MERCURY SECURITIES SDN BHD
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MARKET WATCH
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Research Team
research@mersec.com.my

Daily Newswatch

Market Review

The FBM KLCI closed low -0.4% to 1,713.8 on Wednesday, as investors locked in profits following three consecutive sessions of gains, with banking and oil and gas counters leading the decline. Industrial Products & Services (-0.9%), Utilities (-0.7%) and Financial Services (-0.5%) led sectoral losses, driven by both MISC and Malayan Banking (-0.4%), Telekom (-0.3%) and Tenaga Nasional (-0.1%), while Gainers outnumbered Losers 588 to 468 with 613 counters closed unchanged.

Asian markets closed mixed on Wednesday, after a surprise slowdown in US inflation scaled back market expectations for interest rate hikes, while oil took a breather as the US scrapped a plan to levy shipping through the Strait of Hormuz. Kospi (+6.2% to 7,284.4) led gains, followed by TAIEX (+2.0% to 45,631.6), Nikkei 225 (+1.5% to 68,751.5), Hang Seng (+1.4% to 24,681.1) and Shanghai Composite (-0.3% to 3,955.6). 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 Minerals (+8.7%), Electronic Technology (+7.6%) and Finance (+6.6%). Hong Kong was supported by Technology Services (+3.7%), Health Technology (+3.6%) and Commercial Services (+1.9%).

European stocks closed mixed on Wednesday as investors weighed corporate earnings against an uncertain macroeconomic backdrop. The Euro STOXX 50 slipped 0.2% to 6,265.6, while the STOXX Europe 600 gained 0.1% to 642.7. Semiconductor stocks were volatile despite strong earnings and upbeat guidance from ASML, while luxury stocks advanced following robust sector results. Meanwhile, banks weakened as higher sovereign yields weighed on the credit outlook, while elevated energy prices persisted amid escalating tensions between the US and Iran.

Wall Street closed high on Wednesday as softening inflation data and a robust beginning of second-quarter earnings season put investors in a buying mood. The S&P 500 gained 0.4% to 7,572.4, the Dow rose 0.3% to 52,658.6, while the Nasdaq CI rose 0.6% to 26,269.2. Softer producer prices reinforced easing inflation trends and reduced the likelihood of a Fed rate hike at the upcoming meeting. Financials were supported by strong earnings, with Morgan Stanley (+0.2%), JPMorgan (+1.1%), Goldman Sachs (+1.1%), and BlackRock (+6.6%) higher, while J&J (-2.7%) declined after results. Hyperscalers advanced following strong ASML results, with Microsoft (+2.8%), Amazon (+3.0%), and Alphabet (+3.2%) gaining, while weakness in memory chipmakers and SpaceX (-0.6%) weighed on the Nasdaq.

Macro Snapshots

- **US:** Producer prices unexpectedly fall in June
- **Us:** Dollar struggles as softer inflation dims Fed hike bets
- **CN:** 2Q economic growth cools as imbalances worsen
- **MY:** Govt identifies 51.88MW palm oil ml power potential

Corporate Snapshots

- **SUNWAY:** MCL consortium tops S$2.1bn bid for Singapore Bayshore site
- **LWSABAH:** To enter food business with RM46.8m acquisition
- **RSSB:** Unit bags RM168m contract for workers' quarters in Klang
- **PMW:** To invest RM43.8m in Perak plant to more than double production capacity

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,713.8	(0.4)	2.0
Dow Jones	52,658.6	0.3	9.6
Nasdaq CI	26,269.2	0.6	13.0
S&P 500	7,572.4	0.4	10.6
SX5E	6,265.6	(0.2)	8.2
FTSE 100	10,520.9	(0.1)	5.9
Nikkei 225	68,751.5	1.5	36.6
Shanghai CI	3,955.6	(0.3)	(0.3)
HSI	24,681.1	1.4	(3.7)
STI	5,559.7	1.2	19.7

Market Activities	Last Close	% Chg
Vol traded (m shares)	4,079.8	15.7
Value traded (RM m)	2,843.6	3.2
Gainers	588	
Losers	468	
Unchanged	613	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TANC	0.315	0.0	768.3
VSI	0.220	4.8	156.3
HHR	0.165	10.0	128.0
ENEST	0.105	(19.2)	79.4
ZETRIX	0.740	(0.7)	75.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TANC	0.315	0.0	291.2
PBK	5.050	0.0	232.9
SDG	6.620	1.8	118.2
PMAH	8.020	(2.1)	110.2
TNB	14.380	(0.1)	86.3

Currencies	Last Close	Daily chg %
USD/MYR	4.078	0.0
USD/JPY	162.210	0.0
EUR/USD	1.143	0.1
USD/CNY	6.773	0.0
US Dollar Index	100.917	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	85.1	0.5
Gold (USD/troy oz)	4,064.0	0.3
CPO (MYR/metric t)	4,530.0	0.0
Bitcoin (USD/BTC)	64,894.5	0.6

Source: Bloomberg

Macro News

US: Producer prices unexpectedly fall in June

US producer prices unexpectedly fell in June, another indication that inflation was retreating before the recent escalation in the Middle East conflict. The Producer Price Index for final demand dropped 0.3% last month after a downwardly revised 0.6% increase in May, the Labor Department's Bureau of Labor Statistics said on Wednesday. Economists polled by *Reuters* had forecast the PPI unchanged after a previously reported 1.1% advance in May. *(Reuters)*

US: Mortgage rates match highest in almost a year, purchases drop

US mortgage rates rose last week to match the highest level since August 2025, sending applications for home purchases to the lowest level since February. The average contract rate on a 30-year fixed mortgage climbed seven basis points to 6.65% in the week ending July 10, according to weekly Mortgage Bankers Association data published Wednesday. Meanwhile, the group’s index of mortgage purchase applications fell 7.3%. *(Bloomberg)*

US: Russia sanctions bill eases threat of tariffs on China and India

US senators on Tuesday unveiled an updated version of the Russia sanctions bill, championed by the late Senator Lindsey Graham, which eases the original proposal's tariff threat on China, India and other importers of Russian oil and gas. The bill, backed by both Republican and Democratic senators, seeks to impose sanctions on Russian officials and to use tariffs to pressure China and India to reduce their dependence on Russia as an energy supplier. *(Reuters)*

US: Dollar struggles as softer inflation dims Fed hike bets

The dollar extended its weakness on Wednesday after tumbling from a two-week high, as softer-than-expected inflation data curbed bets on a near-term Federal Reserve (Fed) rate hike, despite concerns that elevated oil prices could fuel inflation risks. Against the yen, the dollar fetched 162.08, down 0.1%. The euro and the British pound each gained 0.1%, trading at US$1.1433 and US$1.3401 respectively. The New Zealand dollar was also well bid at US$0.5819, hovering around its strongest level in a month, and the Australian dollar was steady at US$0.6983. *(Reuters)*

US: Warsh says US inflation mission not accomplished, hints at options

US Federal Reserve (Fed) chairman Kevin Warsh said slowing inflation in June doesn’t mean it’s mission accomplished — and for the first time since taking office he hinted at how the central bank may eventually have to respond. During three hours of Congressional testimony on Tuesday, lawmakers questioned Warsh about how he plans to deliver on his repeated promise to restore price stability after the Fed for years has missed its 2% inflation target. (*Bloomberg*)

CN: New bank loans in June rise less than expected

Chinese banks extended 1.61tn yuan (US$237.89bn or RM969.3bn) in new loans in June, more than triple the amount in May but missing analysts' forecasts, according to Reuters calculations using central bank data on Wednesday. Analysts polled by Reuters had expected new yuan loans in June would reach two tn yuan, compared with 520bn yuan in May and 2.24tn yuan a year earlier. (Reuters)

CN: 2Q economic growth cools as imbalances worsen

China's economy expanded at its slowest pace in over three years in the second quarter, with weak household consumption clouding strong manufacturing and exports and intensifying concerns over the long-term sustainability of its unbalanced growth model. At 4.3%, gross domestic product growth in April-June eased from the first quarter's 5.0%, landing below the lower end of China's 4.5%-5.0% full-year target and missing forecasts. (*Reuters*)

CN: Hedge funds that won big on AI start looking for exits

Chinese hedge funds that made hefty gains on artificial intelligence-linked stocks this year are starting to dial back their exposure, telling investors they are on high alert for signs the rally is becoming unsustainable. Shanghai Everlead Capital told investors in its Growth Strategy No 3 Fund, which returned 164% this year through May 31, that it has trimmed positions in optical communications and advanced packaging companies, according to an investor letter seen by *Bloomberg News*. *(Bloomberg)*

CN: ‘Bad inflation’ ends China’s record streak of price declines

China ended a record deflationary run last quarter, although the rebound of a key price gauge was driven by surging global energy costs rather than a recovery in domestic consumption. The so-called GDP deflator, which measures price changes across all domestically produced goods and services, rose 1.6% in the second quarter after three years of contraction. But the turnaround brings little comfort for an economy that slowed in the April-June period to the weakest pace since the last months of 2022. (*Bloomberg*)

CN: Says opposes US sanctions bill targeting Russia energy buyers

China said on Wednesday that it "firmly opposes" a sanctions bill proposed by US senators and supported by US President Donald Trump that targets countries buying Russian energy. The bipartisan legislation could potentially clear the way for the United States to exert stronger pressure on Russia over its war in Ukraine. US senators spearheading the bill said in a joint statement last week that they expected to unveil the updated legislation "very soon". *(AFP)*

MY: Higher petroleum-related revenue to partly offset subsidy burden on govt coffers — deputy minister

While elevated crude oil prices drive up the government's subsidy bill, the Ministry of Finance said higher petroleum-related revenue will partially offset that fiscal strain. The government estimates that every US$1 per barrel change in global oil prices increases federal petroleum revenue — excluding PETRONAS dividends — by RM300 m, Deputy Finance Minister Liew Chin Tong said. (*The Edge*)

MY: Govt identifies 51.88MW palm oil mill power potential

The Sustainable Energy Development Authority (Seda) has identified 51.88 megawatts (MW) of potential power generation capacity from palm oil mills that could be developed in Peninsular Malaysia. Deputy Energy Transition and Water Transformation Minister Datuk Seri Abdul Rahman Mohamad said the ministry, through the Malaysia Programme Office for Power Electricity Reform Corporation, is conducting a comprehensive and phased assessment of the potential development of a nuclear energy programme for long-term electricity generation in Malaysia. *(Bernama)*

MY: Loan growth to slow, construction loans hit hardest — BMI

Malaysia's loan growth is expected to slow in the second half of 2026 as weaker economic growth and global uncertainties weigh on borrowing demand, according to BMI. In a note on Wednesday, BMI said banks performed better than expected in the early part of 2026, prompting the firm to raise its full-year loan growth forecast from 4.6% to 5%. However, as economic growth slows, borrowing activity is expected to moderate in the coming months. *(The Edge)*

Corporate News

SUNWAY: MCL consortium tops S$2.1bn bid for Singapore Bayshore site

A consortium including Sunway's Singapore unit, Sunway MCL Ltd, has emerged as the top bidder for Singapore's Bayshore Drive government land sales site with a bid of S$2.1bn (RM6.62bn). Sunway Property rebranded its Singapore operations as Sunway MCL after Sunway Group acquired MCL Land for S$738.7m (RM2.42bn) last year. The consortium led by Frasers Property Ltd also includes Frasers Centrepoint Trust (FCT), Sekisui House and Lum Chang Building Contractors. (*The Edge*)

SIMEPROP: Injects RM798m land into JV with Sime Darby Prop for industrial hub

Sime Darby Property Bhd and its sister company SD Guthrie Bhd are moving forward with their joint venture (JV) to develop a mega industrial and logistics corridor in Kuala Selangor with the injection of 1,021.93 acres of land in Bukit Kerayong Estate, Kapar. Their 50:50 joint venture vehicle, Kerayong Development Consortium Sdn Bhd, has signed agreements to acquire the freehold agricultural land from SD Guthrie for RM798.3m, according to the groups' bourse filings. (*The Edge*)

GAMUDA: JV, PBA Holdings unit sign 40-year treated water supply deal

Gamuda Bhd said on Wednesday its joint venture company has signed a 40-year agreement to supply treated water from northern Perak to Penang under the Northern Perak Water Supply Scheme (NPWSS). The bulk water supply agreement was signed between Khazanah Air Perak Sdn Bhd's (KAP) wholly-owned unit, Prasarana Air dan Irigasi Perak Sdn Bhd (PAIP Perak), and Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (PBAPP) for the sale and purchase of treated water produced from excess raw water under the project. (*The Edge*)

GDB: Secures preferred liquidators as 8 Conlay developer Damai City wound up

GDB Holdings Bhd said its wholly owned subsidiary Grand Dynamic Builders Sdn Bhd (GDBSB) has been informed of the Shah Alam High Court's order for 8 Conlay project developer Damai City Sdn Bhd (DCSB) to be wound up. In a Bursa Malaysia filing on Wednesday, GDB said the winding-up order followed a petition filed by TSL Victory Sdn Bhd under the Companies Act 2016. The High Court has also appointed Lim Tian Huat and Chiang Teng Guan of Rodgers Reidy & Co as joint liquidators of DCSB, following an application by GDBSB. *(The Edge)*

LWSABAH: To enter food business with RM46.8m acquisition

Life Water Bhd plans to acquire Hung Tai Group for RM46.8m in a move by the Sabah-based bottled water company to diversify into food manufacturing. If it goes through, the deal for a 90% stake in Hung Tai — which makes sauces, condiments, noodles and red bean paste, as well as distributes food products across Sabah, Sarawak and Brunei — will strengthen its presence in the industry, said Life Water managing director Liaw Hen Kong. *(The Edge)*

EG: Clinches US$100m deal with US tech firm to manufacture advanced open networking switches

Electronics manufacturing services firm EG Industries Bhd has secured a deal worth US$100m (RM407m) from a US-based firm to manufacture and sell advanced networking switches using co-packaged optics technology. In a bursa filing on Wednesday, the company said its unit Genetronic (Malaysia) Sdn Bhd had entered into a letter of intent with the US-based customer. "The collaboration is expected to generate approximately US$100m (in revenue)," said EG Industries. *(The Edge*)

RSSB: Unit bags RM168m contract for workers' quarters in Klang

Rivertree STF Synergies Bhd has secured a RM168.14m contract to build a 9,000-bed centralised labour quarters facility in Kapar, Klang. In a filing with Bursa Malaysia, the company said its wholly owned subsidiary RSSB Builders Sdn Bhd was awarded the turnkey contract by Asetvest Sdn Bhd, which is wholly-owned by investment holding company Asetra Sdn Bhd. The contract covers the design, planning, engineering, procurement and construction of the CLQ facility, known as Q Centre @ Teratai, on a parcel of land in Mukim Kapar, Klang. *(The Edge*)

DRBHCOM: Could set up vehicle assembly plant in Algeria targeting North African market — ambassador

Malaysian conglomerate DRB-Hicom Bhd is studying the setting up of a vehicle assembly plant in Algeria as it looks to North Africa's growing automobile market for overseas expansion, according to Malaysia's Ambassador to Algeria Datuk Rizany Irwan Muhamad Mazlan. This proposed venture supports Malaysia's efforts to develop industrial cooperation with Algeria and aligns with the Algerian government's local manufacturing drive, he told *Bernama.* DRB-Hicom top executives, including from the group's brands Proton and Modenas, recently held talks with Algerian officials about their planned business projects. *(The Edge*)

PMW: To invest RM43.8 m in Perak plant to more than double production capacity

Infrastructure solutions provider PMW International Bhd is investing RM43.76m in a new spun-pile manufacturing facility in Bemban, Perak, which will more than double the group's annual production capacity to 718,000 tonnes. In a filing with Bursa Malaysia on Wednesday, PMW said the plant will add 480,000 tonnes of annual capacity to its existing capacity of about 238,000 tonnes. Commercial operations are expected to commence in the third quarter of 2027. (*The Edge*)

WIDAD: Muhammad Ikmal Opat's son joins Widad Group board as executive director

Widad Group Bhd has appointed the son of founder and controlling shareholder Tan Sri Muhammad Ikmal Opat to its board as executive director. In a bourse filing, the construction and integrated facility management group said Isyraf Widad, 31, assumed the role with immediate effect. He has served as executive director of Widad Skycore (M) Sdn Bhd since 2020 and as a director of Helang Harmoni Sdn Bhd since 2024. Isyraf Widad is the son of Muhammad Ikmal, who was Widad's executive deputy chairman from July 2024 until his resignation on June 22 this year. *(The Edge*)

JTGROUP: Wins RM22.6m underground cable jobs for data centres in Johor

Jati Tinggi Group Bhd has secured two contracts worth a combined RM22.56m to undertake underground cable installation, testing and commissioning works for two data centre projects in Johor. In a filing with Bursa Malaysia, the company said the first contract, valued at RM10.56m, involves the installation, testing and commissioning of a 275kV bulk supply connection for a US-based data centre at the Nusa Cemerlang Industrial Park, Johor. *(The Edge*)

Upcoming key economic data releases	Date
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
Initial Jobless Claims	July 23
S&P Global Manufacturing PMI (Jul)	July 24
S&P Global Services PMI (Jul)	July 24
New Home Sales (Jun)	July 24
Source: Investing.com	

Research Team
research@mersec.com.my

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	4.73	0.42	8.96
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.36
KIP REIT	REIT	0.84	0.07	8.10
Bermaz Auto	Consumer	1.06	0.08	7.74
YTL Hospital REIT	REIT	1.04	0.08	7.69
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	5.77	0.39	6.69
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		
Stratus Global Holdings Berhad	Main Market	0.80	356.3	-	10 July	21 July

Source: Bursa Malaysia

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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my