MERCURY SECURITIES SDN BHD
(A Participating Organisation of Bursa Malaysia Securities Bhd.)

Research Team
research@mersec.com.my

Daily Newswatch

Market Review

The FBM KLCI dropped 0.4% on Thursday, closing at 1,734.7 as selling pressure in oil-related counters weighed on the benchmark index following the rally in the previous session. Plantation (-1.0%), Utilities (-0.8%) and Health Care (-0.8%) led sectoral losses, weighed by Petronas Chemicals (-2.2%), PPB Group (-2.0%) and IOI Corp (-2.0%). Overall market breadth was bearish, with 698 losers outnumbering 408 gainers, while 610 counters closed unchanged.

Major Asian market extended gains on Thursday, after US inflation data came in line with expectations, easing concerns over a potential Fed rate hike next month. The KOSPI surged 3.6% to 6,813 points, hitting a three-week high, followed by the Nikkei 225, which rose 1.2% to 68,309 points, Shanghai Composite up 0.3% to 3,947 points and the TAIEX, which gained 1.1% to 46,021 points. Meanwhile, the Hang Seng fell 0.2% to 25,397 points. In South Korea, semiconductor stocks led gains, with Samsung Electronics and SK hynix rising 3.7% and 5.9%, respectively, on renewed optimism over AI-related demand. In China, markets were largely unmoved by the PBoC's latest policy signals, as the lack of concrete easing measures tempered optimism. Zijin Mining fell 4.1%, NAURA Technology declined 2.8%, and Luxshare Precision slipped 2.3%.

European stocks recovered on Thursday, with support strong earnings results across multiple sectors. The Euro STOXX 50 gained 0.2% to 6,546 and the STOXX Europe 600 inched down to 659. ASML added 2.7%, closing sharply higher for a second session and tracking the AI infrastructure sector in the US and Asia on the sector's respite. On top of that, Adyen surged 16.4% after raising its revenue forecast for the current year. Danish shipping giant Maersk surged 9.4% after significantly exceeding profit expectations and raising its full-year earnings guidance, reflecting strong performance in its core businesses. Meanwhile, Entain and Danish offshore wind developer Orsted also reported first-half core profits above expectations.

Wall Street closed higher on Thursday, with the S&P 500, Nasdaq and Dow rising 0.7%, 0.8% and 0.1%, respectively. Softer-than-expected July producer inflation, following a tame CPI reading, eased concerns over further hawkish signals from the FOMC and supported risk appetite. Falling crude prices also provided a boost. Technology and semiconductor stocks led the advance, with the broader chip index rising 1.8%. Sandisk surged 15% and Micron gained 5.6%, while gains in Microsoft, Nvidia and Apple lifted the Nasdaq. Investors now look to July retail sales for further signs of economic strength and the outlook for monetary policy.

Macro Snapshots

- **US:** Weekly jobless claims increase moderately, point to stable labour market
- **UK:** AI boom is starting to show in UK economy's performance
- **CN:** Dollar-yuan becomes Hong Kong's most-traded currency pair for first time
- **MY:** Consumer spending expected to stay resilient in 2H2026 despite rising living costs

Corporate Snapshots

- **SSB8:** Secures RM1.6 bil worth of solar and battery hybrid projects in Australia
- **KEYFIELD:** Sees stronger 2H2026 on better utilisation rate after 2Q profit slides 65%
- **ZUS:** Said to explore IPO to raise at least RM1 bil
- **TSRCAP:** Bags RM16.9 mil earthworks contract for industrial development in Seremban

Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,734.7	(0.4)	3.2
Dow Jones	53,840.0	0.1	12.0
Nasdaq CI	26,803.0	0.8	15.3
S&P 500	7,799.0	0.7	13.9
SX5E	6,545.5	0.2	13.0
FTSE 100	10,772.7	(0.6)	8.5
Nikkei 225	68,308.6	1.2	35.7
Shanghai CI	3,927.0	(0.5)	(1.1)
HSI	25,396.5	(0.2)	(0.9)
STI	5,720.1	(0.0)	23.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,519.3	(5.0)
Value traded (RM m)	3,052.1	(6.8)
Gainers	408	
Losers	698	
Unchanged	610	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
KEYA	0.080	128.6	217.0
SC	0.005	(50.0)	69.0
HHR	0.155	0.0	64.3
DNEX	0.510	(3.8)	53.8
NATGATE	1.560	0.0	46.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	10.600	0.0	230.7
PMAH	7.980	(0.1)	105.8
GAM	4.520	0.9	101.8
CIMB	7.950	0.4	90.2
YTLP	4.850	(1.8)	82.5

Currencies	Last Close	Daily chg %
USD/MYR	4.087	0.0
USD/JPY	159.480	0.0
EUR/USD	1.153	0.1
USD/CNY	6.745	0.0
US Dollar Index	99.921	(0.0)

Commodities	Last Close	% Chg
Brent (USD/barrel)	87.1	(2.1)
Gold (USD/troy oz)	4,360.0	0.2
CPO (MYR/metric t)	4,528.0	0.4
Bitcoin (USD/BTC)	63,404.7	0.1

Source: Bloomberg

Macro News

US: Oil Holds Decline Amid Hormuz Stalemate

Crude oil traded near $81 per barrel on Friday after declining in the previous session, as investors adopt a wait-and-see mode while monitoring diplomatic efforts to reopen the Strait of Hormuz. Despite the ongoing impasse, crude continues to flow out of the Persian Gulf, with some tankers sailing with their transponders switched off, although vessels navigating Hormuz remain exposed to persistent threats. The US also claims that as much as 9 million barrels of oil per day is currently transiting the waterway, while the capacity of US forces to escort tankers continues to expand. On the demand side, the IEA cut its global oil demand outlook this week, warning that prolonged conflict and elevated prices are increasingly weighing on consumption. OPEC also lowered its 2026 global oil demand growth forecast to 580,000 barrels per day, marking its fourth consecutive downward revision. *(Trading Economics)*

US: Gold Steadies After Sharp Drop

Gold steadied around $4,350 an ounce on Friday after falling sharply in the previous session, as investors took profits while assessing the Federal Reserve's policy outlook and developments in the Middle East. Data released Thursday showed US producer prices increased less than expected in July, offering further evidence that inflationary pressures are not broadly intensifying following Wednesday's subdued CPI report. The softer price data reduces pressure on the Fed to raise interest rates in the near term, with markets now pricing in around a 35% chance of a 25 basis point rate hike in September, down from 55% a week earlier. Meanwhile, diplomatic efforts to reopen the Strait of Hormuz remain deadlocked, keeping investors cautious over the risk of an escalation that could drive energy prices higher and reignite inflationary pressures. *(Trading Economics)*

US: Set to pay most for 30-year debt in quarter of a century

The US government is about to sell 30-year bonds at the highest interest rate in a quarter of a century, after a historic sell-off that has stirred speculations the nation will tilt borrowing further toward short-dated maturities. The Treasury will offer US$25 billion (RM102.2 billion) of 30-year debt at its monthly auction later on Thursday. In the when-issued market, where securities are traded before they are actually sold, the new bond has a projected yield of around 5.24% — which would be the highest borrowing cost since 2001. It's a headache for President Donald Trump and Treasury Secretary Scott Bessent ahead of mid-term elections in November. Lofty government financing costs are already feeding through to the broader economy, after years of elevated inflation and government spending. *(Reuters)*

US: Weekly jobless claims increase moderately, point to stable labour market

The number of Americans filing claims for unemployment benefits increased moderately last week, suggesting that the labour market remains stable despite July's surprise job losses. Initial claims for state unemployment benefits rose 9,000 to a seasonally adjusted 209,000 for the week ended Aug 8, the Labor Department said on Thursday. Economists polled by *Reuters* had forecast 202,000 claims for the latest week. The government reported last week that non-farm payrolls dropped by 23,000 jobs last month, with downward revisions to May and June numbers. Job growth has a tendency to slow down during summer, a phenomenon that economists attributed to difficulties adjusting the data for seasonal fluctuations related to the timing of the end of the school year. *(Reuters)*

US: Producer Prices Seen Rising 0.2%

US producer prices were unchanged in July 2026, following a revised 0.1% fall in June and compared with market expectations of a 0.2% gain. A 0.2% increase in the index for services and a 2.2% advance in prices for construction offset a 0.7% decrease in the index for goods. Services prices rose at a slower pace than in June (0.2% vs 0.5%), while portfolio management costs jumped 6.5%, contributing significantly to the increase. By contrast, transportation and warehousing services fell 1.8%. Goods prices declined for a second consecutive month (-0.7% vs -1.4%), largely due to a 3.1% drop in energy prices, including a 5.7% plunge in gasoline prices. Food prices also fell 0.9% (vs -0.5%), while prices for goods excluding food and energy edged up 0.1% (vs 0.2%). Year-on-year, producer prices increased 4.7%, well below 5.5% in June and forecasts of 4.9%. Meanwhile, core producer prices rose 0.2%, below forecasts of 0.3% and the annual core rate came in at 4.2%, in line with expectations. *(U.S. Bureau of Labor Statistics)*

UK: GDP Growth Slows in Q2

The UK economy expanded by 0.4% quarter-on-quarter in Q2 2026, slowing from 0.6% growth in Q1, in line with market expectations, preliminary estimates showed. Services output rose 0.5% (vs 0.8% in Q1), led by information and communication, which increased 2.7%, and professional, scientific and technical activities, which grew 1.7%. Production showed no growth (vs 0.2% in Q1) as gains in manufacturing and mining and quarrying were offset by declines in electricity, gas, steam and air conditioning supply and water, sewerage and waste management. Construction output increased 0.3%, supported by gains in both new work and repair and maintenance. On the expenditure side, growth was mainly driven by a 1.2% increase in gross fixed capital formation and a 0.3% rise in household consumption, while government consumption fell 0.3%. On an annual basis, UK GDP expanded 1.2%, accelerating from 0.9% growth in Q1 and exceeding the expected 1.1% rise. *(Office for National Statistics)*

UK: AI boom is starting to show in UK economy's performance

Britain's economy is showing the clearest signs yet that it is benefiting from the global artificial intelligence boom, with data on Thursday showing rapid growth in related industries and a surge in computer hardware investment. While the Office for National Statistics said Britain's economy grew by 0.4% in the second quarter, the information and communications sector contributed almost half of that expansion — more than any other industry. Within the sector, the ONS said the output of computer programming, consultancy and related activities — which would include AI companies — surged by 3.7% on the quarter, on top of a 3.8% rise in the previous quarter. *(Reuters*)

CN: Dollar-yuan becomes Hong Kong's most-traded currency pair for first time

The US dollar-Chinese yuan has become the most-traded currency pair in Hong Kong, surpassing the Hong Kong dollar-US dollar for the first time in April, the financial hub's Treasury Markets Association said. Average daily foreign exchange turnover in Hong Kong rose to US$908.2 billion in April, the TMA said in its semi-annual survey published this week. Average daily turnover in the US dollar-yuan pair climbed to US$274 billion, accounting for about 30.2% of the city's total foreign exchange transactions. That compared with US$198.6 billion in the previous survey. *(Bloomberg*)

CN: Lenovo posts 43% jump in 1Q revenue, highest in five years

China's Lenovo Group reported a 43% jump in quarterly revenue on Thursday, beating forecasts and sending shares of the world's largest computer maker surging, as it rides an AI hardware boom and reaps the benefits of a global memory chip shortage. Lenovo's revenue rose to US$26.94 billion in the three months ended June 30, beating analyst expectations of US$22.3 billion, as the consumer electronics hardware giant benefited from artificial intelligence-driven demand and solid PC sales. It was the group's highest quarterly revenue growth in the last five years, as AI-related revenue grew 60% year-on-year to US$9.3 billion, accounting for 35% of total revenue in its fiscal first quarter. (*Reuters*)

CN: Shein loses UK copyright lawsuit against rival Temu over photos of clothing

Online fast-fashion platform Shein on Thursday lost its London lawsuit against rival Temu for alleged copyright infringement in relation to photos of some of its products. The ruling, which comes as Shein aims for a US$30 billion to US$40 billion valuation in a Hong Kong initial public offering, concerns the first round of their London legal battle. Thursday's ruling dismissed Shein's claims for copyright infringement and upheld Temu's counterclaim, seeking damages for having to remove listings when Shein obtained an injunction. (*Reuters*)

JP: Govt said to support faster central bank rate hike

Prime Minister Sanae Takaichi's government is supportive of a near-term rate hike by the Bank of Japan (BOJ), with the next move likely either in September or October, according to people familiar with the matter. The central bank's fears over yen weakness driving up prices and the government's desire to strengthen the impact of the recent US-Japan currency intervention are aligning them on the need for a near-term raise, the people added. While Japan's central bank has legal independence over monetary policy, it is also required to maintain close contact with the government on economic policy goals. Takaichi's Cabinet can't force the BOJ to set specific interest rates, but can send signals that might influence its decisions. (*Reuters*)

SK: South Korea Export Prices Surge in July

South Korea's export prices surged 49.1% year-on-year in July 2026, marking the largest increase since 1998 during the Asian financial crisis. Among major categories, manufactured goods prices climbed 49.1%, led by a 122.3% jump in computers, electronic and optical equipment. Prices also increased for coal and petroleum products (61.5%), basic metal products (28.1%), and chemical products (22.7%). Meanwhile, prices for agricultural, forestry and marine products rose 32.6%. On a monthly basis, the Export Price Index increased 1.0%. The Export Volume Index rose 14.7% year-on-year, while the Export Value Index increased 25.8%. The Net Barter Terms of Trade Index also rose 24.7%. *(The Bank of Korea)*

SK: Unveils package to boost housing supply, support young buyers

South Korea said on Thursday that it would raise financial support for construction projects and ease regulations for young homebuyers as part of efforts to stabilise a red-hot housing market. Earlier this month, the government of President Lee Jae Myung proposed higher taxes on wealthy homeowners. Lee's approval ratings have been falling on rising house prices and stock market volatility. "The real estate bubble has reached a level that can no longer be left unchecked," Lee said during a meeting with his top aides on Thursday. "If this situation continues, we could face what happened in a certain country — the so-called 'lost decades'." (*Reuters*)

SG: Studies US$500 mil fund to climate-proof food system — Bloomberg

Singapore, which imports more than 90% of its food, is exploring a proposal to raise about US$500 million for a fund to boost climate resilience in Southeast Asia's supply chains. The plan would see the Monetary Authority of Singapore (MAS) establish an adaptation fund focused on protecting sectors like agriculture and aquaculture from the impacts of extreme weather and global warming, according to people familiar with the discussions. Officials aim to help secure finance for projects that currently struggle to attract funding, said the people, who asked not to be identified as discussions are confidential. A fund could be launched early next year as Singapore takes on the rotating chairmanship of the Association of Southeast Asian Nations (Asean), the bloc of 11 regional economies, the people said. Considerations are at an early stage and no final decisions have been made, including on the final fundraising amount, they said. *(Bloomberg)*

MY: Hong Kong sign MOU to strengthen competition law enforcement

The Malaysia Competition Commission (MyCC) and its Hong Kong counterpart, the Hong Kong Competition Commission (HKCC), signed a memorandum of understanding (MOU) on Thursday to strengthen cooperation on competition policy, legal frameworks, and enforcement. Domestic Trade and Cost of Living Minister Datuk Armizan Mohd Ali said the MOU is the fourth such collaboration between MyCC and foreign competition bodies, following similar agreements with the Türkiye Competition Authority, Korea Fair Trade Commission and the Philippine Competition Commission. He said the MOU reflects the government's commitment to working with international competition authorities to preserve and promote fair and healthy competition. *(The Edge)*

MY: Consumer spending expected to stay resilient in 2H2026 despite rising living costs

Malaysians are expected to keep spending in the second half of 2026 (2H2026), although some households may become more cautious as living costs rise. Economists say spending is being supported by low inflation, rising wages and a strong job market. Universiti Teknologi Mara professor of tourism economics Dr Mohd Hafiz Hanafiah told The Edge that contained inflation and improving real purchasing power will support spending even as it moderates. "The volume index real growth is still respectable. With headline inflation at just 1.9% in June, households are seeing genuine real income gains where their wages are rising faster than prices," he said. *(The Edge)*

MY: 1MDB drops another defendant from US$5.64 bil civil suit against Najib and others

1Malaysia Development Bhd (1MDB) has made a deal with its former chief financial officer (CFO) Radhi Mohamad on Thursday to withdraw its US$5.64 billion civil suit against him, with both parties agreeing to record a consent order in court. Radhi's counsel Datuk M Reza Hassan, who is representing Radhi in absentia, agreed when 1MDB's lead counsel Lee Shih told the court that both parties have come to an agreement on the terms of the consent order and would file it in court on Thursday. "My Lord, I can confirm that the plaintiffs and the sixth defendant [Radhi] would like to record a consent judgement or consent order today [Thursday]," Lee submitted. *(The Edge)*

Corporate News

ZUS: Said to explore IPO to raise at least RM1 bil — Bloomberg

ZUS Coffee is considering an initial public offering (IPO) of its Malaysia business to raise at least RM1 billion (US$245 million), according to people with knowledge of the matter. Owner Zuspresso Sdn Bhd is working with financial advisers on the potential IPO that could value the business at about RM4 billion, the people said, asking not to be identified because the information is private. An offering might take place on Bursa Malaysia as soon as mid-2027, they said. Discussions are ongoing and details such as timing and size of the IPO may change, the people said. Zuspresso didn't respond to requests for comment. *(The Edge)*

LPI: Declares 90 sen dividend, including 65 sen special payout

LPI Capital Bhd has declared a 65 sen special dividend funded by the proceeds from the sale of its 1.13% stake in Public Bank Bhd, alongside a 25 sen interim dividend for the quarter ended June 30, 2026. In the previous corresponding quarter, the insurer paid a total dividend of 30 sen per share. The entitlement date for the dividend will be determined based on the record of depositors as at Sept 1, 2026. The insurer completed the disposal of 220.3 million Public Bank shares for RM1.05 billion in May, with a commitment to distributing part of the proceeds as special dividends to shareholders within 18 months of the disposal. *(The Edge)*

GAMUDA: Secures RM1.6 bil worth of solar and battery hybrid projects in Australia

Gamuda Bhd's Australian subsidiary, DT Infrastructure Pty Ltd, has secured two engineering, procurement and construction (EPC) contracts for the Ganymirra and Majors Creek solar and battery hybrid projects in Australia from Edify Energy. The combined contract value is A$569 million (about RM1.64 billion), with each project worth A$284.5 million (about RM822.3 million). Gamuda received the notice to proceed on Aug 12, allowing work on both projects to begin. Early engineering and pre-construction activities are underway, with major construction expected to commence in the third quarter of 2026. *(The Edge)*

GUOCO: To be delisted from Bursa Malaysia on Aug 18

GuocoLand (Malaysia) Bhd will be delisted from Bursa Malaysia Securities Bhd with effect from 9am on Aug 18, following the completion of its privatisation by controlling shareholder GLL (Malaysia) Pte Ltd (GLLM). The delisting follows GLLM's RM1.10 per share selective capital reduction and capital repayment exercise, which was proposed in February to take GuocoLand Malaysia private. GLLM, which previously held 65.03% of GuocoLand Malaysia, offered to acquire the remaining 34.97% stake, or 244.95 million shares, for RM269.45 million. Under the exercise, the 244.95 million shares held by minority shareholders will be cancelled, reducing GuocoLand Malaysia's total issued shares to 455.51 million, all of which will be held by GLLM. *(The Edge)*

TSRCAP: Bags RM16.9 mil earthworks contract for industrial development in Seremban

TSR Capital Bhd has secured a RM16.9 million contract to undertake site clearing and earthworks for an industrial development in Seremban, Negeri Sembilan. The contract was awarded to TSR Capital's wholly owned subsidiary TSR Bina Sdn Bhd by MIE Industrial Sdn Bhd, the construction and property development group said in a statement on Thursday. The four-month contract is scheduled to be completed by the fourth quarter of 2026. *(The Edge)*

KEYFIELD: Sees stronger 2H2026 on better utilisation rate after 2Q profit slides 65%

Keyfield International Bhd, which reported a steep 65.2% drop in its second-quarter net profit, expects its earnings to improve in the coming quarters, supported by higher vessel utilisation. Its chief financial officer Eugene Kang said all of the group's vessels, except the newly acquired Keyfield Joyful, are currently on hire, putting the group in a stronger position for the second half of 2026. "As of today, all vessels — except our newly acquired Keyfield Joyful — are already on hire. So, we are looking at even better figures for the second half of 2026," he said during a briefing on the group's latest results Thursday (Aug 13). The group's net profit for the second quarter ended June 30, 2026 (2QFY2026) fell to RM23.1 million from RM66.36 million a year earlier, as revenue declined 14% to RM113.5 million from RM132 million. The lower earnings were also due to the absence of disposal gain, as the previous year's corresponding quarter recorded a gain of RM25.7 million from the sale of Keyfield Lestari. *(The Edge)*

TOMEI: Partners Ta Yoong unit for pawnbroking venture

Tomei Consolidated Bhd is partnering pawnbroking operator Ta Yoong Group for its pawnbroking venture. In a bourse filing Thursday, Tomei said its wholly-owned unit Tomei Services Sdn Bhd has inked a joint venture agreement with TY Net Sdn Bhd — a wholly-owned unit of Ta Yoong Sdn Bhd — for the collaboration of the business that is parked under JP United Sdn Bhd (JPU). JPU holds 39 dormant indirect subsidiaries set up to operate pawnshop outlets across agreed locations. Under the agreement, TY Net will subscribe for 12.195 million new shares in JPU for RM12.195 million cash, while Tomei Services will subscribe for an additional 54,998 shares for RM54,998. On completion of the allotment, TY Net will have a 45% stake in JPU, while Tomei will hold a 55% stake. *(The Edge)*

AAGB: Posts RM527m 2Q net loss, to cut capacity by up to 25% in 3Q

AirAsia Group Bhd, formerly known as AirAsia X Bhd, posted a second quarter net loss, weighed down by a surge in jet fuel prices amid geopolitical tensions in the Middle East, along with foreign exchange losses. The aviation group recorded a net loss of RM527.16 million for the quarter ended June 30, 2026 (2QFY2026), widening from RM154.9 million in the preceding quarter, according to its Bursa Malaysia filing on Thursday. Following the weak quarter, AirAsia Group plans to cut seat capacity by 20% to 25% year-on-year in the third quarter — historically the softest period for regional travel — before restoring capacity in the fourth quarter for the year-end travel season. *(The Edge)*

PHARMA: 2Q profit jumps more than three fold on lower finance costs

Pharmaniaga Bhd posted a more than three fold jump in net profit for the second quarter ended June 30, 2026 thanks to interest savings from partial repayment of borrowings and effective inventory management.The company reported a net profit of RM12.49 million compared with RM3.96 million the year before. The company saved some RM7 million in interest during the quarter. This was on 12% higher revenue of RM1.04 billion, compared with RM926.86 million the year before on higher volume orders from government hospitals and sales from the private segment. *(The Edge)*

MNHLDG: Hits fresh record high, announces another Tenaga contract

The share price of Main Market-listed MN Holdings Bhd continued its climb to a new record high on Thursday after its wholly-owned subsidiary, MN Power Transmission Sdn Bhd (MNPT), secured a RM71.02 million contract from Tenaga Nasional Bhd on Wednesday. MN Holdings shares rose as much as 4.8% to an intraday high of RM3.50 before paring gains to close seven sen, or 2.1%, higher at RM3.41 on Thursday, valuing the company at RM2.28 billion. A total of 7.36 million shares changed hands. The company has more than doubled in market value since January this year. The contract involves MNPT building a 132/33kV transmission main intake in Cameron Highlands, Pahang. It took effect on Aug 12 and is expected to be completed within 900 days, by Jan 28, 2029. *(The Edge)*

MAXIS: Appoints CEO Goh Seow Eng as executive director

Maxis Bhd has announced the appointment of its chief executive officer (CEO) Goh Seow Eng to its board of directors effective Thursday. In a filing with Bursa Malaysia, the company said Goh has been CEO since Dec 1, 2022. Maxis said he brings regional leadership experience and previously served as president and chief operating officer of Advanced Info Service Plc in Thailand. He also previously served as Singtel's managing director of home business in Singapore, where he oversaw the fibre broadband, pay-TV, and fixed-line segments. *(The Edge)*

Research Team
research@mersec.com.my

AJI: Parent Ajinomoto defends RM20 a share offer for Ajinomoto Malaysia

Ajinomoto Co Inc, the parent of Ajinomoto (Malaysia) Bhd has defended its RM20 per share offer price for Ajinomoto Malaysia Bhd (AMB), saying it represents a reasonable premium and reflects the company's business value and historical share performance. In response to *The Edge* article titled "'Lowball' offer raises questions about Ajinomoto's privatisation", Ajinomoto said Ajinomoto Malaysia should be valued based on its own historical valuation, rather than compared with other consumer goods company such as Nestle Malaysia Bhd which has a higher valuation multiple due to its larger scale and stronger market position. *(The Edge)*

ETA: Bags RM13 mil construction jobs from Eckem

ETA Group Bhd, which has diversified beyond its food manufacturing and distribution business into property and construction, has secured two construction contracts worth a combined RM13.17 million from Eckem Holdings Bhd's wholly-owned units to build industrial factories and warehouses in Rawang, Selangor. In a bourse filing on Thursday, ETA Group said its wholly-owned subsidiary ETA Design & Build Sdn Bhd had entered into two construction agreements with Eckem Sdn Bhd and Entire Concept Sdn Bhd, both wholly-owned by Eckem. Under each contract, ETA Design & Build will construct a one-storey factory attached to a two-storey warehouse, along with a one-storey office and a one-storey mechanical and electrical floor. Each development will have a total built-up area of 39,574 sq ft. *(The Edge)*

Upcoming key economic data releases	Date
30-Year Bond Auction	Aug 14
Core Retail Sales (MoM) (Jul)	Aug 14
Retail Sales (MoM) (Jul)	Aug 14
Crude Oil Inventories	Aug 19
FOMC Meeting Minutes	Aug 20
Philadelphia Fed Manufacturing Index (Aug)	Aug 20
Initial Jobless Claims	Aug 20
S&P Global Manufacturing PMI (Aug)	Aug 21
S&P Global Services PMI (Aug)	Aug 21
Source: Investing.com	

Research Team
research@mersec.com.my

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.73	0.06	8.83
KIP REIT	REIT	0.85	0.07	8.59
Bermaz Auto	Consumer	0.94	0.08	8.72
MBM Resources	Consumer	4.92	0.43	8.74
YTL Hospital REIT	REIT	1.03	0.09	8.54
CapitaLand Malaysia Trust	REIT	0.61	0.05	8.60
Paramount Corporation	Property	1.00	0.07	7.30
Taliworks Corporation	Utilities	0.28	0.02	7.14
Sports Toto	Consumer	1.33	0.09	7.07
Al-Salam REIT	REIT	0.59	0.04	6.78
TIME dotCom	Telco	6.00	0.40	6.65
Ta Ann Holdings	Plantation	5.91	0.39	6.53
Al-Aqar Healthcare REIT	REIT	1.15	0.07	6.43
MAG Holdings	Consumer	1.25	0.08	6.40
Magnum	Consumer	1.25	0.08	6.40

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		
United Asiapac Energy Berhad	ACE Market	0.35	139.22	-	5 Aug	19 Aug
Pioneer Heat Holdings Berhad	ACE Market	0.25	86.70	17.35	3 Sept	17 Sept

Source: Bursa Malaysia

Disclaimer & Disclosure of Conflict of Interest

The information contained in this report is based on data obtained from data and sources believed to be reliable at the time of issue of this report. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the information or opinions in this report.

This report may contain forward-looking statements which are often but not always identified by the use of words such as “believe”, “estimate”, “intend” and “expect” and statements that an event or result “may”, “will” or “might” occur or be achieved and other similar expressions. Such forward-looking statements are based on assumptions made and information currently available to Mercury Securities Sdn Bhd. (“Mercury Securities”) and are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement to be materially different from any future results, performance or achievement, expressed or implied by such forward-looking statements. Caution should be taken with respect to such statements and recipients of this report should not place undue reliance on any such forward-looking statements. Mercury Securities expressly disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

Accordingly, neither Mercury Securities nor any of its holding company, related companies, directors, employees, agents and/or associates nor person connected to it accept any liability whatsoever for any direct, indirect, or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the information or opinions in this publication. Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Mercury Securities has no obligation to update its opinion or the information in this report.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. Accordingly, investors are advised to make their own independent evaluation of the information contained in this report and seek advice from, amongst others, tax, accounting, financial planner, legal or other business professionals regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you. This report is not intended, and should not under no circumstances be considered as an offer to sell or a solicitation of any offer or a solicitation or expression of views to influence any one to buy or sell the securities referred to herein or any related financial instruments.

Mercury Securities and its holding company, related companies, directors, employees, agents, associates and/or person connected with it may, from time to time, hold any positions in the securities and/or capital market products (including but not limited to shares, warrants and/or derivatives), trade or otherwise effect transactions for its own account or the account of its customers or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment, share margin facility or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests and should exercise their own judgement before making any investment decisions.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Mercury Securities. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted, or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Mercury Securities takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Mercury Securities own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Mercury Securities’ website shall be at your own risk.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Published & Printed By:

MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont' Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my