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Daily Newswatch

Market Review

The FBMKLCI closed lower (-0.6% to 1,737.2) on Thursday, as investors took profits following the recent rebound, with telecommunications and industrial stocks leading the decline. Industrial Products & Services (-1.3%), all the three Consumer Products & Services Transportation & Logistics (-0.8%) and Telecommunications and Media (-0.8%), led sectoral losses, driven by Press Metal Aluminium (-3.9%), CelcomDigi (+3.8%) and 99 Speed Mart (-2.2%), while losers outperform gainers 560 to 576 with 582 counters closed unchanged.

Asian markets closed mostly low on Thursday, Profit-taking appeared to be the order of the day in Asia, where many of the region's markets lost. KOSPI (-4.6% to 6,296.4) led losses, followed by Hang Seng (-1.5% to 25,530.3), Nikkei 225 (-0.9% to 65,683.3), TAIEX (-0.5% to 44,396.7), Shanghai Composite (+0.6% to 3,900.4). KOSPI losses on Electronic Technology (-7.6%), Finance (3.1%) and Industrial Services (-2.4%) while Hong Kong loss were led by Producer Manufacturing (-3.5%), Retail Trade (-2.2%) and Commercial Services (2.2%). Followed by Taiwan losses on Finance (-2.1%), Utilities (-1.2%) and Health Technology (-1.1%)

European stocks closed slightly higher on Thursday as strong earnings and a rebound in technology stocks lifted sentiment. The Euro STOXX 50 (+0.4% to 6,502.6), while the STOXX Europe 600 (+0.2% to 658.2), both at record highs. Deutsche Telekom (+6.3%) surged after strong earnings and raising guidance, while Hermes (+5.1%), ASML (+2.0%), and Siemens Energy (+2.0%) advanced. Meanwhile, Rheinmetall (-3.5%) and Siemens (-4.5%) declined after lowering its outlook and reporting quarterly results, respectively.

Wall Street closed lower on Thursday as higher energy prices revived concerns over a potential Fed rate hike next month. The S&P 500 (-0.2% to 7,710.0), the Nasdaq CI (-0.1% to 26,348.4), and the Dow Jones (-0.9% to 53,885.1). Rising oil prices and Treasury yields weighed on sentiment, with JPMorgan (-0.8%) and Morgan Stanley (-2.1%) lower. Among technology stocks, Alphabet (-1.3%) declined, while Western Digital (-13.0%) and Sandisk (-6.8%) fell after disappointing guidance and earnings. SpaceX (+6.1%) gained as US$101bn worth of shares exited their post-IPO lockup.

Macro Snapshots

- **US:** Productivity rises faster than expected in second quarter
- **US:** Initial Jobless Claims Rise Less than Expected
- **CN:** Gaming sector posts solid growth in first half of year
- **MY:** Amir Hamzah: 2Q growth 'should be okay'

Corporate Snapshots

- **CBHB:** Secures RM26.2m substation upgrade job
- **SSB8:** 51%-owned unit bags RM146.5m data centre subcontract
- **PENTA:** Sees strong double-digit revenue growth in FY2026 after 64% jump in 2Q profit
- **SENTRAL:** Property income slips in 2Q amid rising costs, to pay out 3.17 sen per unit

Key Indices	Last Close	Daily chg %	YTD chg %
FBMKLCI	1,737.2	(0.6)	3.4
Dow Jones	53,885.1	(0.9)	12.1
Nasdaq CI	26,348.4	(0.1)	13.4
S&P 500	7,710.0	(0.2)	12.6
SX5E	6,502.6	0.4	12.3
FTSE 100	10,867.9	(0.2)	9.4
Nikkei 225	65,683.3	(0.9)	30.5
Shanghai CI	3,900.4	0.6	(1.7)
HSI	25,530.3	(1.5)	(0.4)
STI	5,639.0	1.0	21.4

Market Activities	Last Close	% Chg
Vol traded (m shares)	3,241.6	(16.7)
Value traded (RM m)	2,909.9	(23.5)
Gainers	560	
Losers	576	
Unchanged	582	

Top 5 Volume	Last Close	Daily chg %	Vol (m)
MRC	0.340	9.7	77.8
ZETRIX	0.710	2.9	71.2
TANC	0.255	0.0	63.0
JCYH	0.470	14.6	62.1
SKHAWK	0.140	(22.2)	53.1

Top 5 Turnover	Last Close	Daily chg %	Val (RM m)
MAY	10.800	(0.2)	122.5
GAM	4.490	1.8	119.1
TNB	14.480	(1.2)	95.3
PBK	5.230	(0.8)	81.7
IHH	8.330	0.1	77.5

Currencies	Last Close	Daily chg %
USD/MYR	4.090	0.1
USD/JPY	158.440	0.0
EUR/USD	1.152	0.0
USD/CNY	6.750	0.0
US Dollar Index	99.962	0.3

Commodities	Last Close	% Chg
Brent (USD/barrel)	83.3	4.8
Gold (USD/troy oz)	4,236.1	(0.1)
CPO (MYR/metric t)	4,500.0	(0.7)
Bitcoin (USD/BTC)	64,417.0	0.0

Source: Bloomberg

Macro News

US: Fed's Daly says central bank was right to hold rates steady at July policy meeting

Federal Reserve Bank of San Francisco president Mary Daly said on Wednesday she was “completely supportive” of the decision last week to hold interest rates steady as the central bank gathers more data about how it should respond to inflation that is well above its 2% target. “We have a lot of information we need to collect” before the September monetary policy meeting to determine whether inflation is being driven by supply shocks that will wane over time, or whether a longer-lasting inflation situation is forming, Daly said in an appearance before an economics conference in Tokyo. *(Reuters*)

US: Labor Costs Rise Less than Anticipated

Unit labor costs in the US nonfarm business sector rose by 1.3% in Q2 2026, matching the revised Q1 pace, but missing market forecasts of 2.1%, preliminary data showed. This reflected a 2.7% increase in hourly compensation, up from 2.1% in Q1, alongside a 1.4% rise in productivity, up from 0.8% in the prior quarter. In the manufacturing sector, unit labor costs were unchanged, as a 1.9% increase in hourly compensation was offset by a 1.9% increase in productivity. *(U.S. Bureau of Labor Statistics*)

US: Fox posts upbeat revenue, profit on ad boost from Fifa World Cup

Fox Corp beat Wall Street estimates for fourth-quarter revenue and profit on Thursday, as the Fifa World Cup boosted advertising sales during a busy news cycle, sending its shares up 2% in premarket trading. The company held the exclusive US English-language broadcast rights for the World Cup and benefited from strong viewership as well as new so-called hydration breaks that created more ad opportunities by splitting matches into four commercial windows. Nearly 63 m viewers in the US watched Spain defeat Argentina in the World Cup final in July, setting a new US viewership record for the tournament. *(Reuters*)

US: Productivity rises faster than expected in second quarter

US worker productivity grew faster than expected in the second quarter and further gains are likely as businesses invest in artificial intelligence, which is expected to keep wage inflation contained. Non-farm productivity, which measures hourly output per worker, increased at a 1.4% annualised rate last quarter after advancing at an upwardly revised 0.8% pace in the January-March quarter, the Labor Department's Bureau of Labor Statistics said on Thursday. Economists polled by *Reuters* had forecast productivity would grow at a 0.6% rate following a previously reported 0.3% pace of increase in the first quarter. (*Reuters*)

US: Initial Jobless Claims Rise Less than Expected

The number of people claiming unemployment benefits in the US inched higher by 1,000 to 199,000 on the final week of July, slightly under market expectations of 202,000 to remain near the 57-year low of 188,000 two weeks prior. Continuing claims, which are seen as a gauge of outstanding unemployment in the US, rose by 24,000 to 1,801,000 in the earlier week, remaining well under averages from this year. The data continued to reflect a strong labor market in the US, aligned with statements from FOMC members that see the US economy in full employment. (*U.S. Department of Labor*)

US: 10-year Treasury note rose to 4.67%

The yield on the US 10-year Treasury note rose to 4.67% on Thursday as investors continued to assess the path of interest rates. A report from FT showed Chair Warsh is set to stick with lean Fed messaging despite market backlash. Still, he would be prepared to raise rates in September if inflation readings released in coming weeks are hot, the FT reported. Markets see around a 58% chance of a Fed rate hike next month, down from 68% on Monday. (*Trading Economics)*

CN: The Economist offers wrong prescription: China Daily editorial

The word "overcapacity" has become a handy tool for some to frame China's competitive edges in a negative light and justify protectionist measures. The Economist joined this effort recently by publishing an article accusing China of having "State-driven overcapacity". Its title even suggests China should "apologize" for its "production capabnities". Exports are an important driver of China's economy and the country's industrial production. (*China Daily*)

CN: Gaming sector posts solid growth in first half of year

China's gaming market generated 188.45 bnlion yuan ($28 bnlion) in actual sales revenue in the first half of 2026, up 12.17 percent year-on-year, as the number of users expanded to 684 m during the same period, according to a recent report. The China Game Industry Report for the first half of the year was presented at the 2026 China Digital Entertainment Congress held in Shanghai on July 30. The event was part of the 23rd China Digital Entertainment Expo and Conference, also known as ChinaJoy, which concluded on Monday. (*China Daily*)

JP: 30-year bond sale brings relief amid fiscal concerns

A sale of 30-year Japanese bonds drew firm demand on Thursday, delivering some calm to a market that's been buffeted by currency turmoil and worry over the government's debt load. The bid-to-cover ratio at Thursday's sale was 3.86 compared with 4.55 at the previous auction and a 12-month average of 3.49. Japan's bonds held gains after the sale. (*Bloomberg*)

SG: Says exports worth US$7.4bn affected by new US tariffs

About one-third of Singapore's exports to the US, worth S$9.5bn (US$7.4bn), will be affected by a new US tariff of 12.5% imposed on July 24, Trade Minister Gan Kim Yong said. Gan said in parliament on Wednesday that the tariffs imposed under Section 301 of the US Trade Act of 1974 would affect about a third of Singapore's exports, including optical instruments and chemical products. Exempt exports include energy and energy products, certain electronics and aerospace products, as well as semiconductors and pharmaceuticals. (*Bloomberg*)

MY: Amir Hamzah: 2Q growth 'should be okay'

Malaysia's economic growth for the second quarter of 2026 (2Q2026) "should be okay", Finance Minister II Datuk Seri Amir Hamzah Azizan said ahead of the official 2Q gross domestic product (GDP) announcement on Aug 14. Responding to reporters after delivering his keynote address at the RHB Progress Series 2026 on Wednesday, Amir Hamzah, however, did not elaborate further. Bank Negara Malaysia (BNM) is scheduled to announce Malaysia's 2Q GDP data next week, which will provide a clearer picture of the country's economic performance during the April-June period. (*Bernama*)

MY: Amir Hamzah: Govt to provide certainty, private sector to drive investment

The government's role is to maintain a credible policy and fiscal framework while using public capital to unlock markets, enabling private capital to play a larger role in driving investment, Minister of Finance II Datuk Seri Amir Hamzah Azizan said. He said that while the government can provide policy certainty and maintain a credible fiscal framework, financing innovation and business expansion must increasingly be undertaken by banks, institutional investors, venture capital firms and private equity players. "The government can provide certainty, but the market has to take risks. (*Bernama*)

Corporate News

THETA: Mutiara Line LRT reaches key milestones; MRCB-Theta Edge JV wins RM3bn contract

Construction of the Mutiara Line Light Rail Transit (LRT) has reached several major milestones, with Malaysia Rapid Transit Corporation Sdn Bhd (MRT Corp) announcing the award of the RM3.028bn System Turnkey Contract (STC) to the Malaysian Resources Corporation Bhd (MRCB) and Theta Edge Bhd joint venture (MRCB-Theta Edge JV). MRT Corp said the appointment would enable detailed design of the railway systems to proceed in parallel with the ongoing civil construction programme, ensuring both components remain aligned towards overall project delivery. (*Bernama*)

TONGHER: Tsai family proposes to privatise Tong Herr at RM2.55 per share via selective capital reduction

Bolts and nuts manufacturer Tong Herr Resources Bhd has received a proposal from its major shareholders Allrich Corp and Richard Holdings Ltd — controlled by members of the Taiwanese Tsai family — to privatise the company through a selective capital reduction and repayment exercise (SCR) at RM2.55 per share. Allrich owns a 39.618% stake in Tong Herr, while Richard Holdings holds a 31.715% stake. Executive chairman Tsai Ming Ti and his son, managing director Tsai Ming Ti, hold interests in Richard Holdings, while his nephew and company director Tsai Hung-Chuan and his sister Tsai Jane-Rong hold stakes in Allrich. (*The Edge*)

BKAWAN: Unit's takeover bid for MKH turns unconditional

Batu Kawan Bhd announced that its wholly owned subsidiary Whitmore Holdings Sdn Bhd's voluntary takeover offer of MKH Bhd has become unconditional after the former's shareholders approved the proposed acquisition at the group's extraordinary general meeting (EGM) on Aug 5. Maybank Investment Bank Bhd (Maybank IB), on behalf of Batu Kawan (ultimate offeror), said the acquistion of the first tranche of MKH shares was completed on June 3, and the second tranche was completed on June 9, making Whitmore's shareholding in MKH increased from nil to 29.6%. "The group also acquired 18,557,400 MKH shares from the open market from June 15 to July 17. (*The Edge*)

PENTA: Sees strong double-digit revenue growth in FY2026 after 64% jump in 2Q profit

Pentamaster Corp Bhd, whose second-quarter net profit jumped 63.9%, expects to deliver a stronger performance in 2026, with revenue projected to register high double-digit growth. This will be driven primarily by its factory automation solutions (FAS) segment, supported by the execution of its existing order book and sustained demand from the AI Compute and medical segments, said the automated test equipment maker in a bourse filing on Thursday. (*The Edge*)

KOPI: Expands into Indonesia, Mauritius in overseas growth push

Oriental Kopi Holdings Bhd, whose share price has slid nearly 30% year-to-date, announced its overseas expansion plan to Indonesia and Mauritius. The ACE Market-listed food & beverage chain operator said in the bourse filing that it would enter Indonesia through a joint venture with PT Era Boga Nusantara to develop and operate Oriental Kopi restaurants there. Its indirect wholly owned subsidiary Oriental Coffee International Sdn Bhd will invest US$480,000 (RM1.96m) for a 40% stake, while the Indonesian partner will hold the remaining 60%. (*The Edge*)

SENTRAL: Property income slips in 2Q amid rising costs, to pay out 3.17 sen per unit

Sentral REIT reported a slight decline in its net property income as operating expenses rose faster than the rentals in the recently-ended quarter. Net property income for the three months ended June 30, 2026 (2QFY2026) was RM35.78 m, a 3.2% decline when compared to the same quarter last year, Sentral REIT said in an exchange filing on Thursday. Property expenses rose 19% year-on-year during the quarter. The real estate investment trust, nevertheless, raised income distribution to RM37.9 m or 3.17 sen per unit payable on Sept 18. Sentral REIT distributes income to shareholders twice a year. *(The Edge*)

LCTITAN: Losses widen despite doubled revenue hit by write-downs and higher costs

Lotte Chemical Titan Holding Bhd sank deeper into the red for the second quarter ended June 30, 2026 (2QFY2026), weighed down by inventory write-downs and higher costs from its new Indonesian petrochemical plant. Net loss attributable to shareholders widened by 0.6% to RM174.19m from RM173.09m a year earlier, while the group's overall net loss more than doubled to RM401.67m from RM189.33m. *(The Edge*)

CBHB: Secures RM26.2m substation upgrade job

CBH Engineering Holding Bhd said it has secured a contract to upgrade a substation in Selangor for RM26.2m. The contract was secured by the electrical engineering firm's wholly owned unit CBH Engineering Sdn Bhd from an undisclosed publicly listed company in Malaysia merely described as "Company A", according to a bourse filing on Thursday. The contract, which covers engineering, procurement, construction and commissioning works for the upgrading of the 275kV substation, commenced on Aug 6 and will be completed in two stages: first stage by Jan 15, 2027; and final stage by Feb 28, 2027. (*The Edge*)

SSB8: 51%-owned unit bags RM146.5m data centre subcontract

Southern Score Builders Bhd said its 51%-owned unit has secured a RM146.53m subcontract for a data centre project. The subcontract project, described as "Electrical Package 3 Works (MV)", commenced on July 27 with an expected final completion date of Jan 15, 2028, according to a bourse filing on Thursday. The construction outfit's majority-owned SJEE Engineering Sdn Bhd secured the contract from an undisclosed "local construction company". The remaining 49% in SJEE is owned by engineer-turned-businessman Ngo Hea Bing. (*The Edge*)

CARLORINO: Shelves plan for Main Market transfer

Carlo Rino Group Bhd, an ACE Market-listed fashion retailer, has pulled back on its plan to transfer to the bourse's Main Market, citing the prevailing operating environment and its strategic priorities. After due and careful consideration, the company has decided to withdraw its application for the proposed transfer submitted to the Securities Commission Malaysia (SC), it said in a bourse filing on Thursday. "The company believes it is appropriate to focus on the continued execution of its strategic initiatives and long-term growth plans, and to revisit the proposed transfer at an appropriate time," it added. (*The Edge*)

PTRANS: Announces share buy-back to complement dividend

Perak Transit Bhd on Thursday unveiled a share buy-back scheme, saying that investors undervalue the bus-and-terminal operator. The initiative is expected to complement the dividend policy, Perak Transit said in a statement. The last price of 17 sen represents a sharp 77% discount to Perak Transit's net asset value of about 73 sen per share, the company noted. (*The Edge*)

HANDAL: Pushes back annual report release again

Handal Energy Bhd has delayed the release of its annual report for the financial period ended Dec 31, 2025 yet again, pushing back its previously stated Aug 7 target. In a Bursa Malaysia filing on Thursday, the oil and gas services provider said it now expects to issue and submit the annual report within six months from April 30, effectively giving it until the end of October. The latest postponement follows five previous delays. Handal had said in July that it expected to issue the annual report on or before Aug 7. (*The Edge*)

Upcoming key economic data releases	Date
Average Hourly Earnings (MoM) (Jul)	Aug 07
Nonfarm Payrolls (Jul)	Aug 07
Unemployment Rate (Jul)	Aug 07
Existing Home Sales (Jul)	Aug 11
CPI (YoY) (Jul)	Aug 12
CPI (MoM) (Jul)	Aug 12
Core CPI (MoM) (Jul)	Aug 12
10-Year Note Auction	Aug 13
PPI (MoM) (Jul)	Aug 13
Initial Jobless Claims	Aug 13
30-Year Bond Auction	Aug 14
Core Retail Sales (MoM) (Jul)	Aug 14
Retail Sales (MoM) (Jul)	Aug 14
Source: Investing.com	

Stock Selection Based on Dividend Yield

	Sector	Price (RM)	Dividend/Share (RM)	Dividend Yield (%)
Sentral REIT	REIT	0.74	0.06	8.84
MBM Resources	Consumer	4.96	0.43	8.67
KIP REIT	REIT	0.85	0.07	8.59
Bermaz Auto	Consumer	0.96	0.08	8.59
YTL Hospital REIT	REIT	1.06	0.09	8.30
CapitaLand Malaysia Trust	REIT	0.62	0.05	8.29
Paramount Corporation	Property	1.01	0.07	7.23
Taliworks Corporation	Utilities	0.28	0.02	7.14
Sports Toto	Consumer	1.32	0.09	7.12
Al-Salam REIT	REIT	0.60	0.04	6.67
TIME dotCom	Telco	6.05	0.40	6.60
Ta Ann Holdings	Plantation	5.89	0.39	6.55
Al-Aqar Healthcare REIT	REIT	1.16	0.07	6.47
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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