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Daily Newswatch

Market Review

The FBM KLCI closed low -0.5% to 1,722.3 on Monday, as investors took profits in banking heavyweights, while selected technology, semiconductor and refining stocks bucked the broader market weakness and as selling pressure weighed on blue-chip counters. Financial Services (-1.2%), Utilities (-0.5%) and Property (-0.4%), led sectoral losses, driven by RHB Bank (-1.9%), Malayan Banking (-1.6%) and Axiata Group (-1.5%), while gainers outnumbered losers 590 to 465 with 581 counters closed unchanged.

Asian markets closed mostly low on Monday, led by a 5% drop in South Korean shares as the artificial intelligence (AI) trade unravelled further, while a widening Gulf conflict pushed oil prices higher and rekindled inflation worries across the region. KOSPI (-4.5% to 6,516.3) led loses, followed by Nikkei 225 (-4.0% to 6,414.1), TAIEX (-0.5% to 42,449.7), Shanghai Composite (+0.9% to 3,796.3) and Hang Seng (+2.4% to 25,143.1). KOSPI losses on Industrial Services (-6.7%), Producer Manufacturing (-6.1%) and Consumer Durables (-5.9%) while Japan losses were led by Electronic Technology (-6.8%), Producer Manufacturing (-5.0%) and Communications (-4.0%) driven by, Taiwan was driven by Energy Minerals (-4.4%), Process Industries (-3.6%) and Commercial (-3.0%).

European stocks closed mixed on Monday as investors remained cautious ahead of a busy earnings week and amid a weakening macroeconomic backdrop. The Euro STOXX 50 was (-0.1% to 6,227.4), while the STOXX Europe 600 (-0.3% to 639.6). Rising European natural gas prices fuelled inflation concerns and reinforced expectations of another ECB rate hike this year. Meanwhile, banks traded mixed ahead of earnings, while consumer and travel stocks came under pressure from higher yields and rising fuel costs.

Wall Street closed mostly lower on Monday as gains in technology stocks were offset by broader market weakness amid escalating Middle East tensions. The S&P 500 (-0.2% to 7,443.3), the Dow (-0.6% to 51,839.3), while the Nasdaq 100 closed nearly flat. Rising oil prices and Treasury yields lifted energy-driven inflation concerns, with JPMorgan (-0.6%), Bank of America (-1.4%), and Applied Materials (-0.7%) lower. Meanwhile, chipmakers rebounded, led by Broadcom (+2.0%), Micron (+1.9%), AMD (+1.6%), and Intel (+2.1%), while Alphabet (+1.5%) gained ahead of its guidance update.

Macro Snapshots

- **US:** Treasury Yields Higher on Monday
- **US:** Imposes new 50% tariffs on some Canadian products
- **CN:** Is exporting 20% fewer magnets to US despite trade truce
- **MY:** Exports surge 45% in June on electronics, petroleum shipments

Corporate Snapshots

- **SUNWAY:** JVs secure Singapore's Bayshore site with top RM6.7bn bid
- **VELESTO:** Says US$90m drilling contract mutually terminated
- **MUIPROP:** Unit sells Bandar Springhill industrial land for RM18.7m
- **SPSETIA:** Launches RM63.14m Aurora II terrace homes in Setia Bayuemas South

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,722.3	(0.5)	2.5
Dow Jones	51,839.3	(0.6)	7.9
Nasdaq CI	25,508.1	(0.0)	9.7
S&P 500	7,443.3	(0.2)	8.7
SX5E	6,227.4	(0.1)	7.5
FTSE 100	10,524.8	(0.7)	6.0
Nikkei 225	64,141.1	(4.0)	27.4
Shanghai CI	3,796.3	0.9	(4.3)
HSI	25,143.1	2.4	(1.9)
STI	5,499.0	(0.2)	18.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,280.0	(4.8)
Value traded (RM m)	2,214.6	(27.3)
Gainers	590	
Losers	465	
Unchanged	581	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
PH	0.005	0.0	231.3
ZETRIX	0.720	(3.4)	100.2
TANC	0.305	(9.0)	92.0
AIMAX	0.010	0.0	61.1
INRI	2.280	5.1	47.7

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
PBK	5.190	(1.1)	130.1
MAY	11.020	(1.6)	120.2
INRI	2.280	5.1	107.8
ZETRIX	0.720	(3.4)	72.9
PMAH	7.910	(1.1)	59.4

Currencies	Last Close	Daily chg %
USD/MYR	4.092	0.1
USD/JPY	162.480	(0.0)
EUR/USD	1.142	(0.2)
USD/CNY	6.770	0.1
US Dollar Index	100.955	0.2

Commodities	Last Close	% Chg
Brent (USD/barrel)	89.3	1.4
Gold (USD/troy oz)	4,011.0	(0.2)
CPO (MYR/metric t)	4,552.0	(0.4)
Bitcoin (USD/BTC)	65,014.8	0.8

Source: Bloomberg

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Macro News

US: Hormuz traffic near standstill as Dynacom ships targeted

Iranian attacks on tankers and escalating US strikes appear to have brought traffic to a standstill in the Strait of Hormuz, as two vessels controlled by one of the industry's boldest shipowners were hit. An oil supertanker called the *Acheloos*, and a smaller fuel tanker, were both struck in the waterway, according to Dynacom Tankers Management Ltd, the ships' manager. *(Reuters)*

US: Gasoline prices surpass US$4 a gallon for first time in a month

US gasoline prices at the pump climbed back above the US$4-a-gallon mark as the Middle East conflict intensified, threatening to exacerbate a global crunch for transportation fuels and stoke inflation. Regular unleaded gasoline averaged US$4.003 a gallon, according to daily prices posted by the American Automobile Association, after hovering for a month below the painful threshold for drivers. Prices for road fuels are also soaring in Europe, with gasoline nearing seasonal levels last seen in the aftermath of the invasion of Ukraine in 2022. *(Bloomberg)*

US: Treasury Yields Higher on Monday

The yield on the US 10-year Treasury note rose to 4.60% on Monday, after declining about 7bps the previous week, as investors continued to assess developments in the Middle East and their implications for the economic and monetary policy outlook. Tensions between the US and Iran escalated over the weekend, sending oil prices to six-week highs before they pared most of their gains following comments from Iran's foreign ministry indicating that negotiations with the US could continue if the country's national interests are respected. (*Trading Economics*)

US: Imposes new 50% tariffs on some Canadian products

The United States is imposing a tariff of 50% on a wide range of Canadian products in response to what it called Canada's "discriminatory treatment" of U.S. cars, alcohol, and dairy, according to the White House. U.S. President Donald Trump signed three proclamations to impose the tariffs under a nearly century-old trade law, Section 338 of the Tariff Act of 1930, which allows for tariffs of up to 50% on imports from specific countries. (*Reuters)*

EU: Sterling Falls After Burnham Takes Office

The British pound fell to around $1.342 on Monday as investors assessed the appointment of Andy Burnham as the UK's new prime minister and continued to monitor the outlook for monetary policy. Burnham, who succeeded Keir Starmer unopposed, becomes the country's seventh prime minister in the past decade and the second since Labour returned to power in 2024. He reaffirmed his commitment to existing fiscal rules while signalling he is considering raising the income tax personal allowance, which has remained frozen in recent years. (*Trading Economics*)

CN: Heavy rare earth tap stays closed for Japan in June

China's exports of strategically important, controlled rare earths and minerals to Japan were tiny again in June, extending the raw material fallout of a diplomatic spat between the two nations. China sent no gallium, dysprosium, terbium or yttrium to Japan last month, Chinese customs data released on Monday showed. Exports have been tightly throttled for several months. (*Reuters*)

CN: Is exporting 20% fewer magnets to US despite trade truce

China's shipments of rare-earth magnets to the US remain well below pre-trade war levels despite last year's truce, underscoring concerns in the Trump administration about Beijing's adherence to that agreement. Customs data show US-bound exports of the crucial industrial components in the first half were about 20% below the average level seen between 2022 and 2024, before Beijing tightened supplies in response to US President Donald Trump's tariff war. *(Bloomberg)*

CN: AI the 'new engine' keeping Chinese economy from harder landing — Bloomberg analysis

A global rush to build out artificial intelligence (AI) infrastructure has turned the technology into a key pocket of growth in China's economy during one of its weakest stretches in years. Electronics and information technology contributed over half of the economy's expansion in April-June on a quarter-on-quarter basis, according to Capital Economics. (*Bloomberg*)

SK: Details plan to make won freely tradable abroad

South Korea laid out a detailed plan to make the won freely tradable among foreigners, its boldest step yet to liberalise the foreign-exchange market. From January 2027, overseas investors will be able to conduct unlimited won transactions without having to open local won accounts via foreign firms registered with the government, the finance ministry said Sunday in a joint statement with the central bank and regulators. (*Bloomberg*)

MY: High base effects to temper Malaysia's export growth in 2H after bumper June print — economists

Malaysia's export growth is expected to moderate in the second half of 2026 as favourable base effects fade, according to economists, after strong outbound shipments of electronics and energy products drove June exports' growth to its fastest pace in nearly four years. Malaysia's exports rose 45.4% year-on-year to RM177.89bn in June, accelerating from May's revised 44.7% growth. (*The Edge*)

MY: BNM may raise rates if growth holds, oil fuels inflation — MARC

Bank Negara Malaysia (BNM) could eventually consider reversing last year's interest rate cut if Malaysia's strong economic growth persists and higher oil prices add to inflationary pressure, according to MARC Ratings. While MARC expects the overnight policy rate (OPR) to remain unchanged under its baseline scenario, it said a return to the level prevailing before the pre-emptive rate cut in July 2025 could be considered over time. (*The Edge*)

MY: Exports surge 45% in June on electronics, petroleum shipments

Malaysia's exports accelerated further in June as shipments of electronics and petroleum defied geopolitical tensions in the Middle East. Exports totalled RM177.89bn, a 45.4% increase when compared to the same month in 2025, according to the Ministry of Investment, Trade and Industry. That compares to the median 47.3% gain predicted in a *Bloomberg* poll and May's revised 44.7% year-on-year rise. (*The Edge*)

Corporate News

PRG: Unit files winding-up petition against PDM over RM64.2m outstanding payment

PRG Holdings Bhd has initiated winding-up proceedings against property developer Premier De Muara Sdn Bhd (PDM) — a company linked to its largest shareholder Datuk Ng Yan Cheng — over alleged RM64.24m in unpaid construction bills. In a bourse filing on Monday, PRG said its indirect wholly-owned subsidiary Premier Construction (International) Sdn Bhd (PCI) filed the petition against PDM at the High Court. (*The Edge*)

SUNWAY: JVs secure Singapore's Bayshore site with top RM6.7bn bid

A consortium comprising Sunway Bhd's 30%-owned joint ventures on Monday secured a parcel of land at Bayshore Drive in Singapore for residential and commercial development at S$2.13bn (RM6.74bn), after it emerged as the highest bidder for the property. Singapore's Urban Redevelopment Authority awarded the 57,460.6 sq m site on a 99-year lease to Gemini Residential Pte Ltd and Gemini Trustee Pte Ltd (as the trustee-manager of Gemini Mall Trust), Sunway said in a Bursa Malaysia filing. (*The Edge*)

VELESTO: Says US$90m drilling contract mutually terminated

Velesto Energy Bhd said its four-year drilling contract worth over US$90 m (RM368.41m) for the Naga 8 jack-up rig has been mutually terminated after the rig completed only three of the 12 committed wells. The oil and gas services provider said its indirect wholly owned subsidiary Velesto Drilling Sdn Bhd and clients PC Ketapang II Ltd, PC North Madura II Ltd and Petronas North Ketapang Sdn Bhd agreed to terminate the contract "without cause" on July 7. *(The Edge*)

MUIPROP: Unit sells Bandar Springhill industrial land for RM18.7m

MUI Properties Bhd unit is disposing of a parcel of industrial land in Bandar Springhill, Negeri Sembilan for RM18.73m cash to fund ongoing development and infrastructure works, while advancing its plan to position the township as a medical hub. The property developer's indirect 60%-owned subsidiary, West Synergy Sdn Bhd, is selling the land to Antmed Malaysia Sdn Bhd, according to a Bursa Malaysia filing on Monday. *(The Edge*)

AWANTEC: To provide govt with Google cloud services for another year

Cloud services provider AwanBiru Technology Bhd announced on Monday that it will provide Google cloud services to the government for another year following the extension of its Cloud Framework Agreement (CFA). In a Bursa Malaysia filing, the company said its subsidiary Awantec Systems Sdn Bhd, together with the Malaysian Administrative Modernisation and Management Planning Unit (Mampu) and Google Cloud Malaysia Sdn Bhd, has extended its contract for up to 12 months. *(The Edge*)

RL: Gets Energy Commission's nod to transport and import natural gas

Oilfield services company Reservoir Link Energy Bhd has received two licences from the Energy Commission to ship natural gas and import liquefied natural gas (LNG) under Malaysia's third-party access framework, which liberalises the market and allows licensed companies to import, transport and sell natural gas. *(The Edge*)

ECM: Indirect subsidiary accepts banking facilities to part-finance hotel development

ECM Libra Group Bhd, through its indirect wholly-owned subsidiary Desaru Beachfront 2 Sdn Bhd (DB2SB), has accepted a term loan of up to RM120m and revolving credit facilities of up to RM10m (banking facilities) granted by RHB Bank Bhd to part-finance the development of a proposed beachfront hotel and its general working capital requirements. In a filing with Bursa Malaysia, it said the proposed hotel will be built on a parcel of leasehold commercial land owned by DB2SB. *(The Edge*)

MITEC: 2Q profit more than triples on stronger demand, higher selling prices

Mi Technovation Bhd achieved its highest ever second-quarter net profit of RM55.21m in the three months ended June 30, 2026 (2QFY2026), as revenue surged 46.65% to a record high on stronger demand for its semiconductor products, amid improved average selling prices and a favourable product mix. (*The Edge*)

LSH: Plans to transfer listing to Main Market

Lim Seong Hai Capital Bhd plans to transfer its listing to the Main Market from the ACE Market. The construction company said in a bourse listing on Monday that it has met the requirements for the transfer as set out in the equity guidelines issued by the Securities Commission Malaysia and the Main Market listing requirements of Bursa Malaysia. *(The Edge)*

MNHLDG: Gets regulatory approval for transfer to Main Market

MN Holdings Bhd has obtained approval from the securities regulator for the engineering services firm's proposed transfer to the Main Market. The approval from the Securities Commission Malaysia (SC) was granted in a letter dated July 16, though the proposed transfer is still subject to the company meeting the rest of the regulatory requirements and approvals, MN Holdings said in a statement on Monday. *(The Edge)*

SPSETIA: Launches RM63.14m Aurora II terrace homes in Setia Bayuemas South

S P Setia Bhd has launched its Aurora II double-storey terrace homes, which carry a gross development value (GDV) of RM63.14m, in Setia Bayuemas South precinct in Klang, Selangor. According to a press statement issued on Saturday (July 18), the new project comprises 69 units of double-storey terrace homes with lot sizes at 22ft by 75ft and a built-up of 1,904 and 1,967 sq ft. The selling prices starts from RM840,000. *(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	

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	4.71	0.42	9.00
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.36
KIP REIT	REIT	0.84	0.07	8.10
YTL Hospital REIT	REIT	1.04	0.08	7.69
Bermaz Auto	Consumer	1.07	0.08	7.66
Paramount Corporation	Property	1.00	0.07	7.30
Al-Salam REIT	REIT	0.58	0.04	6.96
Sports Toto	Consumer	1.37	0.09	6.86
Ta Ann Holdings	Plantation	5.78	0.39	6.68
TIME dotCom	Telco	5.99	0.40	6.66
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	1.72	0.11	6.16

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		
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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