trade growth forecast at 5.4% but expects growth to slow in the second half due to lower inventory buildup, higher costs, and cautious consumer spending amid subsidy concerns. (*The Edge*)

**MY: E&E account for almost half of Malaysia's total exports in first five months of 2026 — minister**

In the first quarter of 2026, the Malaysian economy expanded by 5.4%, supported by broad-based growth across services and manufacturing, said Economy Minister Akmal Nasrullah Mohd Nasir. Investment momentum also remains strong as Malaysia recorded RM92.8bn in approved investments during the first quarter of this year, with more than 50,000 jobs expected to be created. He added that during the first five months of 2026, electrical and engineering (E&E) exports expanded by 39.7% to RM382.9bn, accounting for 48.2% of Malaysia's total exports. (*The Edge*)

**MY: Govt reaffirms five commitments to strengthen plantation sector — Noraini**

The government has reaffirmed five commitments that will continue to guide the national agenda for the plantation sector, said Plantation and Commodities Minister Datuk Seri Dr Noraini Ahmad. "First, we will continue strengthening sustainability as the foundation of long-term competitiveness, ensuring that economic growth goes hand in hand with environmental responsibility and social inclusion, she said in her speech at the 11th International Planters Conference 2026 here on Monday (*Bernama*)

**MY: Shipping recovery to take time as Malaysian ports prepare for Hormuz backlog**

Ports, shipping lines and cargo owners are now confronting the formidable task of restoring global supply chains and clearing a backlog of vessels and cargo built up during months of conflict in and around the Strait of Hormuz, a process that industry players say could take weeks or even months. For Malaysia, the gradual restoration of shipping activity between Asia, the Middle East and Europe could translate into higher vessel traffic and cargo movements through ports along the Strait of Melaka, one of the world's busiest maritime trade routes representing nearly 22% of global trade and 29% of maritime oil. (*Bernama*)

## Corporate News

**TECHNAX: Drops debt settlement plan, to proceed with private placement**

Techna-X Bhd has scrapped its proposed RM1.17m debt settlement via the issuance of new shares. In a bourse filing on Monday, Techna-X said the plan was dropped after the company and its creditors mutually agreed to terminate the settlement agreements. As a result, the proposed issuance of 77.71m settlement shares announced on May 26 will no longer carried out. (*The Edge*)

**MUX: To acquire smart home appliance firm for RM150 m in all-share deal**

Mux Corporation Bhd has proposed to acquire smart home appliance rental and retail company Movon Sdn Bhd for RM150 m in an all-share transaction. The home appliance manufacturer is acquiring the entire issued share capital of Movon from Abletech Solutions Sdn Bhd and Datuk Dr Lim Jee Gin through the issuance of 220.59 m new Mux shares at 68 sen apiece, according to a bourse filing on Monday. (*The Edge*)

**MILLION: Diesel engine MRO services provider Million Reenergy files for ACE Market IPO**

Million Reenergy Bhd, a diesel engine maintenance, repair and overhaul (MRO) services provider, is seeking a listing on the ACE Market of Bursa Malaysia to raise funds for business expansion and working capital requirements. According to its draft prospectus filed with Bursa Malaysia, the initial public offering (IPO) comprises a public issue of 120m new shares and an offer for sale of 60m existing shares via private placement to selected investors. (*The Edge*)

**MAXLAND: Plans new rights issue to raise up to RM60m**

Maxland Bhd has proposed a rights issue of up to 2.41bn new shares to raise up to RM60.14m to fund its timber operations, tree plantation activities and working capital needs. The rights shares will be issued at 2.5 sen a piece on the basis of one rights share for every existing share held on a date to be announced later, the timber company said in a Bursa Malaysia filing on Monday. (*The Edge*)

**KSL: Offers reinvestment plan for final dividend**

KSL Holdings Bhd is offering shareholders the option to reinvest the company's final dividend of 10 sen per share for the year ended Dec 31, 2025 (FY2025). Under the dividend reinvestment plan, shareholders may elect to reinvest all or part of their dividend into new KSL shares, said the Johor-focused property developer in a bourse filing on Monday. (*The Edge*)

**AZRB: Unit slapped with two more winding-up petitions over unpaid works**

Ahmad Zaki Resources Bhd said its wholly-owned subsidiary Ahmad Zaki Sdn Bhd (AZSB) has been served with two more winding-up petitions over alleged unpaid claims totalling about RM1.78m, adding to a string of simar legal actions against the unit over the past two years. In a Bursa Malaysia filing on Monday, the engineering and construction group said petitions were served on AZSB last Friday (July 10) by solicitors acting for Tenaga Nirwana (M) Sdn Bhd and Muhibbah Engineering (M) Bhd. (*The Edge*)

**BURSA: Technology director Ashish Rege to step down July 14**

Bursa Malaysia Bhd said its director of group technology Ashish Jaywant Rege will step down effective July 14, following the expiry of his fixed-term employment contract. In a bourse filing on Monday, the exchange operator said it is in the process of appointing a new group technology director, while executive vice-president of applications, group technology Tan York Kie will serve as acting director of group technology from July 14 until the appointment is ma. (*The Edge*)

**RAIDEN: Engineering firm Raiden Holdings files for ACE Market IPO**

Raiden Holdings Bhd, an engineering services firm, is seeking a listing on the ACE Market to raise funds for expansion and its shareholders. The Johor-based company is now looking for a new 10,000-square-feet office in the Klang Valley and will add 32 people to its workforce to strengthen its presence in the central region, according to its draft prospectus. Raiden has yet to identify a property or the location of the office, it noted. (*The Edge*)

**SIMEPROP: RM78.6m compensation overturned by court**

Sime Darby Property Bhd lost its case for additional compensation from the government's acquisition of its land for the West Coast Expressway project. The Shah Alam High Court sided with the Malaysian Highway Authority and set aside the RM78.6m in severance and injurious affection awarded to its wholly-owned unit Sime Darby Property (Klang) Sdn Bhd, according to a bourse filing on Monday. The grounds of judgement have yet to be issued. (*The Edge*)

**PARKLAND: Melaka-based developer Parkland files for Main Market IPO**

Parkland Bhd, a Melaka-based property developer, has filed for a Main Market listing to raise funds for acquisition of land and for its shareholders. A joint venture agreement was signed with non-related party landowner Cahaya Bumimas Sdn Bhd for the rights to develop a 248-acre land in Johor into a commercial and industrial hub, its draft prospectus showed. Cahaya Bumimas is entitled to a minimum RM219.5m in instalments. (*The Edge*)

**UNITEDASIAPAC: Signs underwriting deal ahead of ACE Market IPO**

United Asiapac Energy Bhd has signed an underwriting agreement with TA Securities Holdings Bhd in conjunction with its proposed listing on the ACE Market of Bursa Malaysia Securities Bhd. In a statement, United Asiapac Energy said the initial public offering (IPO) will involve the issuance of 139.22m new shares. (*The Star*)

**TANCO: Secures building, earthworks approvals for smart AI port**

Tanco Holdings Bhd said its proposed smart AI container port in Port Dickson has secured approvals for its building, earthworks, road and drainage, and street lighting plans. The approvals were issued by the Port Dickson Municipal Council (MPPD) to the company's 79%-owned subsidiary Midports Holdings Sdn Bhd (MHSB), Tanco said in a filing with Bursa Malaysia on Monday. (*The Edge*)

**PRG: MD Andrew Chan steps down as boardroom tussle continues**

PRG Holdings Bhd announced on Monday that Andrew Chan Lim-Fai has stepped down as group managing director (MD) and executive director with immediate effect. PRG in a statement said Chan, 47, informed the board of his decision to resign as director on July 6 'in the company's best interest'. The board has appointed Steven Kang, managing director of PRG's energy efficiency business, as his replacement. (*The Edge*)

**VELESTO: RM258.4m rig sale terminated as deal deadline lapses**

Velesto Energy Bhd said the proposed sale of its Naga 3 jack-up drilling rig to Indonesia's PT Indonesia Drilling Energy for US$63m (RM258.4m) cash has been terminated after the transaction failed to complete by the agreed deadline. The oil and gas services provider said the sale and purchase agreement (SPA) was terminated on July 7 following the issuance of a notice of termination by its indirect subsidiary, Velesto Drilling 3 (L) Ltd (VD3L), to the buyer on June 30. (*The Edge*)

**PRKCORP: Faces RM9m guarantee claim after associate defaults on project financing**

Perak Corp Bhd said the group's 49%-owned associate has defaulted on RM18.36 m in financing repayments to Malaysia Debt Ventures Bhd (MDV), prompting the lender to recall the facility. The Practice Note 17 (PN17) group, however, said the default by Suaconcept Pro Sdn Bhd is not expected to materially affect the group's financial position or derail the implementation of its approved regularisation plan. (*The Edge*)

**KTC: To form JV with Yayasan Sarawak unit for Gardenia bakery manufacturing plant in Kuching**

Kim Teck Cheong Consolidated Bhd (KTC) has entered into a memorandum of understanding (MOU) with a wholly-owned subsidiary of Yayasan Sarawak to jointly undertake a bakery manufacturing business in Kuching. In a bourse filing on Monday, KTC said the proposed collaboration with Sanjung Etika Sdn Bhd involves the establishment and operation of a bakery manufacturing facility to produce, package and distribute Gardenia bakery products for consumers in Sarawak. (*The Edge*)

| Upcoming key economic data releases | Date |
|---|---|
| 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* | |

## Stock Selection Based on Dividend Yield

| | Sector | Price (RM) | Dividend/Share (RM) | Dividend Yield (%) |
|---|---|---|---|---|
| Sentral REIT | REIT | 0.72 | 0.06 | 9.09 |
| MBM Resources | Consumer | 4.76 | 0.42 | 8.91 |
| CapitaLand Malaysia Trust | REIT | 0.61 | 0.05 | 8.43 |
| KIP REIT | REIT | 0.84 | 0.07 | 8.14 |
| Bermaz Auto | Consumer | 1.02 | 0.08 | 8.04 |
| YTL Hospital REIT | REIT | 1.04 | 0.08 | 7.79 |
| Paramount Corporation | Property | 1.00 | 0.07 | 7.30 |
| Sports Toto | Consumer | 1.33 | 0.09 | 7.07 |
| Al-Salam REIT | REIT | 0.59 | 0.04 | 6.84 |
| Ta Ann Holdings | Plantation | 5.73 | 0.39 | 6.74 |
| TIME dotCom | Telco | 6.00 | 0.40 | 6.65 |
| Al-Aqar Healthcare REIT | REIT | 1.16 | 0.07 | 6.47 |
| MAG Holdings | Consumer | 1.27 | 0.08 | 6.30 |
| Magnum | Consumer | 1.27 | 0.08 | 6.30 |
| UOA Development | Property | 1.70 | 0.11 | 6.24 |

*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.*

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## 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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