MERCURY SECURITIES SDN BHD
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Daily Newswatch

Market Review

The FBM KLCI closed low -0.8% to 1,701.0 on Friday, Sentiment was further dampened by news of US President Donald Trump's latest Section 301 tariff measures, which fuelled concerns over global trade, although easing oil prices later in the session helped pare losses. Telecommunications & Media (-1.7%), Financial Services (-0.8%) and Construction (-0.7%) led sectoral losses, driven by Press Metal Aluminium (-2.4%), both YTL Power and Hong Leong Bank (-1.7%) and 99 Speed Mart (-1.6%), while losers outnumbered gainer 334 to 714 with 559 counters closed unchanged. WoW: FBMKLCI (-1.8%); Financial Services (-2.3%), Telecommunications & Media (-2.1%) and Plantation (-1.9%)

Asian markets closed mixed on Friday, US dollar on Friday amid heightened uncertainty over crude oil prices following disruptions to vessel traffic in West Asia as well as the United States' (US) latest move to impose tariffs on 60 countries. TAIEX (+2.3% to 43,654.8) led gains, followed by Hang Seng Index (+1.6% to 24,963.2), Shanghai Composite (+1.3% to 3,814.2), KOSPI (-1.9% to 6,690.6) and Nikkei 225 (-3.3% to 64,611.2). TAIEX gains on Technology Services (+2.5%), Communications (+1.3%) and Transportation (+0.9%) while Hong Kong gains were led by Communication (+0.2%) and Miscellaneous (+0.2%), Japan was driven by Health Technology (+2.7%), Transportation (+1.1%) and Communications (+1.0%). WoW: TAIEX (+2.3%), Hang Seng (+1.6%), Shanghai Composite (+1.3%), KOSPI (-1.9%) and Nikkei (-3.3%)

European stocks closed higher on Friday, recovering some of the previous session's losses on the back of strong corporate earnings. The Euro STOXX 50 rose 1.1% to 6,280.9, while the STOXX Europe 600 gained 0.8% to 644.5. Technology and financial stocks led the advance following upbeat earnings reports. Meanwhile, energy inflation risks remained elevated despite a pause in the oil rally, with European natural gas prices climbing to their highest level since December 2022. WoW: STOXX 50 (+0.;8%) and STOXX Europe 600 (+0.5%)

Wall Street closed mixed on Friday as investors assessed corporate earnings and the interest rate outlook. The S&P 500 flat, the Nasdaq CI (-0.6% to 24,975.8), and the Dow Jones (+0.5% to 51,947.3). Rising Treasury yields and Middle East tensions kept inflation concerns elevated despite easing oil prices. Intel (-7.9%) fell despite reporting its strongest revenue growth in 17 years, while AI spending concerns weighed on Tesla (-2.1%) and Meta (-1.8%). Elsewhere, Amex (-4.3%) declined after earnings, while Verizon (+5.8%) gained on stronger-than-expected subscriber growth. WoW: Dow Jones (-0.38%), S&P 500 (-0.6%) and Nasdaq CI (-2.1%)

Macro Snapshots

- **US:** Global inflation angst is back with US$100 oil and more tariffs
- **EU:** ECB says consumer price expectations fell sharply in June
- **CN:** Restricts exports to 14 EU entities
- **MY:** Gets strong demand for global sukuk, record-low spreads

Corporate Snapshots

- **YNH:** Unit gets IRB approval for RM5.16m tax settlement plan
- **LAGENDA:** Plans RM1.5bn sukuk programme
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- **TENAGA:** Khazanah sold RM1.39bn Tenaga stake in placement — Bloomberg

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,701.0	(0.8)	1.2
Dow Jones	51,947.3	0.5	8.1
Nasdaq CI	24,975.8	(0.6)	7.5
S&P 500	7,412.0	0.0	8.3
SX5E	6,280.9	1.1	8.5
FTSE 100	10,736.2	0.9	8.1
Nikkei 225	64,611.2	(2.7)	28.4
Shanghai CI	3,814.2	(1.6)	(3.9)
HSI	24,963.2	(1.0)	(2.6)
STI	5,588.3	0.1	20.3

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,040.9	(5.0)
Value traded (RM m)	2,305.5	1.5
Gainers	334	
Losers	714	
Unchanged	559	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
AIMAX	0.010	0.0	285.2
HHR	0.150	(16.7)	84.7
ZETRIX	0.700	(1.4)	83.2
AIMFLEX	0.125	(7.4)	71.4
TRIV	0.020	33.3	67.8

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
SDG	6.630	1.1	175.7
PBK	5.110	(1.2)	145.4
MAY	10.780	(0.7)	123.3
CIMB	7.680	(0.6)	63.5
PMAH	7.860	(2.4)	61.9

Currencies	Last Close	Daily chg %
USD/MYR	4.091	0.0
USD/JPY	163.830	0.0
EUR/USD	1.137	(0.1)
USD/CNY	6.773	0.0
US Dollar Index	101.468	0.0

Commodities	Last Close	% Chg
Brent (USD/barrel)	96.8	(3.9)
Gold (USD/troy oz)	4,052.8	0.1
CPO (MYR/metric t)	4,591.0	(0.1)
Bitcoin (USD/BTC)	64,008.2	(0.2)

Source: Bloomberg

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Macro News

US: Private Sector Growth at 8-Month High

The S&P Global US Composite PMI rose to 53.6 in July 2026 from 51.9 in June, its highest level since November. Growth was driven by the services sector, where business activity accelerated to an 8-month high. Manufacturing output continued to expand but at a much slower pace, with factories reporting the weakest increases in production since March. (*S&P500*)

US: Trump's new tariffs prompt lawsuit from small businesses

The Trump administration is facing a fresh legal challenge to the president's latest round of global tariffs that took effect Friday. Small businesses filed a pair of lawsuits in the US Court of International Trade accusing President Donald Trump and US officials of unlawfully using Section 301 of the Trade Act of 1974 to replace earlier tariffs struck down by the US Supreme Court. (*Bloomberg*)

US: Business activity perks up in July, helped by World Cup, but trend may not last, S&P Global says

Activity in the vast US services sector accelerated in July, aided in part by spending around the FIFA World Cup and the Independence Day holiday, while the pace of growth in the manufacturing sector eased to the slowest since March amid a slowdown in precautionary stock building prompted by the US-Israeli-led war with Iran. (*Reuters)*

US: Global inflation angst is back with US$100 oil and more tariffs

Spiking energy prices, more US tariffs and mushrooming spending on artificial intelligence are reawakening investors' inflation fears. A week that began with spiralling violence in the Middle East has culminated in oil breaking through US$100 a barrel, which will lift costs along global supply chains. Alongside that came a renewed push for trade levies by President Donald Trump and yet more evidence of an untrammeled tech investment boom. (*Bloomberg)*

US: Package worth US$2.5bn prioritises AI, future technologies in Southeast Asia

The US$2.5bn (RM10.21bn) US package for Southeast Asia spans multiple thematic categories, with a strong emphasis on advancing artificial intelligence (AI), data centres and other future technologies in line with the region's growing digital economy. US ambassador to Asean Kevin Kim said the emphasis reflects Southeast Asia's growing interest in digital economy development, with the Trump administration seeking to strategically apply US foreign assistance so that both the US and the region could mutually benefit from its growth. (*Bernama)*

EU: ECB says consumer price expectations fell sharply in June

Inflation expectations among euro-area consumers for the next year declined significantly in June, a period that predates the oil spike triggered by a new flareup in fighting in the Middle East. Consumer prices were seen rising 3%, down from 3.5% in May, a monthly survey by the European Central Bank (ECB) showed on Friday. The three-year gauge, which is more important for setting monetary policy, slipped to 2.8% from 2.9%. (*Reuters*)

EU: Business activity returns to growth in July for first time in four months, PMI shows

Eurozone business activity returned to growth in July for the first time in four months, driven by a rebound in new orders, but may be derailed by high inflation and renewed conflict in the Middle East, a survey showed on Friday. The S&P Global Flash Eurozone Composite PMI Output Index rose to 51.9 in July from June's 50.0, its highest reading in five months and far above an expectation in a *Reuters* poll for a modest rise to 50.3. (*Reuters*)

CN: Targets offshore trusts in sweeping tax clampdown

China will officially begin taxing offshore trusts established by its citizens, closing a longstanding loophole used by wealthy families for asset protection and succession planning. Local residents who transfer assets into offshore trusts will be required to report and pay individual income tax on gains generated by those structures, regardless of whether the income is actually distributed, according to a statement by the Ministry of Finance on Friday. The rules take effect immediately. (*Bloomberg*)

CN: Restricts exports to 14 EU entities

China banned exports of products with the potential for dual civilian and military uses to 14 European Union companies on Friday, citing national security concerns. The move comes a day after the EU imposed simar export restrictions against 51 new entities, including Chinese and Hong Kong companies, which it accused of supporting Russia's war in Ukraine. (*AFP*)

MY: Malaysia's growth may be faster than expected, funds likely to continue pouring in — DBS

Malaysia may expand at a faster-than-expected pace this year and continue to attract funds into its bonds as the economy shrugs off commodity shock, said DBS. Growth in the coming quarters is expected to remain resilient with the economy sustained by domestic demand and exports of artificial intelligence goods, helping the economy to expand 5.2% this year, said Chua Han Teng, an economist at the Singapore-based bank. (*The Edge*)

MY: Gets strong demand for global sukuk, record-low spreads

Malaysia raised US$1.5bn, or over RM6bn, from a global sukuk issue that investors eagerly snapped up and helped to keep the government's borrowing costs low. The offering, comprising US$850 m 5.75-year and US$650m 10-year trust certificates, was oversubscribed 4.7 times, according to the Ministry of Finance. The Islamic bonds are based on assets with rights to services within Malaysia's urban public rail transportation network. (*The Edge*)

MY: Trump slaps tariffs on 60 economies over forced labour imports, Malaysia says will continue talks

US President Donald Trump imposed tariffs of between 10% and 12.5% on 60 economies, including Malaysia, over forced labour imports allegations. For Malaysia, the duty is 10%. The tariffs imposed under Section 301 investigations charge that US trading partners failed to impose a ban on import of goods produced with forced labour, according to a statement from the US Trade Representative ambassador Jamieson Greer. (*The Edge*)

Corporate News

PRG: Major shareholder Ng petitions to wind up company after loan restructuring talks fail

PRG Holdings Bhd's largest shareholder, Datuk Ng Yan Cheng, has petitioned the court to wind up the company after the two parties failed to reach an agreement to restructure a RM21.22m shareholder advance provided by Ng. In a Bursa filing on Friday, PRG said it was served with the petition on the same day after it was filed in the High Court on Wednesday, July 22. The group said it had approached Ng to restructure the loan, but the parties "were not able to come to a mutually agreeable statement". Ng owns a 16.8% stake in PRG. (*The Edge*)

UNISEM: Norway's Norges Bank becomes substantial shareholder of Unisem

Norway's Norges Bank has emerged as a substantial shareholder of semiconductor devices manufacturer Unisem (M) Bhd) after raising its stake in the company. According to Unisem in a bourse filing on Friday, Norges Bank acquired 87.93m shares on July 22, increasing its stake in the company to 5.13% from 2.75% as of Feb 23. The Norwegian central bank purchased the shares through Citigroup Nominees (Asing) Sdn Bhd, which holds the legal title of the shares on paper as the registered holder. (*The Edge*)

DESTINI: Shareholders seek EGM to remove executive chairman and three other directors, appoint two

Destini Bhd has received a requisition notice from four shareholders seeking an extraordinary general meeting (EGM) to remove four directors, including its executive chairman and executive director, and appoint two others, including a career politician. The four collectively hold a 10.15% stake in the company. Destini did not disclose the specific reasons behind the shareholders' request, stating only that the shareholders had collectively issued a special notice of intention, requisitioned an EGM, and nominated candidates for the board, according to its Bursa Malaysia filing on Friday. *(The Edge*)

YNH: Unit gets IRB approval for RM5.16m tax settlement plan

Property developer YNH Property Bhd's wholly-owned subsidiary, YNH Construction Sdn Bhd, has received approval from the Inland Revenue Board (IRB) for a settlement plan to resolve its outstanding tax arrears, which had resulted in a winding-up petition by the tax authority. In a filing with Bursa Malaysia, YNH Property said no winding-up order was made against YNH Construction on July 16, 2026, and that continued discussions with the IRB had led to a revised settlement arrangement. The court has scheduled a further hearing for Oct 27, pending completion of the tax settlement. *(The Edge*)

LAGENDA: Plans RM1.5bn sukuk programme

Lagenda Properties Bhd has proposed to establish an Islamic medium-term notes programme of up to RM1.5bn in nominal value to finance investments and land acquisitions, including for affordable housing developments. The group, which made a lodgement with the Securities Commission Malaysia for the establishment of the sukuk wakalah programme on Friday, said proceeds will also be used for working capital and the refinancing of existing loans. *(The Edge*)

CYBERE: Proposes RM235m capital reduction to eliminate accumulated losses

Private Education provider Cyberjaya Education Group Bhd has proposed a share capital reduction to offset RM235m in accumulated losses to strengthen its financial position. The exercise will eliminate the group's RM235m in accumulated losses as at end-March, leaving it with positive reserves of RM121.6m. Its unaudited accumulated losses stood at RM113.24m at the group level. At the company level, its unaudited accumulated losses of RM229.73m will also be fully eliminated, resulting in positive reserves of RM5.12m, said the group in a bourse filing on Friday. *(The Edge*)

PENTECH: Expects AI, overseas expansion to contribute up to 30% of earnings within 18 months

Cybersecurity solutions provider Pentech Holdings Bhd expects new business segments and overseas customers to contribute between 20% and 30% of its bottom line over the next 12 to 18 months as it expands its artificial intelligence (AI) offerings and regional footprint. Chief executive officer Yeoh Chin Ming told *The Edge* the group's latest growth initiatives centre on AI-driven solutions for the manufacturing and banking sectors, where customised applications are designed to eliminate redundant processes and improve operational efficiency. *(The Edge*)

TENAGA: Khazanah sold RM1.39bn Tenaga stake in placement — Bloomberg

Malaysian sovereign wealth fund Khazanah Nasional Bhd has sold RM1.39bn worth of shares in state-owned power firm Tenaga Nasional Bhd, according to people with knowledge of the matter. The 100 m Tenaga shares were placed at RM13.91 apiece on Tuesday, with settlement set for Friday, the people said, asking not to be identified because the deal is confidential. The shares were sold at a 4.5% discount to Tuesday's closing price of RM14.56 a share. (*The Edge*)

MERIDIAN: Bursa publicly reprimands Meridian, executive director for annual reports delay

Bursa Malaysia Securities has publicly reprimanded Meridian Bhd and its executive director Tang Boon Koon over the Practice Note 17 (PN17) company's failure to issue its annual reports on time. Tang was also fined RM8,500. The bourse regulator, in a statement on Friday, said the property developer missed the March 31, 2024 deadline for the 17-month financial period ended Nov 30, 2023, releasing the 2023 annual report only on April 5, 2024. (*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	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
MBM Resources	Consumer	4.60	0.42	9.22
Sentral REIT	REIT	0.72	0.07	9.03
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.36
KIP REIT	REIT	0.87	0.07	8.21
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	1.37	0.09	6.86
Al-Salam REIT	REIT	0.59	0.04	6.84
TIME dotCom	Telco	5.96	0.40	6.69
Ta Ann Holdings	Plantation	5.82	0.39	6.63
Al-Aqar Healthcare REIT	REIT	1.15	0.07	6.52

Taliworks Corporation	Utilities	0.32	0.02	6.35
MAG Holdings	Consumer	1.27	0.08	6.30
Magnum	Consumer	1.27	0.08	6.30

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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