MERCURY SECURITIES SDN BHD
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MARKET WATCH
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Daily Newswatch

Market Review

The FBM KLCI closed high 0.2% to 1,714.6 on Thursday, tracking gains across regional markets despite lingering geopolitical tensions, as a surge in global oil prices supported Malaysia's energy-related companies, while utilities attracted investors seeking defensive earnings amid persistent global uncertainties. Construction (+1.0%), Reit (+0.4%) and Industrial Products & Services (+0.2%) led sectoral gains, driven by Petronas Chemicals (+2.3%), Gamuda (+1.9%) and Tenaga Nasional (+1.5%), while losers outnumbered gainer 416 to 594 with 607 counters closed unchanged.

Asian markets closed mostly gained on Friday, South Korean stocks offset weakness in parts of Southeast Asia, where investors remained wary of rising oil prices and escalating tensions in the Middle East. KOSPI (+4.4% to 7,096.9) led gains, followed by Hang Seng Index (+1.9% to 25,210.8), Nikkei 225 (+0.5% to 66,422.6), Shanghai Composite (+0.3% to 3,876.8) and TAIEX (+0.1% to 44,850.8). South Korea gains on Energy Minerals (+8.7%), Utilities (+7.6%) and Producer Manufacturing (+7.2%) while Hong Kong gains were led by Process Industries (+2.6%), Producer Manufacturing (+2.1%) and Finance (+1.8%) driven by, Japan was driven by Miscellaneous (+4.3%), Non-Energy Minerals (+2.2%) and Energy Minerals (+1.6%).

European stocks closed sharply lower on Thursday as surging energy prices and a hawkish ECB outlook weighed on sentiment. The Euro STOXX 50 (-1.7% to 6,210.2), while the STOXX Europe 600 (-1.2% to 639.3). Banking stocks declined despite generally strong earnings, while luxury stocks came under pressure following weak sector results. Meanwhile, the ECB kept interest rates unchanged but signalled that persistent inflation risks could warrant further rate hikes as higher gas prices reflected escalating US-Iran tensions.

Wall Street closed lower on Thursday amid a deteriorating macroeconomic backdrop and renewed doubts over AI spending. The S&P 500 (-1.2% to 7,408.3), the Nasdaq CI (-2.2% to 25,137.7), and the Dow Jones (-1.0% to 51,711.7). Despite solid earnings, Alphabet (-6.9%) declined after raising its capital spending forecast, while Tesla (-14.5%) tumbled as profit fell despite strong EV deliveries. Other hyperscalers also weakened, with Nvidia (-1.6%), Microsoft (-2.2%), Meta (-3.4%), Amazon (-4.6%), Broadcom (-1.1%), and Oracle (-4.6%) lower. Rising Treasury yields and Middle East tensions weighed on sentiment, while Goldman Sachs (-2.1%), Visa (-0.5%), and Comcast (-6.8%) declined. RTX (+7.3%) gained after beating expectations.

Macro Snapshots

- **US:** Weekly jobless claims fall sharply in latest week
- **EU:** ECB keeps rates unchanged but September hike stays in play
- **CN:** Beijing seeking feedback on planned China-US tariff cuts on US$30b in trade
- **MY:** Reviewing petroleum reserves to strengthen energy security

Corporate Snapshots

- **KERJAYA:** Bags RM53m data centre-related M&E contract
- **PAVREIT:** 2Q property income up 11%, declares 5.17 sen DPU
- **BETA:** 1Q profit rises 53% on higher automotive production
- **YNHPROP:** Defers RM34.4m coupon payments to fund ongoing projects

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,714.6	0.2	2.1
Dow Jones	51,711.7	(1.0)	7.6
Nasdaq CI	25,137.7	(2.2)	8.2
S&P 500	7,408.3	(1.2)	8.2
SX5E	6,210.2	(1.7)	7.2
FTSE 100	10,639.2	(0.7)	7.1
Nikkei 225	66,422.6	0.5	31.9
Shanghai CI	3,876.8	0.3	(2.3)
HSI	25,210.8	1.3	(1.6)
STI	5,581.8	(0.2)	20.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,199.8	(6.8)
Value traded (RM m)	2,271.8	(9.4)
Gainers	416	
Losers	594	
Unchanged	607	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
AIMAX	0.010	(33.3)	330.2
ZETRIX	0.710	(0.7)	120.8
TANC	0.270	(11.5)	116.7
VSI	0.250	(3.8)	114.8
PH	0.005	0.0	60.5

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
TNB	14.500	1.5	107.1
MAY	10.860	(0.7)	113.1
PBK	5.170	0.4	106.1
ZETRIX	0.710	(0.7)	84.8
WPRTS	6.690	2.1	82.3

Currencies	Last Close	Daily chg %
USD/MYR	4.089	0.0
USD/JPY	163.860	0.0
EUR/USD	1.138	0.0
USD/CNY	6.776	0.0
US Dollar Index	101.455	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	100.6	6.9
Gold (USD/troy oz)	4,049.5	(2.0)
CPO (MYR/metric t)	4,600.0	0.1
Bitcoin (USD/BTC)	64,992.9	(0.2)

Source: Bloomberg

Macro News

US: Weekly jobless claims fall sharply in latest week

The number of Americans seeking unemployment benefits for the first time fell sharply last week, indicating the US job market continues on an even keel and leaving Federal Reserve officials to keep their focus on containing inflation. Initial claims for state jobless benefits dropped by 22,000 to a seasonally adjusted 187,000 for the week ended July 18, the Labor Department said on Thursday. Economists polled by *Reuters* had forecast 212,000 new claims for the latest week. (*Reuters*)

US: Oil set for weekly gain as Middle East crisis fuels supply fears

Oil headed for a weekly surge after Houthi attacks on tankers in the Red Sea opened a new front in the Middle East conflict, while President Donald Trump threatened to extend US strikes on Iran. West Texas Intermediate was steady above US$92 a barrel, up around 12% for the week. Brent closed above US$100 for the first time since May. Trump posted that the US will inflict “major military punishment” on both Iran and the Houthis in the event of more strikes in shipping in the Red Sea. (*Bloomberg)*

US: Dollar hits new 40-year high versus yen, euro lower after ECB decision

The dollar hit a fresh 40-year high against the yen and was stronger against the euro as oil prices continued to climb on rising hostilities in the Middle East and the European Central Bank kept interest rates unchanged. Oil prices rose for a fifth straight day, with Brent touching the US$100 a barrel mark for the first time since May 26, as Yemen's Houthis said they struck two Saudi oil tankers, increasing the possibility of a second bottleneck on global oil supplies alongside the near-shuttered Strait of Hormuz. (*Reuters)*

US: Trade chief will make a tariff announcement on Thursday, White House says

US Trade Representative Jamieson Greer will make an announcement on tariffs on Thursday ahead of the expiration of 10% global tariffs on Friday, White House press secretary Karoline Leavitt said. (*Reuters*)

EU: ECB keeps rates unchanged but September hike stays in play

The European Central Bank kept interest rates unchanged as expected on Thursday but held the door open to another increase in September, as a fresh jump in energy prices threatens to keep inflation well above its 2% target. The ECB had raised rates in June and hinted at more to come but a string of benign data on prices, wages, economic activity and inflation expectations in the weeks since made a quick follow-up step less urgent. (*Reuters*)

CN: Beijing seeking feedback on planned China-US tariff cuts on US$30b in trade

China is seeking opinions from companies, business associations and local governments on proposed reciprocal tariff cut arrangements with the United States on about US$30 billion (RM122.6 billion) in trade, the Chinese commerce ministry said on Thursday. Teams from both sides have maintained close communication about the arrangements of the tariff reduction framework and the structure, functions and operating model of their Board of Trade, a ministry official said at a press briefing. (*Reuters*)

SG: Core inflation quickens to 1.6% ahead of central bank decision

Singapore’s core inflation accelerated last month as higher global energy costs are beginning to filter through to consumer prices. Core inflation, which excludes housing and private transportation costs, rose to 1.6% in June from a year earlier, according to a statement by the Singapore Department of Statistics on Thursday. (*Bloomberg*)

MY: Rethinking investment Incentives as data centre boom exposes policy gaps, says Treasury secretary general

Malaysia is rethinking how it attracts foreign investments after an influx of data centre projects exposed the limitations of rewarding companies based primarily on the size of their capital commitments. Treasury secretary general Tan Sri Johan Mahmood Merican said the government has learnt from its recent experience with data centres, acknowledging that Malaysia may have gone too far in rolling out incentives for the sector as demand surged alongside the global artificial intelligence (AI) boom. (*The Edge*)

MY: Government to launch integrated crackdown on non-compliant electrical products

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*

MY: Reviewing petroleum reserves to strengthen energy security

Measures to diversify supply sources and assess strategic stockpiling needs are crucial for extending the resilience of the country's petroleum supply beyond the current operational period, according to the Ministry of Economy. The ministry noted that the country's current operational supply resilience relies on existing stocks within the commercial supply chain, with operational stocks at the retail and petrol station levels lasting around three days. (*The Star*)

Corporate News

YNHPROP: Defers RM34.4m coupon payments to fund ongoing projects

YNH Property Bhd is deferring RM34.41 million in coupon payments across two tranches under its perpetual securities programme to preserve cash for its ongoing developments, including Solasta Dutamas and its township projects in Seri Manjung. In filings with Bursa Malaysia on Thursday, the company said the total deferred amount comprises current coupon obligations, previously deferred amounts and additional coupons accrued to date. (*The Edge*)

MBSB: Divests MIDF Amanah Asset Management to CEO-led Tortoise Works

MBSB Bhd has divested its asset management arm, MIDF Amanah Asset Management Bhd (MAAM), to Tortoise Works Sdn Bhd — an entity led by MAAM chief executive officer Shan Kamahl Mohammad — saying it is part of a strategy to sharpen focus on its core banking business. This confirms an earlier report by *The Edge Malaysia* in May that Shan Kamahl was leading a management buyout of MAAM. (*The Edge*)

WPRTS: Port tariff hike boosts Westports net profit by 56% in 2Q, volume guidance cut

Westports Holdings Bhd posted a 56% jump in its second-quarter net profit from a year ago thanks largely to higher port tariffs but cut its container volume guidance. Net profit for the three months ended June 30, 2026 (2QFY2026) was RM360.9 million versus RM231.63 million over the same quarter in 2025, as administrative expenses also fell sharply. Revenue rose 25% year-on-year to RM866.89 million, a bourse filing showed. (*The Edge*)

PAVREIT: 2Q property income up 11%, declares 5.17 sen DPU

Pavilion Real Estate Investment Trust saw its net property income (NPI) in the second quarter rise 11.1% from a year earlier, driven by higher rental income from its hotel assets and lower electricity expenses. NPI for the three months ended June 30, 2026 (2QFY2026) rose to RM142.28 million from RM129.83 million previously, according to a bourse filing on Thursday. (*The Edge*)

KIPREIT: Posts record FY2026 distribution, gets nod for Setapak Central deal

KIP Real Estate Investment Trust capped a record financial year on Thursday with its highest annual distribution since listing, as unitholders approved its RM435 million acquisition of Setapak Central Mall, paving the way for the retail-focused REIT's next phase of growth. The proposed acquisition, together with a private placement of up to 220 million new units to partly fund the deal, is expected to lift KIP REIT's assets under management to RM2.1 billion, exceeding its RM2 billion target ahead of schedule. (*The Edge*)

ALPHA: Expansion costs dent Alpha IVF's FY2026 net profit despite record revenue

Alpha IVF Group Bhd's net profit slipped 7.5% in the financial year ended May 31, 2026 (FY2026), as higher pre-operating expenses tied to its regional expansion outweighed record revenue. Net profit fell to RM53.15 million from RM57.45 million in the previous financial year, despite revenue rising 12.3% to an all-time high of RM198.59 million from RM176.84 million, driven by stronger demand from both local and international patients at its Malaysian centres. (*The Edge*)

LUXCHEM: Net profit surges to five-year high in 2Q on stronger trading, manufacturing performance

Industrial chemicals and materials company Luxchem Corporation Bhd reported its highest quarterly earnings in five years, driven by stronger contributions from both its trading and manufacturing segments. Net profit for the three months ended June 30, 2026 (2QFY2026) more than doubled to RM18.48 million from RM8.89 million a year ago, according to the group's bourse filing on Thursday (July 23). (*The Edge*)

KERJAYA: Bags RM53m data centre-related M&E contract

Kerjaya Prospek Group Bhd has secured a RM52.5 million subcontract to undertake civil, structural and basic low-voltage mechanical and electrical (M&E) works for a new 275-kilovolt consumer landing station serving a data centre in the Klang Valley. In a Bursa Malaysia filing, the construction outfit said its wholly owned unit Kerjaya Prospek (M) Sdn Bhd accepted the letter of award from an undisclosed customer. (*The Edge*)

ZECON: Unit bags RM328m EPCC contract for Sarawak agrivoltaics solar project

Sarawak-based Zecon Bhd's subsidiary has received a RM328 million contract to develop a 100 megawatt (MWac) agrivoltaics solar photovoltaic facility at the Kota Petra Green Technology Park in Sarawak. In a statement on Thursday, the group said its wholly-owned unit Zecon Renewables Sdn Bhd received the engineering, procurement, construction and commissioning (EPCC) contract from sister company Zecon Renewables (Sarawak) Sdn Bhd. (*The Edge*)

VINVEST: Avoids suspension, delisting after appointing sponsor

Vinvest Capital Holdings Bhd has avoided the suspension and delisting of its shares after Bursa Malaysia decided not to take further action against the company, following its appointment of a sponsor. In a filing on Thursday, Vinvest said Bursa made the decision after considering the company's circumstances, particularly the appointment of TA Securities Holdings Bhd as its sponsor on July 17 and its written response to a show-cause notice issued by the exchange. (*The Edge*)

ANEKA: Posts quarterly loss as higher costs squeeze margins

Aneka Jaringan Holdings Bhd posted its first third-quarter loss in three years as higher material, fuel and transportation costs squeezed project margins despite stronger revenue. The engineering and construction group posted a net loss of RM1.91 million for the three months ended May 31, 2026 (3QFY2026), compared to a net profit of RM738,000 a year earlier, according to its Bursa Malaysia filing on Thursday. *(The Edge)*

HKB: Sarawak-based Hartanah eyes utility projects, peninsular jobs

Hartanah Kenyalang Bhd is seeking to expand into utilities construction services as the Sarawak-based contractor eyes more jobs in Peninsular Malaysia. Sarawak's renewable energy ambition will allow the company to bid for jobs such as to build electric substations while water infrastructure upgrades in the state will also open the door for Hartanah Kenyalang to go into pipeline and treatment plant projects, said managing director Seah Boon Tiat. *(The Edge)*

BETA: 1Q profit rises 53% on higher automotive production

Betamek Bhd started its new financial year on a strong note, driven by higher automotive production volumes, growing export sales and a broader customer base. In a Bursa filing on Thursday, the automotive electronics manufacturer said net profit rose 53.2% to RM8.25 million for the first quarter ended June 30, 2026 (1QFY2027), from RM5.39 million in the corresponding quarter a year earlier. Quarterly revenue increased 40.3% to RM79.82 million from RM56.88 million. *(The Edge)*

AMREIT: To buy three freehold industrial plots in Johor-Singapore SEZ

AME Real Estate Investment Trust is purchasing three pieces of vacant freehold industrial land in i-Park @ Senai Airport City, Johor for RM50.2 million. The acquisition, executed by RHB Trustees Bhd on behalf of AME REIT, spans 8.87 acres and is the REIT's first purchase from a third party rather than its sponsor, AME Elite Consortium Bhd . *(The Edge)*

Upcoming key economic data releases	Date
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	

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Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
MBM Resources	Consumer	4.63	0.42	9.16
Sentral REIT	REIT	0.72	0.06	9.09
KIP REIT	REIT	0.85	0.07	8.40
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.36
Bermaz Auto	Consumer	1.00	0.08	8.20
YTL Hospital REIT	REIT	1.05	0.08	7.62
Paramount Corporation	Property	1.01	0.07	7.23
Sports Toto	Consumer	1.38	0.09	6.81
Al-Salam REIT	REIT	0.59	0.04	6.78
TIME dotCom	Telco	5.93	0.40	6.73
Ta Ann Holdings	Plantation	5.78	0.39	6.68
Al-Aqar Healthcare REIT	REIT	1.16	0.07	6.47
Taliworks Corporation	Utilities	0.32	0.02	6.35
MAG Holdings	Consumer	1.27	0.08	6.30
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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