MARKET WATCH
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Daily Newswatch

Market Review

The FBM KLCI closed high +0.5% to 1,731.5 on Friday, supported by sustained foreign fund inflows and improving domestic macroeconomic fundamentals. Financial Services (+1.1%), both Telecommunications & Media and Plantation (+0.1%) and Health Care remains flat, led sectoral gains, driven by Petronas Chemical (+3.3%), both Hong Leong Bank and Telekom Malaysia (+1.9%) and Cimb Group (+1.6%), while Losers outnumbered gainers 413 to 690 with 550 counters closed unchanged. WoW: FMBKLCI Index changed positively (+2.4%) driven by the sector from both Plantation and Financial Services (+3.1%), Industrial Product & Services (2.3%) and Property (+1.3%).

Asian markets closed low on Friday, Taiwan bearing the brunt of a chip-stock sell-off, as investors reassessed the durability of the artificial intelligence (AI)-driven global rally. TAIEX (-6.5% to 42,671.2) led loses, followed by Kospi (-6.4%% to 6,820.6), Nikkei 225 (-4.0% to 64,141.2), Shanghai Composite (-3.1% to 3,764.2) and Hang Seng (-1.8% to 24,562.2). Taiwan losses on Producer Manufacturing (-7.8%), Electronic Technology (-7.5%) and Commercial Services (-7.4%) while South Korea losses were led by Electronic Technology (-9.5%), Health Services (-6.3%) and Industrial Services (-4.6%) driven by . Japan was driven by Electronic Technology (-7.3%), Producer Manufacturing (-5.1%) and Communications (-4.3%). WoW: TAIEX (-5.9%), Kospi (-6.5%), Nikkei 225 (-6.4%), Shanghai Composite (-5.8%) and Hang Seng (+1.6%).

European stocks closed sharply lower on Friday, tracking global markets as investors rotated out of AI-related stocks amid escalating geopolitical tensions. The Euro STOXX 50 fell (-0.8% to 6,230.96), while the STOXX Europe 600 declined (-0.3% to 641.5). Technology stocks weakened on concerns over slowing AI infrastructure spending and rising competition from Chinese AI models. Meanwhile, banks came under pressure from higher natural gas prices and inflation concerns, weighing on the credit outlook. WoW: STOXX 50 (-0.6%) and STOXX Europe 600 (+0.1%).

Wall Street closed lower on Friday amid a fresh selloff in chipmakers and renewed geopolitical tensions. The S&P 500 (-1.0% to 7,457.7), the Nasdaq CI (-1.4% to 25,520.2), and the Dow Jones (-0.8% to 52,146.4). Semiconductor stocks declined on concerns that AI hyperscalers may scale back AI infrastructure spending, with Nvidia (-2.2%), Broadcom (-1.0%), AMD (-1.0%), and Intel (-2.0%) lower. Inflation concerns also intensified as the Middle East conflict continued and fuel prices rose, while renewed US-China trade tensions weighed on sentiment. Netflix (-7.3%) fell after forecasting another quarter of slowing sales. WoW: S&P500 (-1.6%), Nasdaq CI (-2.9%) and Dow Jones (-0.9%).

Macro Snapshots

- **US:** Manufacturing output stalls, held back by durable goods
- **UK:** Economy rebounds as nation awaits new PM
- **CN:** Says US will restore Hong Kong's special trade status
- **MY:** Inflation eases marginally in June 2026

Corporate Snapshots

- **IJM:** Land hands over keys for NOVA Phase 1 in Seremban 2 Heights
- **PESONA:** Bags RM247.5m job to build three hospital blocks in Setia Alam
- **CPETECH:** Unit acquires RM34.5m worth of machinery to expand capacity
- **ASTRO:** To sell non-core asset in Cyberjaya for RM92m

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,731.5	0.5	3.1
Dow Jones	52,146.4	(0.8)	8.5
Nasdaq CI	25,520.2	(1.4)	9.8
S&P 500	7,457.7	(1.0)	8.9
SX5E	6,230.9	(0.8)	7.6
FTSE 100	10,600.4	0.3	6.7
Nikkei 225	64,141.1	(4.0)	27.4
Shanghai CI	3,764.2	(3.0)	(5.2)
HSI	24,562.2	(1.8)	(4.2)
STI	5,509.4	(0.5)	18.6

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,445.2	(6.4)
Value traded (RM m)	3,046.3	8.6
Gainers	413	
Losers	690	
Unchanged	550	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
TANC	0.335	4.7	125.3
NATGATE	1.090	(6.8)	59.2
VSI	0.230	(2.1)	55.5
ZETRIX	0.745	0.7	52.3
DNEX	0.440	(5.4)	49.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	11.200	1.4	282.6
PBK	5.250	1.0	251.5
TNB	14.300	0.0	107.2
PMAH	8.000	(0.9)	102.5
CIMB	7.820	1.6	96.1

Currencies	Last Close	Daily chg %
USD/MYR	4.097	(0.6)
USD/JPY	162.400	(0.0)
EUR/USD	1.144	(0.0)
USD/CNY	6.776	(0.1)
US Dollar Index	100.765	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	88.1	4.6
Gold (USD/troy oz)	4,017.4	1.0
CPO (MYR/metric t)	4,529.0	(0.2)
Bitcoin (USD/BTC)	63,919.2	(0.2)

Source: Bloomberg

Macro News

US: Trump blames Canada for wildfire smoke, says he will add cost to tariffs

US President Donald Trump on Friday blamed Canada for wildfire smoke spreading across the US and said he would add the "incalculable cost" of dealing with the pollution to existing tariffs on Canadian goods. Heavy smoke from hundreds of Canadian fires enveloped a swath of the US from the Midwest to the Northeast on Thursday and Friday, prompting warnings to residents to stay indoors. *(Reuters)*

US: Consumer sentiment climbs on cheaper gas, tops forecasts

US consumer sentiment rose in early July to a five-month high as lower gasoline prices boosted morale. The University of Michigan's preliminary sentiment index increased to 54.4 in July, from 49.5 in June, according to the survey released on Friday. That topped all estimates in a *Bloomberg* survey of economists. Gasoline prices fell through June and into early July, helping ease pressure on household budgets. Since then, renewed fighting in the Middle East has started to push gas prices higher and muddied the outlook for inflation. *(Bloomberg)*

US: Manufacturing output stalls, held back by durable goods

US manufacturing production stalled in June, dragged down by a decline in durable goods such as machinery. Factory output, which accounts for three-fourths of total industrial production, was unchanged after an upwardly revised 0.1% increase in May, Federal Reserve data out on Friday showed. The median estimate in a *Bloomberg* survey of economists called for a 0.1% advance. Overall industrial production rose 0.1% for a second month. And output at utilities and mining each increased 0.4%, according to the report. *(Bloomberg)*

US: Housing starts surge on rebound in multi-famy construction

Housing starts in the US surged in June after a sharp drop a month earlier, driven by a rebound in apartment construction. New residential construction increased 19% last month to an annualised rate of 1.43m, the highest since March, government data released on Friday showed. That topped all estimates in a *Bloomberg* survey of economists. *(Bloomberg)*

UK: Economy rebounds as nation awaits new PM

Britain's economy rebounded slightly in May with growth of 0.1 percent thanks to expansion in the services sector, official data showed Thursday as Britain awaits a new prime minister. Gross domestic product (GDP) had contracted by 0.1 percent in April as the US-Iran war pushed up inflation after oil prices soared. (*The Daily Star*)

EU: Germany and France to draw up roadmap on China trade imbalances

Chancellor Friedrich Merz said widening trade imbalances between the European Union (EU) and China must be addressed as Germany and France aligned more closely on a firmer stance on the world's No 2 economy. Hosting a joint press conference with French President Emmanuel Macron outside the western German city of Cologne, Merz signalled that the ballooning trade deficit with China must be addressed — even as he reiterated that he wanted no new conflict with Beijing. *(Bloomberg)*

CN: Says US will restore Hong Kong's special trade status

The United States is set to restore Hong Kong's special trading status, revoked in a 2020 order by US President Donald Trump in response to Beijing's imposition of a national security law in the financial hub, China said on Friday. The year-long executive order, implemented on July 14, 2020 during Trump's first term, has been extended each year. China's commerce ministry said Washington had confirmed it would not extend it after the renewal date passed this week. The White House did not immediately respond to a request for comment. (*Reuters*)

CN: To levy consumption tax on lithium-ion batteries and solar cells

China will impose a consumption tax on some previously tax-exempted battery products, including lithium-ion batteries and photovoltaic cells, a finance ministry statement said on Friday. China will levy a 2% consumption tax on battery products including lithium primary batteries and lithium-ion batteries from September 1, the statement said. The rate will rise to 4% on Sept 1, 2027. *(Reuters)*

JP: To leave monetary policy tools to BOJ in economic blueprint, document shows

Japan's government will state in its economic blueprint that decisions on specific monetary policy tools should be left to the Bank of Japan (BOJ), a final version of the document reviewed by *Reuters* showed on Friday. The language will be inserted in the blueprint's footnote referring to a clause in law stipulating the need to protect the central bank's independence in setting monetary policy, the document showed. (*Reuters*)

SG: June exports rise by 20.7% y-o-y, lower than expected

Singapore's non-oil domestic exports rose by 20.7% in June from a year earlier, government data showed on Friday, as electronics exports continued to surge on AI-related demand while non-electronics declined. The figure was lower than the median growth forecast of 30% in a *Reuters* poll, and follows an annual increase of 38.4% in May, which was the largest rise in exports in 20 years. (*Reuters*)

MY: Economists maintain 2026 inflation forecast at 2.1% after lower-than-expected June CPI

Economists are maintaining Malaysia's headline inflation forecast at 2.1% after the June consumer price index (CPI) eased slightly amid a smaller rise in transport costs. RHB Research and Kenanga Research noted on Friday that the 1.9% year-on-year rise in the June CPI inflation was lower than their in-house projections of 2.1% and *Bloomberg*'s consensus estimates of 2.0%. The May CPI was 2.0%. (*The Edge*)

MY: May outperform growth forecasts but risks abound, economists warn

Malaysia's economy may have outperformed expectations but concerns are rising that the robust growth could be threatened by protracted external uncertainties. A prolonged escalation could drive oil prices to as high as US$140 per barrel, weakening global trade and raising costs, RHB Research said. That could shave 0.8 percentage-point off Malaysia's growth as producer prices in the country remain highly sensitive to global oil movements, the research house said. (*The Edge*)

MY: Inflation eases marginally in June 2026

Malaysia's inflation slowed slightly in June thanks to a smaller rise in transport costs while food prices were steadily higher, data out on Friday showed. The consumer price index, the main gauge of inflation in Malaysia, rose 1.9% in June when compared to the same month in 2025, according to the Department of Statistics Malaysia. A *Bloomberg* poll predicted a 2% year-on-year increase. In May, inflation was 2.0%. (*The Edge*)

MY: Economy expands faster than expected at 5.8% in 2Q, flash estimates show

Malaysia's economy accelerated faster than expected in the second quarter as manufacturing activities picked up and mining output rebounded, official first estimates showed. Gross domestic product expanded 5.8% in April-June when compared to the same quarter a year earlier, according to the Department of Statistics Malaysia. That compares to the median 5.2% increase predicted in a *Bloomberg* poll and the first quarter's 5.4% year-on-year growth. (*The Edge*)

Corporate News

SORENTO: SC approves Sorento Capital's transfer to Main Market

he Securities Commission Malaysia (SC) has approved Sorento Capital Bhd's proposed transfer of its listing from the ACE Market to the Main Market. In a bourse filing on Friday, Sorento Capital said the SC gave its approval in a letter dated July 16. The company, which has been listed on the ACE Market since October 2024, had applied for a transfer to the Main Market in March this year. (*The Edge*)

CPETECH: Unit acquires RM34.5m worth of machinery to expand capacity

CPE Technology Bhd's wholly owned subsidiary Champion Precision Technology Sdn Bhd has acquired 118 units of machinery worth RM34.52m as the group expands its manufacturing capacity. The engineering precision parts maker said the machinery was acquired from Yamazen (Malaysia) Sdn Bhd, Numac Machinery Sdn Bhd and Japan-based DMG Mori Co Ltd, according to an exchange filing. (*The Edge*)

HANDAL: Delays annual report submission for fifth time, cancels adjourned 16th AGM

Handal Energy Bhd has postponed the release of its annual report for the financial period ended Dec 31, 2025 for the fifth time, forcing the cancellation of its adjourned 16th annual general meeting (AGM), which had been scheduled for July 23. In an exchange filing, the group said it expects to issue and submit its annual report on or before Aug 7, 2026. Consequently, the adjourned AGM, which was originally postponed from June 15, has been cancelled. New arrangements will be announced in due course. *(The Edge*)

PTT: NYSE-listed Jabil officially opens automated logistics hub in Penang to support advanced electronics supply chains

Jabil Inc, which is listed on the New York Stock Exchange, has officially opened its Intelligent Logistics Hub (JIL Hub) at Valdor Industrial Park in Penang. The facility was developed by PROTT Sdn Bhd, a unit of construction contractor PTT Synergy Group Bhd.The JIL Hub is equipped with 52,300 pallet positions and designed to support the complex requirements of modern electronics and advanced manufacturing supply chains spanning approximately 417,000 sq ft. *(The Edge*)

ASTRO: To sell non-core asset in Cyberjaya for RM92m

Astro Malaysia Holdings Bhd is selling a 4.5-acre freehold commercial land in Cyberjaya for RM92m. The pay-television operator said its unit, MEASAT Broadcast Network Systems Sdn Bhd, is selling the land which houses a six-storey technical building and ancillary buildings to AIMS Central Sdn Bhd. *(The Edge*)

PTT: To buy logistics software systems from China-based vTradEx for RM29.1 m cash

PTT Synergy Group Bhd plans to acquire logistics software from China-based vTradEx Information Technology (Shanghai) Co Ltd for US$7.12m (RM29.1m) in cash. In a filing on Bursa Malaysia, the group said its indirectly owned subsidiary PTT Robotics Sdn Bhd signed four agreements on Friday, which involve the purchase of the legal ownership and intellectual property rights of four software systems developed by vTradEx. *(The Edge*)

LOTUSSCIR: Proposes to exit leather retail business at a loss

Lotus Circular Bhd, which sells leather products and recycles waste, has proposed to sell its 55% stake in Miroza Leather (M) Sdn Bhd, its largest profit and revenue contributor, for RM38m cash, exiting the leather retail business at a loss. In a filing with Bursa Malaysia, the company said if the disposal is completed by the fourth quarter of this year, it will result in a pro forma loss of RM15.39m for the company, based on Lotus Circular's audited consolidated financial statements for the financial year 2025 (FY2025). *(The Edge*)

STRATUS: Main Market-bound Stratus Global posts RM9.5m 1Q net profit

Stratus Global Holdings Bhd, set to be listed on the Main Market of Bursa Malaysia on July 21, posted a net profit of RM9.5m for the first quarter ended June 30, 2026 (1QFY2027) on revenue of RM34.84m. There are no previous quarterly figures for comparison as this is the company's first interim results before listing. The group said Malaysia and Europe remained its largest markets during the quarter, jointly contributing about 80.9% of total revenue. (*The Edge*)

PESONA: Bags RM247.5m job to build three hospital blocks in Setia Alam

Construction firm Pesona Metro Holdings Bhd has won a RM247.5m contract from Setia Alam Medical Centre Sdn Bhd to undertake the construction of three private hospital blocks in Setia Alam, Selangor. In an exchange filing, Pesona Metro said the contract was awarded to its wholly owned unit Pesona Metro Sdn Bhd on Friday. The project involves the construction of hospital facilities, support facilities, mechanical and electrical (M&E) rooms, as well as parking facilities. *(The Edge*)

PADINI: Surges to four-month high after bank accounts release

Padini Holdings Bhd surged to a four-month high on Friday, after the apparel company announced that all of its bank accounts have been released by authorities. The release removes operational and legal uncertainty weighing on Padini's shares for months, CIMB Securities said. The absence of arrests, charges or forfeiture proceedings should also help investors price out the legal risks, the research house said. *(The Edge*)

IJM: Land hands over keys for NOVA Phase 1 in Seremban 2 Heights

IJM Land Bhd, the property development arm of IJM Corp Bhd, has commenced vacant possession for Phase 1 of its freehold landed enclave, NOVA, located in Seremban 2 Heights (S2 Heights). According to a press statement on Friday, the mestone marks the completion and handover of the first phase of the low-density hillside residential development. *(The Edge*)

Upcoming key economic data releases	Date
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	

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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	4.70	0.42	9.02
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.36
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	1.01	0.07	7.23
Sports Toto	Consumer	1.37	0.09	6.86
Al-Salam REIT	REIT	0.59	0.04	6.84
Ta Ann Holdings	Plantation	5.75	0.39	6.71
TIME dotCom	Telco	5.99	0.40	6.66
Al-Aqar Healthcare REIT	REIT	1.16	0.07	6.47
MAG Holdings	Consumer	1.28	0.08	6.25
Magnum	Consumer	1.28	0.08	6.25
UOA Development	Property	1.71	0.11	6.20

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
ESYS HOLDINGS BERHAD	Leap Market	0.11	-	-	-	24 July

Source: Bursa Malaysia

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