

# Morning Toast

## News of the Day

- Pavilion REIT's 2Q net property income up 8%, but flags margin pressure
- After losing RM1bn tax dispute, Tenaga granted judicial review of another RM291m assessment
- HI Mobility's Causeway Link confirms driver walkout at Johor-Singapore Causeway, says it is working to resolve issue
- Jati Tinggi wins submarine cable contract from TNB
- Majuperak's Brewster Village sale to Ladang Lekir falls through

## Daily Trading Participations

	Buy (RM'm)	Sell (RM'm)	Net Buy (RM'm)
Local Institutions	865.9	873.2	-7.3
Local Retails	392.1	363.8	28.2
Foreign	790.6	811.6	-110.4

Sources: Bloomberg

23 July 2025

### Market Indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBMKLCI	1,519.40	-5.2	-7.5
FBMEmas	11,419.73	-42.2	-9.3
FBMSHA	11,447.35	-62.4	-9.1
FBMSCAP	15,630.82	-29.7	-13.0
FBMACE	4,624.60	-13.1	-14.0
F4GBM	923.24	-3.8	-8.5
F4GBMS	945.11	-5.7	-8.2

### Foreign

Dow Jones	44,502.44	179.37	4.6
S&P 500	6,309.62	4.02	7.3
Nasdaq	20,892.69	-81.48	8.2
FTSE	9,023.81	10.82	10.4
Hang Seng	25,130.03	135.89	25.3
Nikkei	39,774.92	-44.19	-0.3
Shanghai CI	3,581.86	22.07	6.9
Strait Times	4,208.26	1.13	11.1

### Currencies

BNM Middle Rate	Last	Daily chg	YTD
USD / MYR	4.23	0.0223	-5.4
GBP / MYR	5.71	0.0131	1.7
JPY / MYR	2.89	0.0140	1.5
EUR/MYR	4.96	0.0249	6.4
SGD / MYR	3.30	0.0034	0.6
CNY / MYR	0.59	0.0001	-3.6
AUD / MYR	2.76	0.0012	-0.8

### Bond Yield Movements

		Yield	D. Chg (bps)
MGS	3- year	3.08	-7
	10- year	3.42	-10
GII	3- year	3.13	-5
	10- year	3.47	-5
UST	2- year	3.83	11
	10- year	4.34	12

### Commodities

	Last	Daily chg	D. chg %
CPO (3rd month)	4,271.00	283.0	7.1
Brent (1st month)	68.59	-0.6	-0.9
Gold (spot)	3,431.48	34.4	1.0

Source: Bloomberg

### Phillip Research

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## Market Pulse



Source: Trading View, Phillip Research

The FBMKLCI lost 5.19 points or 0.3% to close at 1,519.40 points. Daily losers for FBMKLCI constituents at 20 counters outweigh the gainers at 7 counters, while 3 remain unchanged. FBMKLCI losers were led by Kuala Lumpur Kepong Bhd, PPB Group Bhd and Press Metal Aluminium Holdings Bhd which lost 2.4%, 1.9% and 1.9%, respectively. On the broader market, daily losers at 591 outweigh the gainers at 413 counters, while 472 remain unchanged. The local market tracked the negative sentiment.

The top 3 sectorial daily gainers are Consumer (+0.3%), Healthcare (+0.2%), and REIT (+0.2%) led by Permaisuri Industries Berhad (+50%), Careplus Group Bhd (+4.5%) and Hektar Real Estate Investment (+3.3%) respectively. The top 3 sectorial daily losers are Construction (-1.1%), Industrial (-1.0%), and Telco (-0.9%) led by Mudajaya Group Bhd (-11.1%), Btm Resources Bhd (-25%) and Media Chinese International (-4.8%) respectively.

Table 1: Our Picks

Company	Ticker	Rating	Price (RM)	TP (RM)	Upside (%)
<b>Fundamental</b>					
<b>Banking</b>					
Affin Bank	ABANK MK	Sell	2.47	2.40	-2.8
Alliance Bank	ABMB MK	Hold	4.52	5.00	10.6
Ambank	AMM MK	Buy	5.07	6.30	24.3
CIMB Bank	CIMB MK	Buy	6.55	9.30	42.0
Hong Leong Bank	HLBK MK	Buy	19.00	24.30	27.9
Maybank	MAY MK	Buy	9.53	11.90	24.9
Public Bank	PBK MK	Buy	4.31	5.30	23.0
RHB Bank	RHBBANK MK	Buy	6.14	7.90	28.7
<b>Construction</b>					
AME Elite	AME MK	Buy	1.54	2.00	29.9
Gamuda	GAM MK	Buy	5.19	5.33	2.7
Kerjaya Prospek	KPG MK	Buy	2.11	2.70	28.0
Sunway Construction	SCGB MK	Hold	5.33	5.35	0.4
Binastra	BNASTRA MK	Buy	1.83	2.60	42.1
<b>EMS</b>					
Natongate	NATGATE MK	Buy	1.51	1.80	19.2
<b>Gaming</b>					
Genting Malaysia	GENM MK	Hold	1.99	1.80	-9.5
Genting	GENT MK	Buy	3.07	3.85	25.4
RGB International	RGB MK	Buy	0.30	0.73	143.3
<b>Healthcare</b>					
Optimax	OPTIMAX MK	Buy	0.51	0.70	37.3
UMediC	UMC MK	Buy	0.35	0.45	28.6
<b>Rubber Glove</b>					
Hartalega	HART MK	Hold	1.41	1.64	16.3
Kossan	KRI MK	Buy	1.32	1.94	47.0
Top Glove	TOPG MK	Hold	0.68	0.71	5.2
<b>Industrial</b>					
Critical	CHB MK	Buy	0.96	1.62	69.6
HE Group	HEGROUP MK	Buy	0.36	0.45	25.0
MN Holdings	MNHLDG MK	Buy	1.56	1.72	10.3
<b>Oil &amp; Gas</b>					
Bumi Armada	BAB MK	Buy	0.43	0.79	83.7
Dayang Enterprise	DEHB MK	Buy	1.86	3.00	61.3
Pantech	PGHB MK	Buy	0.69	0.89	29.0
Uzma	UZMA MK	Buy	0.36	0.76	111.1
T7 Global	T7G MK	Buy	0.26	0.34	30.8
<b>Plantation</b>					
Genting Plantation	GENP MK	Hold	5.02	5.27	5.0

Hap Seng Plantation	HAPL MK	Hold	1.90	1.84	-3.2
IOI Corporation	IOI MK	Hold	3.75	3.84	2.4
Kuala Lumpur Kepong	KLK MK	Hold	19.86	19.60	-1.3
SD Guthrie	SDG MK	Buy	4.75	5.21	9.7
Sarawak Oil Palms	SOP MK	Hold	3.34	3.01	-9.9
Sarawak Plantation	SPLB MK	Buy	2.53	2.88	13.8
<b>Property</b>					
Lagenda Properties	LAGENDA MK	Hold	1.21	1.25	3.3
SkyWorld Development	SKYWLD MK	Buy	0.48	0.70	47.4
<b>Renewable</b>					
Solarvest	SOLAR MK	Buy	2.45	3.05	24.5
Pekati	PEKAT MK	Hold	1.51	1.57	4.0
BM Greentech	BMGREEN MK	Buy	1.85	2.70	45.9
<b>Technology</b>					
D&O	DOGT MK	Hold	1.06	1.30	22.6
Frontken	FRCB MK	Buy	4.10	4.50	9.8
Greatech	GREATEC MK	Buy	1.66	1.90	14.5
Pentamaster	PENT MK	Buy	3.75	3.20	-14.7
TT Vision	TTVHB MK	Buy	0.56	0.78	40.5
UWC	UWC MK	Buy	2.05	2.60	26.8
<b>Telco</b>					
OCK Group	OCK MK	Buy	0.44	0.66	50.0
Maxis	MAXIS MK	Hold	3.49	4.02	15.2
CelcomDigi	CDB MK	Hold	3.79	4.19	10.6
Telekom Malaysia	T MK	Buy	6.70	8.05	20.1
Axiata Group	AXIATA MK	Hold	2.56	2.08	-18.8
<b>Transport</b>					
AGX Group	AGX MK	Buy	0.51	0.96	88.2

Source: Bursa, Bloomberg, Phillip Research, price as of 22 July 2025

## Malaysian news highlights

### Malaysia strengthens response to US tariffs, focuses on strategic industries, says Zafrul

Investment Promotion Agencies (IPAs) across the country will continue working closely with state governments to ensure that local industries in each state are not adversely affected by the United States tariff issue. Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said the government's establishment of the National Geoeconomic Command Centre (NGCC) would play a key role in monitoring, evaluating, and coordinating responses to shifts in the global trade landscape, including tariff shocks and non-tariff barriers. (Source: [TheEdgeMarkets](#))

### MOH to deploy AI to detect dengue hotspots early

The Health Ministry (MOH) is developing an artificial intelligence (AI) system to predict and identify dengue hotspots, as part of efforts to strengthen early detection and outbreak response. Health Minister Datuk Seri Dr Dzulkefly Ahmad told the Dewan Rakyat on Tuesday that the predictive AI tool is designed to pinpoint high-risk areas before case numbers rise, enabling more targeted intervention. (Source: [TheEdgeMarkets](#))

### Potential RON95 retargeting delay seen softening Malaysia's inflation

Economists foresee that potential delays in the implementation of the RON95 fuel subsidy retargeting could soften Malaysia's inflation trajectory, even as prices are expected to rise from July onwards due to policy adjustments. This follows the release of official data on Tuesday showing that headline inflation in June eased to 1.1% year-on-year—the slowest pace since February 2021 and below the median 1.2% increase projected in a Bloomberg poll. Malaysia's full-year inflation rate in 2024 stood at 1.8%. (Source: [TheEdgeMarkets](#))

### Selangor Customs seizes scrap metal worth RM9.17 mil at PKFZ

The Selangor Customs Department foiled an attempt to smuggle in 1,964 tonnes of scrap metal worth RM9.17 million after seizing 83 containers within the Port Klang Free Zone (PKFZ) here recently. Selangor Customs director Mohamad Azhar Ahmad Paharazi said the goods were confiscated through a series of inspections conducted in collaboration with the National Targeting Centre (NTC) over a two-month period beginning in May. (Source: [TheEdgeMarkets](#))

### Approved investments across various sectors reach RM474.2 bil up to March 2025 — Miti

A total of RM474.2 billion in approved investments across various economic sectors was recorded between 2024 (full year) and March 2025, according to the Ministry of Investment, Trade and Industry (Miti). The ministry said these investments span the manufacturing, services, and primary sectors, involving 9,238 projects and creating 241,086 job opportunities. "Domestic investment accounted for the majority of approved investments during this period, totalling RM242.5 billion or 51.1%, while foreign investment made up RM231.7 billion (48.9 per cent)," it said in a written reply published on Parliament's website. (Source: [TheEdgeMarkets](#))

## Global news highlights

### Bank of England may put off plans for a digital pound

Bank of England (BOE) officials are mulling whether to set aside plans to create a digital pound for households amid growing skepticism about the project's benefits, the latest sign of dwindling support for state-backed digital currencies globally. The BOE has been privately urging the banking industry to instead accelerate payment innovations that could result in similar benefits without the creation of a central bank digital currency — or CBDC — for consumers, according to people familiar with the matter. (Source: [TheEdgeMarkets](#))

### Bessent says he will meet Chinese officials, discuss tariff deadline extension

US Treasury Secretary Scott Bessent said on Tuesday that he will meet his Chinese counterpart next week and discuss what is likely to be an extension of an August 12 deadline for higher tariffs. Bessent told Fox Business Network's Mornings With Maria programme that trade with China was in "a very good place" and the meetings in Stockholm would take place next Monday and Tuesday. "I think we've actually moved to a new level with China, where it's very constructive and... we're going to be able to get a lot of things done now that trade has kind of settled in at a good level," Bessent said. (Source: [TheEdgeMarkets](#))

### AI should run on 100% renewable energy by 2030, UN chief says

Major tech firms should commit to fully powering data centres with renewable energy by 2030, said United Nations secretary general António Guterres. Big tech also must be responsible in its use of water for cooling, Guterres said Tuesday in New York City as he presented the UN's new report on the energy transition, Seizing the Moment of Opportunity, together with the International Renewable Energy Agency. (Source: [TheEdgeMarkets](#))

### IMF warns tariffs aren't the answer to global imbalances

Global current account balances widened sharply in 2024, reversing a narrowing under way since the global financial crisis of 2008-2009, the International Monetary Fund said on Tuesday, warning that tariffs were not the answer. In its annual External Sector Report, which assesses imbalances in the 30 largest economies, the IMF noted that external surpluses or deficits were not necessarily a problem, but could cause risks if they became excessive. (Source: [TheEdgeMarkets](#))

### WTO reverses parts of previous decision in EU-China intellectual property dispute

World Trade Organization (WTO) arbitrators on Monday reversed part of a previous panel decision that had rejected the European Union's (EU) claims that China had violated the global watchdog's rules on intellectual property (IP). In April, a WTO panel rejected the EU's complaint, lodged in 2022, that China had violated the global watchdog's IP rules over patents for 3G, 4G and 5G mobile technology. However, it said that China had failed to comply with all WTO transparency obligations. (Source: [TheEdgeMarkets](#))

## Corporate news

### **Pavilion REIT's 2Q net property income up 8%, but flags margin pressure**

Pavilion Real Estate Investment Trust or Pavilion REIT (KL:PAVREIT) on Wednesday cautioned that its operating margins may come under pressure moving forward due to higher service taxes on commercial rentals, minimum wage hikes and subsidy rationalisation. "Businesses in the retail industry adopt a cautious stand, given that cost pressures remain elevated. The manager will continue its proactive management of Pavilion REIT's investment properties to give its unitholders steady distributions," Pavilion REIT said in a filing with the stock exchange. (Source: [TheEdgeMarkets](#))

### **After losing RM1 bil tax dispute, Tenaga granted judicial review of another RM291 mil assessment**

Tenaga Nasional Bhd (KL:TENAGA) said it has been given the green light by the High Court to commence judicial review against the Inland Revenue Board (IRB) in relation with tax assessment totalling RM291.55 million for the financial year ended Dec 31, 2018. The announcement comes on the heels of another court dispute between the utility company and the tax collection agency, which saw Tenaga having to fork out over one billion ringgit in tax payment following the dismissal of its reinvestment allowance claims. (Source: [TheEdgeMarkets](#))

### **HI Mobility's Causeway Link confirms driver walkout at Johor-Singapore Causeway, says it is working to resolve issue**

Causeway Link, which provides bus services between Johor Bahru and Singapore, has confirmed that a number of its drivers had launched a strike, and said it is working to resolve the matter. News reports said a number of bus drivers refused to ferry passengers and stage a walkout early on Monday morning at the Johor-Singapore Causeway following a recent wage cut. Causeway Link services are operated by HI Mobility Bhd (KL:HI), a Johor-based public transport company which was listed on the Main Market of Bursa Malaysia in March. (Source: [TheEdgeMarkets](#))

### **Jati Tinggi wins submarine cable contract from TNB**

Jati Tinggi Group Bhd (KL:JTGROUP) has secured a RM19.41 million contract from Tenaga Nasional Bhd (KL:TENAGA) for submarine cable installation works in Sungai Manjung, Perak. In a bourse filing on Tuesday, the company said the scope of work includes dismantling existing submarine cables and supplying pipes, new 33-kilovolt submarine cables and accessories. The contract was awarded to an unincorporated joint venture 70% owned by Jati Tinggi's wholly owned subsidiary Jati Tinggi Holding Sdn Bhd and 30% by Worktime Engineering Sdn Bhd. (Source: [TheEdgeMarkets](#))

### **Majuperak's Brewster Village sale to Ladang Lekir falls through**

Majuperak Holdings Bhd (KL:MJPERAK) said its proposed disposal of two parcels of land and a building in Ipoh, known as Brewster Village, has been called off after the non-fulfilment of conditions precedent within the stipulated timeframe. The land was proposed to be sold to Ladang Lekir Sdn Bhd (LLSB), a wholly-owned unit of the Perak State Agriculture Development Corporation, for RM18.4 million, as part of Majuperak's business regularisation plan. In a bourse filing on Tuesday, Majuperak said its wholly-owned subsidiary, Syarikat Majuperak Bhd (SMB), had received the notice of termination from LLSB on June 25. (Source: [TheEdgeMarkets](#))

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