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Daily Newswatch

Market Review

The FBM KLCI closed high (+0.3% to 1,724.9) on Friday, continued buying interest even as renewed geopolitical tensions and a weaker overnight lead from Wall Street following the US Federal Reserve's (Fed) decision to stand pat on interest rates weighed on broader sentiment. Technology (+4.2%), both Telecommunications & Media and Industrial Products & Services (+0.9%) and Energy (+0.6%), led sectoral slight gains, driven by AMMB (+2.7%), all three CelcomDigi, Nestle, and Petronas Dagangan (+1.7%) and Sunway (+1.3%), while gainers outnumbered losers 713 to 407 with 558 counters closed unchanged. WoW: FBMKLCI changed (+ 1.4%) and Sector performance led by Telecommunications & Media (+3.3%), Technology (+3.0%) and Transportation & Logistics (+1.4%).

Asian markets closed mostly mixed on Friday, led by a rally in South Korean and Taiwanese equities on hopes that a recent rout in the chip-heavy indices may be nearing its end. KOSPI (+17.9% to 6,595.5) led gain, followed by TAEIX (+8.0% to 43,119.9), Nikkei 225 (+4.0% to 64362.0), Shanghai Composite (+0.7% to 3,832.3) and Hang Seng (+0.1% to 25,884.4). Japan gains on Miscellaneous (+4.5%), Electronic Technology (+2.3%) and Producer Manufacturing (+1.6%) while Hang Seng gains were led by Energy Minerals (2.0%), Consumer Non-Durables (+1.2%) and Durables (+1.1%). WoW: Hang Seng (+3.7), Shanghai Composite (+0.5%), Nikkei 225 (-0.4%), TAEIX (-1.2%) and KOSPI (-1.4%).

European stocks closed mixed on Friday as an uncertain interest rate outlook offset mostly positive corporate earnings. The Euro STOXX 50 (+0.2% to 6,358.0), while the STOXX Europe 600 (-0.1% to 649.2). Eurozone inflation met expectations, reinforcing bets for another ECB rate hike this year. Meanwhile, strong corporate earnings supported selected industrial and banking stocks, with investors also looking ahead to key earnings releases next week. WoW: Euro STOXX 50 (+1.2%) and STOXX Europe 600 (+0.7%).

Wall Street closed higher on Friday as gains in major technology stocks lifted the market. The S&P 500 (+0.7% to 7,489.7), the Nasdaq CI (+1.0% to 25,373.9), and the Dow Jones (+0.5% to 52,485.0). Amazon (+15.3%) surged on strong cloud growth, while Alphabet (+6.9%), Microsoft (+3.0%), and Meta (+3.3%) advanced on AI optimism, outweighing Apple's (-7.3%) decline after chip shortages hurt earnings. Elsewhere, Netflix (-2.0%), Eli Lilly (-0.6%), and ExxonMobn (-1.0%) declined. For the week, the Dow and S&P 500 gained about 1.0%, while the Nasdaq CI rose roughly 1.6%. For July, the S&P 500 slipped 0.1%, the Nasdaq CI fell 3.2%, and the Dow gained 0.3%.

Macro Snapshots

- **US:** Consumer sentiment rises to five-month high on broad pickup
- **EU:** Inflation strengthens as US-Iran strikes boost oil
- **CN:** High-tech underpins manufacturing
- **MY:** Gross loans expanded steadily in June as business loans picked up — BNM

Corporate Snapshots

- **UNISEM:** 2Q profit rises on stronger sales volume despite cost pressures
- **WCT:** Buys EPF's 30% stake in Paradigm PJ developer for RM140m
- **ITMAX:** Secures RM120m Kuala Lumpur smart street lighting contract
- **F&N:** 3Q net profit rises 10% despite weaker revenue, price hike still on the cards

Key Indices	Last Close	Daily chg %	YTD chg %
FBM KLCI	1,724.9	0.3	2.7
Dow Jones	52,485.0	0.5	9.2
Nasdaq CI	25,373.9	1.0	9.2
S&P 500	7,489.7	0.7	9.4
SX5E	6,358.0	0.2	9.8
FTSE 100	10,868.1	(0.3)	9.4
Nikkei 225	64,362.0	4.0	27.9
Shanghai CI	3,832.3	0.7	(3.4)
HSI	25,884.4	0.1	1.0
STI	5,628.5	(0.8)	21.1

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,100.7	24.5
Value traded (RM m)	3,571.7	58.1
Gainers	713	
Losers	407	
Unchanged	558	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
ZETRIX	0.745	4.2	86.3
NATGATE	1.190	5.3	51.2
PBK	5.170	0.2	49.3
VSI	0.230	4.5	40.9
TWL	0.025	25.0	38.2

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
PBK	5.170	0.2	254.3
MAY	10.900	0.2	215.8
CIMB	7.890	0.8	199.5
TNB	14.600	(0.1)	154.3
RHB	N/A	N/A	N/A

Currencies	Last Close	Daily chg %
USD/MYR	4.086	0.1
USD/JPY	157.400	1.4
EUR/USD	1.153	0.0
USD/CNY	6.752	0.0
US Dollar Index	99.914	0.1

Commodities	Last Close	% Chg
Brent (USD/barrel)	87.9	1.2
Gold (USD/troy oz)	4,046.2	(1.4)
CPO (MYR/metric t)	4,531.0	(0.5)
Bitcoin (USD/BTC)	62,879.5	0.0

Source: Bloomberg

Macro News

US: Consumer sentiment rises to five-month high on broad pickup

US consumer sentiment rose to five-month high in July as views about the outlook improved and gasoline prices remained below war-time highs. The University of Michigan's final July sentiment index increased to 55.2 this month, according to the survey released on Friday. That's an improvement from the preliminary estimate of 54.4. Survey responses were collected from June 23 to July 27, a period during which households saw gasoline prices fall to their lowest level since March before renewed tensions in the Middle East drove pump prices back up. *(Bloomberg)*

US: Bars imports from 43 more companies over China's alleged forced labour involving Uyghurs

United States on Friday banned imports from 43 more companies over alleged human rights abuses of Uyghur and other minority groups, including Hunan Aihua Group, one of China's largest capacitor manufacturers, according to a government posting. The companies were added to the Uyghur Forced Labor Prevention Act Entity List, which restricts the import of goods tied to what the US has determined are China's human rights abuses and ongoing genocide in the Xinjiang region. The latest additions also include companies in the pharmaceutical, metals, cotton, food and lithium production sectors. *(Reuters)*

US: Treasury yield note raise to 4.73%

The yield on the US 10-year Treasury note rose to 4.73% on Friday, returning to its highest level since January 2025, as investors weighed remarks from Fed policymakers that reinforced the case for higher interest rates to curb inflation. Three FOMC members dissented at Wednesday's meeting, voting in favor of a 25bps rate hike, although the Fed left the federal funds rate unchanged. Even so, investors' expectations for a rate hike at the next policy meeting in September eased after Governor Warsh offered little guidance on the future path of monetary policy, although markets continue to price in roughly a two-thirds probability of a 25bps increase. *(Trading Economics)*

US: Labour costs increase in second quarter as wage growth picks up

US labour costs increased slightly more than expected in the second quarter as private-sector wage growth picked up, government data showed on Friday. The Employment Cost Index (ECI), the broadest measure of labour costs, climbed 0.9% last quarter after advancing by the same margin in the January-March quarter, the Labor Department's Bureau of Labor Statistics said. Economists polled by *Reuters* had forecast the ECI would rise 0.8%. Labour costs increased 3.4% in the 12 months through June after a simar gain in the year through March. (*Reuters*)

EU: Inflation strengthens as US-Iran strikes boost oil

Euro-area inflation picked up in July after the collapse of a US-Iran ceasefire boosted oil prices, reinforcing expectations that the European Central Bank will need to raise interest rates again. Consumer prices increased an annual 2.9% after 2.8% in June, Eurostat said on Friday. The reading is in line with the median estimate in a *Bloomberg* survey and follows stronger-than-anticipated upticks in France and Spain. Across the 21-nation bloc, energy surged 10%, while a gauge for services and one excluding volatile items such as fuels and food also accelerated. (*Bloomberg*)

CN: High-tech underpins manufacturing

China's manufacturing sector proved resilient in July, with high-tech industries remaining firmly in expansion mode, even as overall factory activity saw a md contraction amid a high comparison base and seasonal factors, official data showed. As the economy transitions from old growth drivers to new ones, factory activity may rebound in the near term but remain in contraction territory, analysts said, reinforcing expectations of broader and stronger pro-growth support in the coming months. (*China Daily)*

HK: 2Q GDP expands 4.3% y-o-y, sees solid growth in second half

Hong Kong's economy expanded 4.3% from a year earlier in the second quarter, official advance estimates showed on Friday, the 14th consecutive quarter of growth underpinned by buoyant external trade and resilient domestic demand. It compared with a mean forecast of 4.4% year-on-year growth by 15 economists polled by *Reuters* and a 5.9% growth in the first quarter of 2026. In a seasonally adjusted quarter-to-quarter comparison, GDP decreased by 0.6% in real terms in the second quarter from the first quarter of 2026. (*Reuters*)

SK: Export Growth Above Forecasts

Exports soared 62.8% yoy to USD 98.89bn in July 2026, surpassing market estimates of 59.0%, though easing from a downwardly revised 70.7% surge in June. It was the second-highest figure on record after exports exceeded USD 100bn for the first time in June, mainly driven by a surge in semiconductor shipments. Shipments rose for the 14th consecutive month, driven by strong demand for memory chips, with semiconductor exports surging 178.8% to a record USD 41.01bn, surpassing USD 40bn for the second consecutive month. (*Ministry of Trade, Industry & Energy (MOTIE)*)

MY: Gross loans expanded steadily in June as business loans picked up — BNM

Malaysia's gross credit expanded steadily in June as lending to business picked up while household loans slowed, data out on Friday showed. Credit to the private non-financial sector grew by 6.4% in June, unchanged when compared to May's pace, Bank Negara Malaysia (BNM) said in a statement. Outstanding loans increased 6% while corporate bonds rose 8.1% in June. Business loan growth was a tad faster at 7.2%, driven mainly by loans to large firms, particularly for working capital. The increase in outstanding household loans, meanwhile, slowed slightly amid “some moderation in the growth of personal use loans”, BNM said. (*The Edge*)

MY: Govt shifts focus to scaling up MSMEs after resilient 2025

Malaysia's micro, small and medium enterprise (MSME) sector remains resilient as the sector's gross domestic product (GDP) grew by 5.7% to almost RM690bn in 2025. Entrepreneur Development and Cooperatives Minister Steven Sim Chee Keong said the growth outpaced the country's economic growth of 5.2% despite global uncertainties including geopolitical tensions. He said based on statistics from the Department of Statistics Malaysia (DOSM) announced on Thursday, the contribution of MSMEs to the country's GDP increased to 39.7% in 2025 compared to 39.5% the previous year. (*Bernama*)

MY: State water firm PAAB raises RM720 m in world’s largest blue sukuk

Pengurusan Aset Air Bhd has raised RM720m in the world’s largest blue sukuk to fund water infrastructure projects across six states in Peninsular Malaysia. Proceeds from the Islamic bonds have been earmarked for construction of new water treatment plants, balancing reservoirs, new pipelines, and upgraded pipelines to reduce water losses, as well as other related water infrastructure, the state-owned company also known as PAAB said in a statement on Friday. “The blue sukuk issuance reflects strong investors’ confidence in PAAB's credit strength, prudent financial management and long-term sustainable financing strategy,” said CEO Zulkiflee Omar. (*The Edge*)

Corporate News

UNISEM: 2Q profit rises on stronger sales volume despite cost pressures

Unisem (M) Bhd posted a higher net profit for the second quarter ended June 30, 2026 (2QFY2026), as stronger revenue helped lift earnings. The semiconductor packaging and test services provider’s net profit rose 8.5% to RM9.91m from RM9.13m a year earlier, according to its Bursa Malaysia filing on Friday. Revenue increased 20% to RM570.12m from RM475.15m in the corresponding quarter last year. (*The Edge*)

F&N: 3Q net profit rises 10% despite weaker revenue, price hike still on the cards

Fraser & Neave Holdings Bhd's net profit for the third quarter rose 10.3%, supported by stronger performance from its Malaysian business, coupled with lower tax and operating expenses, despite weaker revenue. Tax expenses declined by 15.5% to RM38.26m in 3QFY2026, from RM45.26m a year ago, while operating expenses fell 4.3% to RM229.96m from RM240.19m. On its outlook, F&N said it may resort to price hikes for its products given the cost pressures. (*The Edge*)

WCT: Buys EPF’s 30% stake in Paradigm PJ developer for RM140m

WCT Holdings Bhd is acquiring the Employees Provident Fund’s (EPF) remaining 30% stake in Jelas Puri Sdn Bhd for RM140m, giving the construction and property group full control of the developer behind the Paradigm Petaling Jaya integrated development. Its wholly-owned subsidiary WCT Land Sdn Bhd will acquire 93m Jelas Puri shares from the EPF, with the purchase consideration to be paid entirely in cash using internally generated funds, WCT said in a Bursa Malaysia filing on Friday. WCT Land currently owns 70% of Jelas Puri. Upon completion, expected by early August, Jelas Puri will become an indirect wholly-owned subsidiary of WCT. (*The Edge*)

ECOSHOP: Faces lawsuit over alleged unauthorised demolition of Penang premises

Eco-Shop Marketing Bhd is facing a lawsuit from a property owner over alleged breach of a tenancy agreement and unauthorised demolition of premises in George Town, Penang. In a Bursa Malaysia filing on Friday, the dollar-store retail said it had received a writ of summons and statement of claim from Messrs Ismail, Khoo & Associates, acting on behalf of Cheng Heng Yew and Cheng Kar Tong, against the company and five other defendants. The other defendants include Eco-Shop Marketing Sdn Bhd, which was the entity's name before its conversion into a public company, as well as individuals including Kong Ken Meng, Chin Pik Fong, Low Wan Cheong and Lee Koi Chin. (*The Edge*)

JETSON: Forensic review finds irregularities in payments, ESOS implementation

Kumpulan Jetson Bhd on Friday announced that an independent forensic review it had commissioned into disputed payments and an employee share option scheme (ESOS) executed in and around June 2025 has found anomalies. The forensic review by BDO Governance Advisory Sdn Bhd, which was not announced prior to this, found that disputed payments were made without proper documentation, commercial justification or approvals, while the ESOS was not carried out in accordance with its by-laws and lacked oversight from the ESOS committee. (*The Edge*)

ITMAX: Secures RM120m Kuala Lumpur smart street lighting contract

ITMAX System Bhd has secured a six-year contract worth RM120m for the supply, installation and maintenance of a smart street lighting system in Kuala Lumpur. In a Bursa Malaysia filing on Friday, the smart city integrated systems and solutions provider said it has received a Letter of Acceptance (LOA) dated July 28 from Kuala Lumpur City Hall (DBKL) for the contract. The commencement and completion dates of the six-year contract period will be determined and notified by DBKL, it noted. *(The Edge)*

MISC: Gets contract to ship LNG to Japan, orders new carrier

MISC Bhd said on Friday it has secured a deal to ship natural gas to Japan from PETRONAS' facility in Sarawak. Under the time charter party signed, the company will transport liquefied natural gas (LNG) on behalf of Malaysia LNG Sdn Bhd — a unit of the national firm officially known as Petroliam Nasional Bhd — for a firm period of 10 years beginning in 2028, MISC said in an exchange filing. "The project is strategically important as it supports PETRONAS' continued LNG supply to Sendai City, Japan, reinforcing a long-standing partnership of nearly 30 years and ensuring the reliable delivery of LNG to meet the customer's long-term energy needs," MISC said. *(The Edge)*

AVILLION: Auditor flags material uncertainty amid losses, weak liquidity position

Avillion Bhd's external auditor has cast doubt on the hotel and property group's abiliity to continue as a going concern. Baker Tilly Monterio Heng PLT noted that Avillion recorded a net loss of RM14.88m at the group level and RM3.37m at the company level for the year ended Dec 31, 2026 (FY2026). Avillion also reported negative cash and cash equivalents of RM13.23m and RM4.91m respectively, while the company's current liabilities exceeded its current assets by RM51.08 m, the auditor noted in its report which was filed with Bursa Malaysia by Avillion on Friday. (*The Edge*)

Upcoming key economic data releases	Date
S&P Global Manufacturing PMI (Jul)	Aug 03
ISM Manufacturing PMI (Jul)	Aug 03
ISM Manufacturing Prices (Jul)	Aug 03
JOLTS Job Openings (Jun)	Aug 04
ADP Nonfarm Employment Change (Jul)	Aug 05
S&P Global Services PMI (Jul)	Aug 05
ISM Non-Manufacturing Prices (Jul)	Aug 05
ISM Non-Manufacturing PMI (Jul)	Aug 05
Initial Jobless Claims	Aug 06
Average Hourly Earnings (MoM) (Jul)	Aug 07
Nonfarm Payrolls (Jul)	Aug 07
Unemployment Rate (Jul)	Aug 07
Source: Investing.com	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
MBM Resources	Consumer	4.71	0.42	9.00
Sentral REIT	REIT	0.74	0.06	8.84
Bermaz Auto	Consumer	0.98	0.08	8.41
KIP REIT	REIT	0.87	0.07	8.39
CapitaLand Malaysia Trust	REIT	0.62	0.05	8.29
YTL Hospital REIT	REIT	1.07	0.09	8.22
Paramount Corporation	Property	1.01	0.07	7.23
Sports Toto	Consumer	1.35	0.09	6.96
Taliworks Corporation	Utilities	0.29	0.02	6.90
Ta Ann Holdings	Plantation	5.70	0.39	6.77
Al-Salam REIT	REIT	0.60	0.04	6.72
TIME dotCom	Telco	6.00	0.40	6.65
Al-Aqar Healthcare REIT	REIT	1.17	0.07	6.41
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

Source: Bursa Malaysia

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Published & Printed By:

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