MERCURY SECURITIES SDN BHD
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Daily Newswatch

Market Review

The FBM KLCI closed low -0.5% to 1,711.4 on Wednesday, as investors continued to take profit following the recent rally, while elevated crude oil prices and lingering geopolitical tensions in the Middle East kept market sentiment cautious. Health Care (-0.8%), Consumer Products & Services (-0.7%) and Financial Services (-0.5%) led sectoral losses, driven by IHH Healthcare (-2.0%), Tenaga Nasional (-1.9%) and Nestle Malaysia (-1.7%), while losers outnumbered gainer 488 to 586 with 602 counters closed unchanged.

Asian markets closed mostly gained on Wednesday, with markets in South Korea and Japan trading higher after recent declines due to heavy selling of stocks linked to artificial intelligence and U.S. futures edged higher, while oil prices slipped. TAIEX (+1.3% to 44,825.8) led gains, followed by KOSPI (+0.7% to 6,797.7), Shanghai Composite (+0.1% to 3,867.0), Nikkei 225 (-0.2% to 66,115.6) and Hang Seng (-1.0% to 24,892.7). Taiwan gains on Technology Services (+5.9%), Producer Manufacturing (+3.3%) and Process Industries (+2.7%) while South Korea gains were led by Communications (+5.0%), Distribution Services (+3.7%) and Consumer Durables (+3.4%) driven by, China was driven by Energy Minerals (+2.6%), Non-Energy Minerals (+2.0%) and Utilities (+1.5%).

European stocks closed higher on Wednesday as strong corporate earnings outweighed a challenging macroeconomic backdrop. The Euro STOXX 50 (+0.5% to 6,317.0), while the STOXX Europe 600 (+0.6% to 646.7). Banking stocks advanced on upbeat earnings, while Airbus surged after raising its delivery targets and announcing a €5 bn share buyback programme. Meanwhile, sovereign yields remained elevated ahead of the ECB's policy decision as rising natural gas prices continued to fuel inflation concerns.

Wall Street closed lower on Wednesday ahead of earnings from mega-cap technology companies. The S&P 500 (-0.1% to 7,499.0), the Nasdaq CI –(0.5% to 25,690.9), and the Dow Jones remain flat. Software stocks weakened ahead of Alphabet's (-1.5%) results, with Microsoft (-1.9%) and Meta (-2.6%) lower, while chipmakers rebounded, led by Nvidia (+2.3%), Broadcom (+2.7%), and AMD (+1.4%). Rising US-Iran tensions lifted oil prices and Treasury yields, adding to inflation concerns. Financials were mixed, with Visa (-0.7%) lower and JPMorgan (+0.9%) higher, while AT&T (+3.5%) gained after beating earnings estimates.

Macro Snapshots

- **US:** Hegseth says US war against Iran has cost US$37.5 bn
- **UK:** Inflation at 15-month low in brief respite for consumers
- **CN:** More stimulus likely to shore up H2 growth
- **MY:** Forex reserves ease to US$131.8 bn in mid-July

Corporate Snapshots

- **ORKIM:** Announces second tanker acquisition in 2026 at RM95m
- **IGBREIT:** Net property income jumps 51%, commercial REIT rises 18%
- **UOAREIT:** Declares 3.94 sen distribution as 2Q property income jumps 30.8%
- **GDB:** Secures RM439.4m contract for mixed-use tower in Mont Kiara

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,711.4	(0.5)	1.9
Dow Jones	52,218.6	0.0	8.6
Nasdaq CI	25,690.9	(0.6)	10.5
S&P 500	7,499.0	(0.1)	9.5
SX5E	6,317.0	0.5	9.1
FTSE 100	10,717.0	1.2	7.9
Nikkei 225	66,115.6	(0.2)	31.3
Shanghai CI	3,867.0	0.1	(2.6)
HSI	24,892.7	(1.0)	(2.9)
STI	5,595.4	1.2	20.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,431.9	(3.0)
Value traded (RM m)	2,507.6	(10.6)
Gainers	448	
Losers	586	
Unchanged	602	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
AIMAX	0.015	50.0	358.1
VSI	0.260	4.0	146.1
ZETRIX	0.715	(2.1)	94.4
TANC	0.305	(3.2)	67.6
NNCB	0.045	12.5	51.0

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	10.940	(0.7)	200.6
PBK	5.150	(1.0)	139.5
SDG	6.590	(0.5)	83.2
TNB	14.280	(1.9)	69.1
ZETRIX	0.715	(2.1)	67.9

Currencies	Last Close	Daily chg %
USD/MYR	4.087	0.0
USD/JPY	163.150	0.0
EUR/USD	1.141	0.1
USD/CNY	6.774	(0.1)
US Dollar Index	101.123	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	94.3	3.6
Gold (USD/troy oz)	4,136.2	1.5
CPO (MYR/metric t)	4,546.0	0.4
Bitcoin (USD/BTC)	65,906.1	(0.7)

Source: Bloomberg

Macro News

US: More Red Sea shipments disrupted, Rubio says Iran not serious about talks

Four more tankers changed course in the Red Sea on Wednesday after Iran-aligned Houthis in Yemen threatened the southern route out, highlighting a new risk to global oil supplies from the intensifying war between the US and Iran. US Secretary of State Marco Rubio said Iran was not serious about peace talks, and Pakistan, which has been mediating, condemned the disruption to a second critical energy route, where three tankers turned around on Tuesday. Both Rubio and Pakistan said they still backed the idea of negotiations. (*Reuters*)

US: 10-year Treasury yield rises as traders reassess Fed rate hike bets

U.S. Treasury yields moved higher on Wednesday as investors mapped escalating tensions across the Middle East and mulled prospects for Federal Reserve monetary policy in the months ahead. The yield on the 10-year U.S. Treasury note — the key benchmark for U.S. government borrowing — was up more than 3 basis points at 4.659%. The 2-year Treasury note yield, which more closely tracks short-term Federal Reserve interest rate policy, rose more than 4 basis points to 4.304%. The longer-dated 30-year Treasury bond yield was higher by less than 2 basis points at 5.15%. (*CNBC*)

US: 30-year mortgage hits 11-month high, MBA says

The interest rate on the most popular type of U.S. home loan crept up again last week to the highest since last August with little prospect for an immediate break for would-be homebuyers, thanks to inflation-wariness among Federal Reserve officials and across bond markets. The contract rate on a 30-year, fixed-rate mortgage rose 4 basis points to 6.69% in the week ended July 17, matching the rate last seen in the week ended August 22, 2025, the Mortgage Bankers Association said on Wednesday. (*Reuters*)

US: To spend US$5b on health, construction research powered by AI

The US will spend US$5bn (RM20.4 bn) to tackle long-standing scientific problems across multiple fields using AI, the Trump administration said in a statement on Wednesday. The agencies will use the funding to identify the root causes of chronic diseases, accelerate drug discovery and develop longer-lasting building materials, among other tasks, according to the statement. (*Reuters)*

US: Hegseth says US war against Iran has cost US$37.5 bn

The US war against Iran has cost the US about US$37.5bn (RM153.45bn), Defense Secretary Pete Hegseth said, giving the most up-to-date official estimate for a conflict that shows no signs of ending soon. Hegseth gave the estimate in an appearance before the Senate Appropriations Committee on Tuesday that was focused on President Donald Trump's request for an additional US$67bn in defense funding. (*Bloomberg*)

UK: Inflation at 15-month low in brief respite for consumers

UK inflation fell to its lowest level in over a year on cheaper motor fuel and food, a reprieve for households that may prove short-lived as a return to hostilities in the Middle East pushes up energy prices. Consumer prices rose 2.6% in the 12 months to June, an easing from the 2.8% increase the previous month and the lowest rate since March last year, the Office for National Statistics said on Wednesday. It was below the 2.7% economists were expecting on average, the third month in a row price growth has undershot forecasts. (*Bloomberg*)

CN: Steps up austerity by cutting spending most since October

China's government spending plunged last month by the most since October, suggesting the government tightened fiscal policy further despite increasing calls for more support as economic growth slips. A broad measure of government expenditure tumbled 11.9% in June from a year earlier, according to *Bloomberg* calculations based on Ministry of Finance data released Wednesday. By contrast, broad fiscal revenue gained 1.8%. (*Bloomberg*)

CN: More stimulus likely to shore up H2 growth

Additional policy stimulus measures are likely in the second half to anchor China's economic growth and reinforce the ongoing recovery of the A-share market, international investment banks said as markets await a potential regular top-level meeting to set the macroeconomic policy tone for the coming months. They increasingly see the meeting as a potential window for policymakers to fine-tune macroeconomic policies, with a possible shift toward policy easing resembling the adjustments introduced in late 2024. *(China Daily*)

CN: Fighting while talking won't benefit EU: China Daily editorial

The joint statement released after a meeting between French President Emmanuel Macron and German Chancellor Friedrich Merz on Friday shows the challenges facing China-EU economic relations. Both leaders claimed that China's widening trade surplus with the European Union — at "1bn euros ($1.14bn) a day" — along with what they described as an "undervalued renminbi", poses an "existential threat" to European manufacturing. (*China Daily*)

JP: BOJ is said open to faster rate hike pace as yen adds risks — Bloomberg

Bank of Japan officials are open to raising interest rates at a faster pace than the consensus among economists, as the yen's continued weakness adds to upside inflation risks, according to people familiar with the matter. The central bank is widely expected to hold its policy settings steady at a July 31 board meeting, with most BOJ watchers expecting another hike in December after policymakers last month raised the benchmark rate to 1%, the highest in 31 years. (*Bloomberg*)

JP: Trade deficit widens as yen, Iran war inflate imports

Japan's trade deficit unexpectedly widened in June as the weak yen inflated the value of imports and the war in Iran made oil more expensive. The trade deficit expanded to ¥406.9 bn (US$2.5bn or RM10.21bn) on an unadjusted basis from a revised ¥391.8bn gap in May, the Finance Ministry reported Wednesday. Analysts had forecast a ¥120bn deficit. The value of imports rose 25.4% in June from a year ago while the value of exports gained 19.3%. (*Bloomberg*)

SK: Economy expands 0.6% q/q in Q2, better than expected

South Korea's economy grew faster than market expectations in the second quarter, driven by a semiconductor export boom that offset a decline in construction investment, advanced estimates from the Bank of Korea showed on Thursday. Gross domestic product expanded 0.6% in the April-June period from a quarter earlier on a seasonally adjusted basis, faster than a median estimate of 0.4%. (*Reuters*)

MY: Forex reserves ease to US$131.8 bn in mid-July

Malaysia's international reserves slipped to US$131.8bn (RM538.75bn) as at July 15, 2026, according to the central bank's latest update on Wednesday. The reserves are sufficient to finance 4.7 months of imports of goods and services, and 0.9 times the country's short-term external debt, according to Bank Negara Malaysia (BNM). The latest figure is US$0.8bn lower than the US$132.6bn recorded at the end of June. (*The Edge*)

MY: Voices concern over Houthi threats to Bab el-Mandeb strait, says freedom of navigation must be protected

Malaysia has expressed concern over threats by the Houthis to restrict or close passage through the Bab el-Mandeb Strait, saying such disruption could affect supply chains and energy security. In a statement on Tuesday, the Foreign Ministry said the strait is an indispensable artery for international trade connecting Asia and Europe, and any interference with transit through this corridor could affect economies worldwide, far beyond the immediate region. (*The Edge*)

Corporate News

ECOSHOP: Posts record high 4Q earnings on improved margins, stronger sales

Eco-Shop Marketing Bhd on Wednesday reported its highest-ever quarterly net profit of RM72.63m as revenue also rose to a record high, on improved margins and store expansion. The net profit for the three months ended May 31, 2026 (4QFY2026) is 44.91% higher than the RM50.12m posted a year earlier, the dollar-store retail chain said in a bourse filing. Quarterly revenue rose 12.18% year-on-year to RM772.89m from RM688.98m. (*The Edge*)

IGBREIT: Net property income jumps 51%, commercial REIT rises 18%

IGB REIT's net property income (NPI) jumped 51% for the second quarter ended June 30, 2026 (2QFY2026), helped by a full-quarter contribution from The Mall, Mid Valley Southkey (MVS Mall). IGB REIT reported NPI of RM181.2m from RM119.9m a year earlier, according to its Bursa Malaysia filing on Wednesday, driven by additional income from MVS Mall and higher rental income from Mid Valley Megamall (MVM) and The Gardens Mall (TGM). Revenue rose 50.5% to RM241m from RM160.1m. (*The Edge*)

CTOS: Reports 7% rise in 2Q profit on higher revenue, plans special dividend and buybacks from RM50m Juris stake sale

CTOS Digital Bhd posted a 7% increase in its second-quarter net profit from the same quarter a year ago, as revenue grew. The group's net profit rose to RM22.65m for the three months ended June 30, 2026 (2QFY2026), from RM21.16m in 2QFY2025, the credit information provider's bourse filing on Wednesday showed. Quarterly revenue climbed 9.96% to RM86.87m from RM79m. A second interim dividend of 0.70 sen per share was declared with the latest results, to be paid on Aug 28. (*The Edge*)

UTDPLT: Posts lower 2Q earnings on higher costs, weaker JV contribution

United Plantations Bhd reported a 22.2% decline in its second-quarter net profit compared with a year ago, as higher operating expenses and lower joint venture contributions weighed on its earnings. Net profit for the quarter ended June 30, 2026 (2QFY2026) fell to RM194m from RM249.38m in 2QFY2025, its bourse filing showed. This was despite revenue edging up 0.54% to RM641.84m from RM638.42m. (*The Edge*)

UOAREIT: Declares 3.94 sen distribution as 2Q property income jumps 30.8%

UOA REIT declared an interim income distribution of 3.94 sen per unit as its second-quarter net property income surged 30.8% year-on-year on improved occupancies and lower maintenance costs. NPI for the three months ended June 30, 2026 (2QFY2026) rose to RM23.48

mlion from RM17.96m in 2QFY2025, while property income saw an increase of 10.7% to RM33.32m from RM30.09m. *(The Edge)*

GDB: Secures RM439.4m contract for mixed-use tower in Mont Kiara

GDB Holdings Bhd has secured a RM439.4m contract with Magma Kiara Sdn Bhd, a wholly-owned subsidiary of Magma Group Bhd, to construct a mixed-use tower in Mont Kiara called the Wolo Hotel & Residences. According to its bourse filing, construction of this multi-purpose tower is expected to begin in August. It will be constructed by Grand Dynamic Builders Sdn Bhd, a wholly-owned subsidiary of GDB, and is expected to be completed by December 2030. *(The Edge)*

VELESTO: To provide drilling rig for Chevron Malaysia's North Malay Basin project

Velesto Energy Bhd said it has secured a contact worth US$51m (RM208.4m) to provide integrated rig, drilling and completion (i-RDC) services for Chevron Malaysia's 2026-2028 North Malay Basin development campaign. The contract was awarded to its wholly-owned subsidiary Velesto Drilling Sdn Bhd by Chevron Malaysia's wholly-owned unit Hess Exploration and Production Malaysia BV, said Velesto in a bourse filing on Wednesday. *(The Edge)*

ORKIM: Announces second tanker acquisition in 2026 at RM95m

Marine transportation company Orkim Bhd is expanding its fleet to 20 vessels with the acquisition of an oil and chemical tanker for 157m yuan (RM94.9m). The group said its wholly-owned unit Orkim Ambition Sdn Bhd has entered into a memorandum of agreement with Hong Kong-registered shipping company Allcontinents International Shipping Ltd to acquire the *MT Rong Yao Wu Zhou*. (*The Edge*)

MYNEWS: Acquires 13.5-acre plot in Rawang for RM24.7m to build new distribution centre

MyNews Holdings Bhd said it is acquiring 13.5 acres of industrial land in Rawang for RM24.7m in cash to build a new distribution centre. The land is currently vacant and has a remaining lease tenure of 69 years, the company said in a bourse filing on Wednesday. MyNews said the land will support its long-term expansion plans, as its existing distribution centre is operating at constrained capacity. *(The Edge)*

PRG: Major shareholder Ng pushes back against 'one-sided' claims, highlights over RM89m financial support for group

PRG Holdings Bhd's largest shareholder Datuk Ng Yan Cheng has pushed back against what he called one-sided claims that imply he and his family intended to harm PRG, saying such claims ignore the financial support and commercial risks he had taken over the years to support the company during difficult periods. PRG's largest shareholder, Ng, who holds a 16.6% stake, said in a statement on Wednesday that a total of RM89.55m had been provided to PRG and its subsidiaries over the years. *(The Edge)*

MTTSL: Emerges as substantial shareholder of MTT Shipping

London-listed Aberdeen Group plc has emerged as a substantial shareholder in MTT Shipping and Logistics Bhd after purchasing 126.86m shares or a 5.075% stake. According to a bourse filing on Wednesday, the container liner operator said the transaction, through Abrdn Malaysia Sdn Bhd, was executed on July 20. The transaction prices were not disclosed. However, Abrdn Malaysia may have paid an estimated RM123.06m for the block of shares based on the stock's closing price of 97 sen on July 20. *(The Edge)*

MAXIS: Signs pact with Kota Sultan Ahmad Shah developer for township connectivity

Maxis Bhd has signed an initial pact with a firm controlled by the Pahang royal family for fibre and mobile connectivity in the Kota Sultan Ahmad Shah township. Under the terms of the memorandum of understanding signed, Maxis will lead the fibre rollout for over 4,000 new premises and deliver mobile coverage across the mixed development located close to Istana Abdul Aziz in Kuantan, the company said in a statement. "Maxis will provide the essential infrastructure and deploy connectivity-enabled solutions," Maxis said. *(The Edge)*

FOCUSP: Lembaga Tabung Haji returns as substantial shareholder in Focus Point

Lembaga Tabung Haji has re-emerged as a substantial shareholder of optical retail chain operator Focus Point Holdings Bhd. The Islamic pilgrims' fund crossed the substantial shareholder threshold after purchasing 570,000 shares on Tuesday, raising its stake to 5.05%. Tabung Haji previously held substantial shareholder status in Focus Point for a brief four-day period in February 2025. *(The Edge)*

MAHSING: Targets industrial projects to form up to 30% of sales moving forward

Mah Sing Group Bhd is aiming to increase the contribution of industrial developments to its sales as it seeks to capitalise on growing high-tech manufacturing interest in the Asean region amid shifting global supply chains. Following the group's extraordinary general meeting on Wednesday, chief financial officer Teong Sze Howe told *The Edge* that residential projects currently account for almost all of Mah Sing's sales contribution, but the group expects industrial developments to make up 20% to 30% of its sales going forward. *(The Edge)*

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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
Durable Goods Orders (MoM) (Jun)	July 27
CB Consumer Confidence (Jul)	July 28
Fed Interest Rate Decision	July 30
FOMC Press Conference	July 30
Core PCE Price Index (MoM) (Jun)	July 30
Core PCE Price Index (YoY) (Jun)	July 30
GDP (QoQ) (Q2)	July 30
Initial Jobless Claims	July 30
Chicago PMI (Jul)	July 31
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	4.68	0.42	9.06
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.36
Bermaz Auto	Consumer	1.01	0.08	8.12
KIP REIT	REIT	0.85	0.07	8.05
YTL Hospital REIT	REIT	1.04	0.08	7.69
Paramount Corporation	Property	1.01	0.07	7.23

Al-Salam REIT	REIT	0.58	0.04	6.90
Sports Toto	Consumer	1.38	0.09	6.81
TIME dotCom	Telco	5.95	0.40	6.71
Ta Ann Holdings	Plantation	5.80	0.39	6.66
Al-Aqar Healthcare REIT	REIT	1.17	0.07	6.41
Taliworks Corporation	Utilities	0.32	0.02	6.35
MAG Holdings	Consumer	1.28	0.08	6.25
Magnum	Consumer	1.28	0.08	6.25

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		
ESYS HOLDINGS BERHAD	Leap Market	0.11	-	-	-	24 July

Source: Bursa Malaysia

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