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Daily Newswatch

Market Review

The FBM KLCI closed high 1.3% to 1,719.9 on Tuesday, shows investors psychological resistance amid a surge in crude oil prices as the US said it would reinstate a blockade of the Strait of Hormuz, casting fresh energy supply fears. Industrial Products & Services (+2.7%), Utilities (+1.3%) and Financial Services (+1.1%) led sectoral gains, driven by Petronas Chemical (+10.1%), Press Metal Aluminium (+4.3%) and Public Bank (+2.6%), while Losers outnumbered Gainers 538 to 548 with 585 counters closed unchanged.

Asian markets closed mostly bullish on Tuesday, after President Donald Trump said the US was reinstating its blockade of Iranian shipping in the Gulf and would collect a 20 per cent fee on cargo traversing the Strait of Hormuz. Shanghai Composite (+1.4% to 3,967.1) led losses, followed by Kospi (+0.7% to 6,856.8), Nikkei 225 (+0.7% to 67,242.7), Hang Seng (+0.5% to 24,340.7) and TAIEX (-1.4% to 44,738.0). China's gains were led by Non-Energy Minerals (+4.2%), Distribution Services (+4.0%) and Energy Minerals (+3.1%), while South Korea gains on Electronic Technology (+2.8%) and Miscellaneous (+0.2%). Hong Kong was supported by Distribution Services (+6.1%), Non-Energy Minerals (+4.1%) and Health Services (+2.8%).

European stocks closed slightly higher on Tuesday after softer US inflation data eased sovereign yields and improved sentiment. The Euro STOXX 50 edged up 0.1% to 6,280.2, while the STOXX Europe 600 gained 0.2% to 642.1. BNP Paribas, ING, and Deutsche Bank rose more than 1% as lower yields improved credit conditions for European lenders. Meanwhile, AI-related names advanced, with Schneider gaining 1.7% and Siemens Energy climbing 3% amid renewed optimism over AI infrastructure demand. ASML also rose 0.7% ahead of its earnings release on Wednesday.

Wall Street closed higher on Tuesday after softer inflation data all but ruled out a Fed rate hike this month. The S&P 500 gained 0.4% to 7,543.6, the Nasdaq CI rose 0.9% to 26,107.0, and the Dow Jones remains flat. Chipmakers rebounded from Monday's selloff, with Nvidia (+4.1%), Broadcom (+1.3%), and Micron (+4.9%) advancing. Banks were mixed after earnings, with JPMorgan (+2.5%) posting record quarterly profit, Bank of America (+1.8%) gaining, Citi (-5.3%) declining, and Goldman Sachs (+9.0%) surging on earnings beats. IBM tumbled 25.2% after missing expectations and warning of weaker client spending.

Macro Snapshots

- **US:** Consumer inflation slows more than expected in June
- **EU:** Aviation body reinstates Middle East flights warning as fighting resumes
- **CN:** Exports hit record US$412bn as AI adds to factory edge
- **MY:** Transport Ministry told to discuss usage of ports in country's border, says Anwar

Corporate Snapshots

- **PA:** Bags RM1.3bn contract extension from First Solar
- **FIBRO:** Secures RM140m roadworks subcontract in Sarawak
- **TSR:** Bags another KL-Karak highway widening contract worth RM130m
- **KPJ:** Goes big with RM5bn expansion

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,719.9	1.3	2.4
Dow Jones	52,508.3	0.0	9.2
Nasdaq CI	26,107.0	0.9	12.3
S&P 500	7,543.6	0.4	10.2
SX5E	6,280.2	0.1	8.4
FTSE 100	10,499.1	0.0	5.7
Nikkei 225	67,743.5	0.7	34.6
Shanghai CI	3,967.1	1.4	(0.0)
HSI	24,340.7	0.5	(5.0)
STI	5,495.6	0.5	18.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,525.7	13.8
Value traded (RM m)	2,756.0	23.1
Gainers	538	
Losers	548	
Unchanged	585	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TANC	0.315	31.3	359.2
VEB	0.270	(5.3)	144.2
HHR	0.150	30.4	78.0
VIVO	N/A	N/A	0.0
PBK	5.050	2.6	51.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
PBK	5.050	2.6	258.9
PMAH	8.190	4.3	139.5
TNB	14.400	0.7	108.5
SDG	6.500	0.8	106.4
TANC	0.315	31.3	99.4

Currencies	Last Close	Daily chg %
USD/MYR	4.078	(0.2)
USD/JPY	161.930	0.3
EUR/USD	1.145	0.6
USD/CNY	6.772	0.1
US Dollar Index	100.718	(0.5)

Commodities	Last Close	% Chg
Brent (USD/barrel)	86.8	4.2
Gold (USD/troy oz)	4,076.3	1.8
CPO (MYR/metric t)	4,515.0	1.0
Bitcoin (USD/BTC)	63,892.6	2.8

Source: Bloomberg

Macro News

US: Small-business sentiment rebounds in June, inflation a major worry for many

US small-business sentiment increased in June, but the share of owners reporting that inflation was their "single most important" problem was the highest in nearly two years, and more said they had raised average selling prices. The National Federation of Independent Business said on Tuesday that its Small Business Optimism Index rebounded 2.1 points to 97.4 last month, approaching its 52-year average of 98.0. (*Reuters*)

US: Iran and US step up attacks, battle over control of Strait of Hormuz

Iran fired ballistic missiles at a US air base in Jordan on Tuesday and the United States attacked Iranian targets for five hours in a battle for control of the Strait of Hormuz that has pushed up oil prices to four-week highs. US forces launched waves of attacks for the third successive night after Iran said on Saturday it was closing the strait, prompting US President Donald Trump to reinstate a blockade of Iranian shipping and propose charging a 20% fee to guard the vital waterway. (*Reuters*)

US: Palm oil advances as crude rally boosts outlook for biofuels

Palm oil climbed for a second day as a surge in crude prices fuelled by renewed US-Iran hostilities brightened demand prospects for biofuels. Futures for the vegetable oil rose as much as 1% in Kuala Lumpur, adding to a 0.5% increase in the previous session. Brent oil has gained more than 11% this week, rising above US$85 a barrel for the first time in a month, as the US launched fresh strikes on the Islamic Republic and US President Donald Trump reimposed a blockade on Iranian ships transiting the Strait of Hormuz. (*Bloomberg*)

US: Consumer inflation slows more than expected in June

US consumer inflation slowed more than expected in June, but that will probably offer little comfort to households or rule out an interest rate increase from the Federal Reserve this year, with the conflict in the Middle East still unresolved. The Consumer Price Index increased by a still-high 3.5% in the 12 months through June after surging 4.2% in May, which was the largest year-on-year rise since April 2023, data from the Labor Department's Bureau of Labor Statistics showed on Tuesday. The CPI fell 0.4% over the month after advancing 0.5% in May. (*Reuters*)

EU: Aviation body reinstates Middle East flights warning as fighting resumes

The European Union Aviation Safety Agency (EASA) on Tuesday reinstated and toughened its warning to airlines operating in the Middle East, telling them to avoid the airspace of Bahrain, Kuwait, Qatar, the United Arab Emirates and over the Gulf of Oman as the US-Iran war flared up again. Just a week ago, EASA withdrew its previous advisory following a brief easing of regional tensions as a result of last month's interim ceasefire between Tehran and Washington. (*Reuters*)

CN: PBOC boosts liquidity to smooth tax payments, debt issuance

China's central bank said its boosting longer-term liquidity injections through outright reverse repurchase agreements, a move expected to help companies and individuals handle upcoming tax payments and to sustain demand for debt issuance. The People's Bank of China said it will add 1.4tn yuan (US$207bn or RM844.1bn) via six-month outright reverse repo on Wednesday, according to an official statement. (*Bloomberg*)

CN: Trade surplus with EU hits record as tensions intensify

China's trade surplus with the European Union climbed to a fresh high, keeping the issue of growing imbalances high on the agenda as the bloc weighs new measures to shield local industries. With exports to the EU soaring to a record, China's surplus with the bloc rose 27% from a year earlier to US$32.9bn (RM134.16bn) in June, according to Chinese customs data released on Tuesday. The country's surplus with Germany more than doubled year-on-year while plunging 81% with France. (*Bloomberg*)

CN: Exports hit record US$412bn as AI adds to factory edge

China exported a record US$412bn (RM1.68tn) worth of goods in June, blowing past all forecasts as factories gain a competitive edge in high-end industries that will draw scrutiny abroad as it generates record trade surpluses with countries from Asia to Europe. Turbocharged by a global investment supercycle in artificial intelligence (AI), exports climbed 27% from a year earlier, the most in four months, according to data released by the General Administration of Customs on Tuesday. (*Bloomberg*)

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*)

CN: Growth seen weakening to bottom of official target range

China's economic growth is expected to have weakened as of the mid-year mark, once again stoking questions about whether policymakers will accelerate government spending to ensure they meet their annual target. Economists see the government on Wednesday reporting a 4.5% gain in gross domestic product (GDP) for the second quarter, according to the median forecast in a *Bloomberg* survey. That would be down from the 5% year-on-year increase in the first three months of the year and leave growth skirting the bottom of Beijing's 2026 target range of 4.5% to 5%. *(Bloomberg)*

MY: Moody's keeps Malaysia rating at A3 with stable outlook, expects country to outpace peers in 2026 — MOF

Moody's Ratings has affirmed Malaysia's long-term local and foreign currency issuer ratings at A3 with a stable outlook amid a diversified and competitive economy, strong medium-term growth prospects, abundant natural resources and deep domestic savings, according to the Ministry of Finance (MOF). In a statement on Tuesday, MOF noted that Moody's also expects the country's economy to outpace all other A-rated peers in 2026 despite geopolitical tensions in West Asia, volatile global energy prices and softer external demand. (*The Edge*)

MY: Transport Ministry told to discuss usage of ports in country's border, says Anwar

The Transport Ministry has been asked to discuss the use of ports at the Malaysia-Thailand border as well as in Penang to strengthen infrastructure development and logistics networks in the border area. Prime Minister Datuk Seri Anwar Ibrahim said aspects of transport, including the use of ports, were among the matters discussed with his Thai counterpart Anutin Charnvirakul during the leader's recent official visit to Malaysia. *(Bernama)*

MY: Able to handle higher fuel costs for now, supply still sufficient — Anwar

Malaysia is able to handle higher fuel costs for now, Prime Minister Datuk Seri Anwar Ibrahim said, reiterating that supplies remain sufficient amid renewed West Asia tensions. While off earlier peaks, higher prices will affect Malaysia's imports of oil, natural gas, and diesel, Anwar told the Dewan Rakyat on Tuesday. The real challenge, however, "is how to ensure that supplies remain under control even though fuel costs have increased," he said. *(The Edge)*

Corporate News

CPETECH: Japan's Kanekita to venture into semiconductor components manufacturing

Engineering precision parts maker CPE Technology Bhd is partnering with Japanese surface-treatment specialist Kanekita Co Ltd to establish a semiconductor-focused manufacturing venture. In a filing with Bursa Malaysia on Tuesday, CPE Technology said under the joint venture agreement signed on July 14, it will provide its manufacturing capabnities while Kanekita contributes its passivation technology expertise to produce high-value stainless-steel components for the semiconductor industry. (*The Edge*)

EPICON: Proposes RM543.16m deal for 60% stake in Lagenda construction units

Epicon Bhd has proposed to acquire a 60% stake in Lagenda Properties Bhd's construction units — Rantau Urusan (M) Sdn Bhd (RUSB) and LPB Construction Sdn Bhd (LPBC) — for RM543.16m to strengthen and expand its construction business. In a filing with the bourse, the company said the RM543.16m purchase price will be settled by assuming RM125.82m in debt owed by the Lagenda group to the target companies, with the balance paid through the issuance of 1.86 bn new Epicon shares and 1.35bn Class A redeemable convertible preference shares (RCPS), both priced at 13 sen each. (*The Edge*)

PA: Bags RM1.3bn contract extension from First Solar

PA Resources Bhd said it has renewed its agreement with First Solar Inc, First Solar Malaysia Sdn Bhd and First Solar Vietnam Manufacturing Co Ltd for the supply of aluminium extrusion profile used in the production of photovoltaic modules. The RM1.31bn contract is for an 18-month period from July 2026 to December 2027. This is the fifth supply agreement secured by PA Resources from First Solar. In a filing with Bursa Malaysia on Tuesday, the aluminium extruder said the contract is expected to enhance its operational efficiency through improved production scheduling, materials planning, manpower utilisation and logistics coordination. (*The Edge*)

FIBRO: Secures RM140m roadworks subcontract in Sarawak

Fibromat (M) Bhd has secured a RM140m subcontract to undertake the construction of the Limpaku Pinang access road in Sarawak's Limbang Division. The subcontract was awarded by Hexatrend Sdn Bhd with the work scheduled to be completed in June 2029, the ACE Market-listed geotechnical engineering group said in a bourse filing on Tuesday. *(The Edge)*

TSR: Bags another KL-Karak highway widening contract worth RM130m

TSR Capital Bhd has secured a RM130 m construction job to widen a stretch of the Kuala Lumpur-Karak Highway. The contract, awarded by AFA Construction and Engineering Sdn Bhd to its wholly-owned unit TSR Bina Sdn Bhd, covers earthworks and associated works for Package 2B of the Kuala Lumpur-Karak Highway widening project, spanning KM19.2 to KM39.0 (Section 1) and KM39.0 to KM64.5 (Section 2). AFA Construction and Engineering is a unit of AFA Prime Bhd (formerly Anih Bhd), the concessionaire of the Kuala Lumpur-Karak Highway. AFA Prime is wholly-owned by Tan Sri Dr Azm Khalili Khalid. *(The Edge)*

TANCO: PM officiates groundbreaking of Tanco's smart AI container port in Port Dickson

Property developer Tanco Holdings Bhd has broken ground on Midport, which is Malaysia's first smart artificial intelligence (AI) container port located in Pasir Panjang, Port Dickson in Negeri Sembnan. The ceremony was officiated by Prime Minister Datuk Seri Anwar Ibrahim accompanied by Transport Minister Anthony Loke Siew Fook and Negeri Sembnan Menteri Besar Datuk Seri Aminuddin Harun. Construction is expected to take about 42 months, with commercial operations targeted between 2029 and 2030. *(The Edge)*

WCT: COA Upholds RM5.83m insider trading judgement against former WCT MD, Ara Holdings director

The Court of Appeal on Tuesday unanimously affirmed the High Court's decision in 2022 that found former WCT Bhd deputy managing director Goh Chin Liong and Ara Holdings Sdn Bhd director Leong Ah Chai liable for insider trading. A three-member appellate panel, comprising justices Datuk Mohamed Zaini Mazlan, Datuk Leonard David Shim and Datuk Aliza Sulaiman, unanimously dismissed both their appeals with costs of RM100,000 each, as it ruled there was no appealable error that warranted appellate intervention. *(The Edge)*

FOODIE: Delivers RM4.1m 3Q profit in expansion of event management segment

Foodie Media Bhd reported a net profit of RM4.1m for the third quarter ended May 31, 2026 (3QFY2026), as the company focused on growing its event management services segment which carries a lower profit margin. In its filing with Bursa Malaysia, Foodie Media said it intentionally accepted lower margins for its first large-scale event, Monie Fest, under its event management services segment, to build its brand, strengthen customer relationships and grow its community. The company expects the event's profitabiliity to improve as it expands into an annual flagship event. *(The Edge)*

KPJ: Goes big with RM5bn expansion

THE healthcare sector is entering a new phase of expansion as private hospital operators race to meet rising demand from an ageing population, the growing prevalence of chronic diseases and increasing demand for specialised care. However, rather than just building new hospitals, KPJ Healthcare Bhd, the country's largest private hospital operator by number of hospitals, is focused on improving its productivity, strengthening its specialist capabnities and maximising the use of its existing assets to generate better returns. (*The Edge*)

PGLOBE: To acquire Sedenak land for RM127.3m, plans RM1.69bn industrial park

Paragon Globe Bhd has proposed to acquire a further 195.6-acre portion of a 256.7-acre freehold land in Sedenak, Johor, for RM127.28m cash, to develop an industrial park with an estimated gross development value (GDV) of RM1.69bn. In a Bursa Malaysia filing, PGB said the acquisition, together with its earlier RM13.86m purchase, would give the group a total beneficial interest of about 218.1 acres in the land, with a combined investment of RM141.14m. *(The Edge)*

CMS: Taib's sons fail in bid to block stepmother Raghad's appeals, hearing to proceed at appellate court

Datuk Seri Sulaiman Abdul Rahman and Datuk Seri Mahmud Abu Bekir Taib have failed in their bid to strike out appeals filed by their stepmother Toh Puan Raghad Kurdi Taib and RHB Investment Bank Bhd relating to a dispute involving Cahya Mata Sarawak Bhd (KL:CMS) shares. In a 2-1 decision on Tuesday, the Court of Appeal sitting in Kuching dismissed the striking out applications by Sulaiman and Mahmud, both sons of former Sarawak governor Tun Abdul Taib Mahmud. Abdul Taib passed way in February 2024. *(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	0.71	0.07	9.15
MBM Resources	Consumer	4.77	0.42	8.89
CapitaLand Malaysia Trust	REIT	0.62	0.05	8.29
KIP REIT	REIT	0.84	0.07	8.10
Bermaz Auto	Consumer	1.05	0.08	7.81
YTL Hospital REIT	REIT	1.05	0.08	7.62
Paramount Corporation	Property	1.00	0.07	7.30
Sports Toto	Consumer	1.31	0.09	7.18
Al-Salam REIT	REIT	0.59	0.04	6.84
Ta Ann Holdings	Plantation	5.81	0.39	6.64
TIME dotCom	Telco	6.01	0.40	6.64
Al-Aqar Healthcare REIT	REIT	1.17	0.07	6.41
MAG Holdings	Consumer	1.27	0.08	6.30
Magnum	Consumer	1.27	0.08	6.30
UOA Development	Property	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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Published & Printed By:

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