Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52146.4	(0.8)	(0.9)	1.3	8.5
S&P 500	7457.7	(1.0)	(1.6)	0.5	8.9
FTSE 100	10600.4	0.3	1.0	0.9	6.7
AS30	8978.8	(0.6)	(0.3)	(2.3)	(0.4)
CSI 300	4529.1	(3.6)	(5.3)	(8.2)	(2.2)
FSSTI	5509.4	(0.5)	0.7	6.4	18.6
HSCEI	8136.7	(2.2)	1.2	(0.1)	(8.7)
HSI	24562.2	(1.8)	1.6	1.0	(4.2)
JCI	6175.5	1.1	4.2	(0.7)	(28.6)
KLCI	1731.5	0.5	2.4	1.3	3.1
KOSPI	6820.6	0.0	(8.8)	(23.1)	61.8
Nikkei 225	64141.1	(4.0)	(6.4)	(8.2)	27.4
SET	1639.0	0.2	1.1	3.3	30.1
TWSE	42671.3	(6.5)	(5.9)	(7.0)	47.3
BDI	2752.0	(3.1)	(6.5)	3.7	46.6
CPO (RM/mt)	4492.5	0.0	0.3	0.5	14.2
Brent Crude (US$/bbl)	88.1	4.6	15.9	10.7	44.8

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Post-Results Meeting with ASL Marine Holdings Ltd (ASL SP)	Singapore	21 Jul	21 Jul
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul

Corporate & Macro Calendar

Economic Indicator/Event	Country/Region	Date
Trade Figures	Malaysia	20 Jul
Foreign Reserves	Malaysia	22 Jul
PMI	Malaysia	8 Aug

Please click on the page number to move to the relevant page

Top Stories

Company Update | CelcomDigi (CDB MK/**BUY**/RM2.98/Target: RM4.05) Page 2

CelcomDigi is expected to report sequentially stronger earnings in 2Q-3Q26, driven by: a) higher synergistic savings from the merger exercise – with a full-year 2026 target of RM465m savings to flow through to P&L, and b) postpaid and prepaid price adjustments seen across the sector since Feb 26. We see positive risk-reward for the stock, which is trading at -1SD to its mean valuation given the foreign selldown in Jun 26. Maintain BUY with a DCF-based target price of RM4.05.

Market Spotlight

Page 5

- The FBMKLCI declined 9.16pt yesterday to close at 1,722.29, dragged down by selling pressure in the index-linked counters.
- US stocks were lower after the close on Monday, as losses in the healthcare, consumer goods and industrials sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 6

Traders' Corner Page 8

Coastal Contracts | COCO MK
Trading Buy Range: RM1.34-1.35

Destini | DSTN MK
Trading Buy Range: RM0.305-0.31

Hartalega Holdings | HART MK
Trading Buy Range: RM1.07-1.08

Disclaimer: *In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.*

CelcomDigi (CDB MK)

Positive Risk Reward, Earnings Uplift From Synergistic Savings And Rational Price Competition

BUY (Maintained)

Share Price	RM2.98
Target Price	RM4.05
Upside	+35.9%

Analyst(s)
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Highlights

- 2Q26 will reflect a higher quantum of synergistic savings from the merger exercise. We estimate at least RM150m opex and COGS savings in 2Q26 vs RM41m in 1Q26. This will drive earnings uplift progressively into the rest of 2026, as management expects total synergistic savings of RM465m for the full-year 2026. These savings will stabilise at RM700m-800m by 2028.
- We expect rational price competition in 2Q and 3Q26, following sector-wide price revision for postpaid and prepaid. Consequentially, customer churn in 2Q may be high, particularly in the prepaid segment, but we expect a positive uplift to quarterly earnings as a result of the price adjustment.
- We see positive risk-reward for the stock, which is trading at -1SD from its mean valuation given the foreign selldown in Jun 26. Maintain BUY with a DCF-based target price of RM4.05.

Analysis

- **An efficient operator; RM465m in synergistic savings in 2026.** We expect CelcomDigi Berhad (CelcomDigi) to continue reaping the benefits of merger synergies in 2Q26, to the tune of an estimated RM150m across opex and COGS savings. This is a flow-through from 1Q25's RM41m opex savings and will result in earnings uplift for the rest of 2026. To recap, management projected synergistic cost savings of RM465m to be reflected in 2026. For 5M26, a total of RM163m savings have been reflected in P&L – or approximately 35% of total savings have been executed, with the balance to be recognised in the coming quarters. Management is confident CelcomDigi can deliver RM700m-800m in annual cost savings by 2028.
- **Signals of rational price competition in the market.** CelcomDigi drove rational price competition towards the end of 1Q26 and the other two players followed through. Collectively, all three players raised postpaid and prepaid prices by high single digits. We believe this may have a positive impact on 2Q26's and 3Q26's earnings. Naturally, we expect some churn as a result of the price hike, which may see some prepaid churn away from the three incumbent players to the MVNOs. Bundling and higher data allocation is a trend currently seen in 3Q26, while prices will remain elevated for the rest of the year.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	12,679	12,956	13,263	13,402	13,608
EBITDA	6,154	5,621	5,861	5,869	5,960
Operating profit	2,321	2,672	2,891	3,306	3,723
Net profit (rep./act.)	1,378	1,514	1,726	1,994	2,332
Net profit (adj.)	1,730	1,660	1,726	1,994	2,332
EPS	14.7	14.1	14.7	17.0	19.9
PE	20.2	21.1	20.3	17.5	15.0
P/B	2.2	2.2	2.2	2.2	2.2
EV/EBITDA	7.8	8.5	8.0	7.8	7.5
Dividend yield	4.8	4.9	5.1	5.9	6.9
Net margin	10.9	11.7	13.0	14.9	17.1
Net debt/(cash) to equity	79.2	79.9	75.4	67.8	62.7
Interest cover	3.8	4.4	4.5	4.7	5.1
ROE	10.7	10.4	10.8	12.6	14.8
Consensus net profit	-	-	1,703	1,899	2,093
UOBKH/Consensus (x)	-	-	1.01	1.05	1.11

Source: CelcomDigi, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Communication Services
Bloomberg ticker	CDB MK
Shares issued (m)	11,731.5
Market cap (RMm)	34,957.9
Market cap (US$m)	8,542.6
3-mth avg daily t'over (US$m)	2.9

Price Performance (%)

52-week high/low				RM3.89/RM2.65
1mth	**3mth**	**6mth**	**1yr**	**YTD**
6.8	0.7	(12.9)	(22.4)	(6.6)

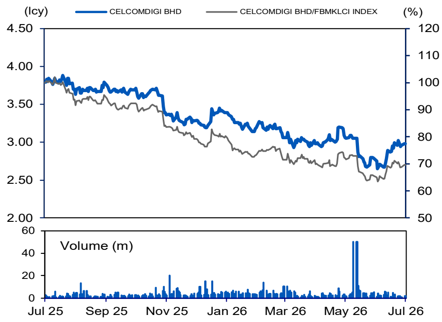
Major Shareholders

	%
Telenor ASA	33.1
Axiata Group Bhd	33.1
Employees Provident Fund	10.7

Balance Sheet Metrics

FY26F NAV/Share (RM)	1.36
FY26F Net Debt/Share (RM	1.02

Price Chart



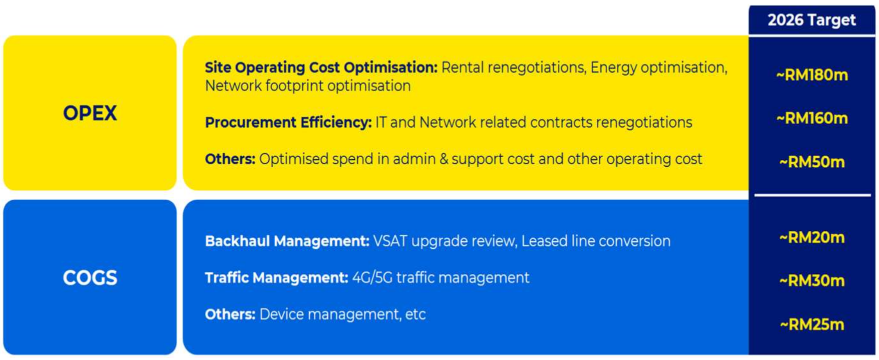
Source: Bloomberg

Company Description

Mobile operator in Malaysia, providing 4G and 5G services.

- **Addressing the Digital Nasional (DNB) overhang.** The overhang on DNB has depressed telco valuation as investors await clarity in terms of DNB future losses/breakeven and a viable business case for DNB. Positively, we expect CelcomDigi to provide clarity on DNB's business position, capex requirements and opex enhancement in the near term. We also expect the transfer of MOF's share to the three shareholders ie CelcomDigi, Maxis and YTL Power to happen some time towards end-3Q26. The shareholders are currently finalising the refinancing of a RM1.5b government guarantee in DNB, before the transfer of ownership can come into effect.

CelcomDigi 2026 Breakdown of Synergystic Cost Savings Flow-Through To P&L



Source: CelcomDigi

Valuation/Recommendation

- **Maintain BUY with a DCF-based target price of RM4.05.** At our fair value, the stock trades at +1SD 2026F EV/EBITDA of 10.2x. CelcomDigi remains on track to achieve its synergistic target of RM700m-800m in annual cost savings beyond 2027.

Earnings Revision/Risk

- Trim 2027-28 net profit forecasts by 8% to factor in: a) associate losses as a result of incorporating DNB in CelcomDigi's book; and b) lower interest income as a result of housekeeping.

Share Price Catalyst/Risk

- Stronger-than-expected service revenue uplift from price adjustment in early-26, with continuous pre-to-postpaid conversion and increased customer stickiness.
- Clarity on DNB's future financial position and cost synergies from network consolidation between the three shareholders.

Environmental, Social, Governance (ESG)

Environmental

- Reduced Scope 1 and 2 GHG emissions by 4% yoy in 2025, through network infrastructure consolidation, decommissioning of legacy equipment, and deployment of AI-driven energy optimisation tools.

Social

- Contributed RM1.7m for various social impact programmes (digital inclusion and digital skills) and humanitarian efforts, benefitting 128,096 individuals.
- Managed 325 National Information Dissemination (NADI) Centres for digital empowerment of rural communities.

Governance

- Achieved 38% of women composition in leadership roles in 2025 with a goal of reaching 40% by 2028.

Performance Guidance For 2026

	2026 Guidance
Service Revenue	Low single-digit growth
EBIT	Low single-digit growth
Capex Intensity	Around 12-13% of total revenue, focusing on enhancing IT platforms and network enhancement

Source: CelcomDigi, UOB Kay Hian

1Q26 Mobile Price Uplift Seen In The Market

MNO	Postpaid	Prepaid
CelcomDigi	- Discontinued the RM40 5G plan - Introduced a new RM190 Unlimited 5G plan	- Increased by 12.5-20% across all plans
Maxis	- Increased its cheapest postpaid plan by 13% - RM79 to RM89	- Increased its RM25 Unlimited 5G plan to RM30 (+20%) - Discontinued its RM50 Unlimited 5G plan
UMobile	- Increased its cheapest postpaid plan by 18% - RM38 to RM45	- Increased by 9.5-12% for its bottom-tier plans - Discontinued its ULTRA Prepaid 40 plan

Source: UOB Kay Hian

Active MVNOs In Malaysia

MVNO	Host Network	Remarks
Tune Talk	CelcomDigi	
redONE Mobile	CelcomDigi	
XOX Mobile	CelcomDigi	
SpeakOut	CelcomDigi	
Spark by CelcomDigi	CelcomDigi	Replaces Yoodo
Tone Excel	Maxis	
MCalls	Maxis	
Ansar Mobile	Maxis	
HelloSIM	Maxis	Operated by Merchantrade
CMLINK	Maxis	Operated by China Mobile
VIBE Mobile	Umobile	
Eastel	Umobile	
Halo Telco	Tune Talk	

Source: UOB Kay Hian

Five-year EV/EBITDA Band

Source: CelcomDigi, Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**12,956.0**	**13,262.9**	**13,402.0**	**13,608.4**
EBITDA	5,621.0	5,860.6	5,869.1	5,959.9
Deprec. & amort.	2,847.5	2,969.4	2,562.9	2,237.3
EBIT	2,672.0	2,891.1	3,306.2	3,722.5
Total other non-operating income	(569.1)	(598.7)	(660.8)	(632.3)
Net interest income/(expense)	2,102.9	2,292.4	2,645.4	3,090.2
Pre-tax profit	**(572.9)**	**(550.2)**	**(634.9)**	**(741.6)**
Tax	(16.4)	(16.4)	(16.4)	(16.4)
Net profit	**1,513.5**	**1,725.8**	**1,994.1**	**2,332.1**
Net profit (adj.)	1,659.5	1,725.8	1,994.1	2,332.1

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	6,670.5	5,773.3	4,766.1	4,105.0
Other LT assets	24,978.8	24,763.3	24,547.9	24,332.4
Cash/ST investment	871.5	2,045.9	3,793.3	5,150.9
Other current assets	3,943.6	4,266.9	4,309.7	4,373.2
Total assets	**36,464.4**	**36,849.5**	**37,416.9**	**37,961.5**
ST debt	3,044.2	860.3	360.3	(139.7)
Other current liabilities	5,308.9	5,331.8	5,384.7	5,466.1
LT debt	10,595.5	13,192.5	14,192.5	15,192.5
Other LT liabilities	1,537.1	1,537.1	1,537.1	1,537.1
Shareholders' equity	15,978.8	15,927.7	15,942.2	15,905.5
Minority Interest	123.8	140.2	156.7	173.1
Total liabilities & equity	**36,464.4**	**36,849.5**	**37,416.9**	**37,961.5**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**4,024.0**	**5,103.7**	**5,244.3**	**5,234.2**
Pre-tax profit	2,102.9	2,292.4	2,645.4	3,090.2
Tax	(572.9)	(550.2)	(634.9)	(741.6)
Deprec. & amort.	2,847.5	2,969.4	2,562.9	2,237.3
Associates	(0.4)	-	76.2	38.1
Working capital changes	(309.2)	(206.7)	10.1	14.9
Other operating cashflows	(43.9)	598.7	584.6	595.2
Investing	**(1,469.6)**	**(1,834.4)**	**(1,281.2)**	**(1,289.9)**
Capex (maintenance)	(1,574.0)	(1,856.8)	(1,340.2)	(1,360.8)
Proceeds from sale of assets	-	-	-	1.0
Others	104.4	22.4	59.0	70.9
Financing	**(2,001.5)**	**(2,001.4)**	**(2,215.8)**	**(2,587.6)**
Dividend payments	(1,736.3)	(1,793.4)	(2,072.2)	(2,423.4)
Issue of shares	-	-	-	-
Proceeds from borrowings	1,204.2	413.2	500.0	500.0
Others/interest paid	(375.3)	(621.1)	(643.6)	(665.1)
Net cash inflow (outflow)	**553.0**	**1,267.9**	**1,747.4**	**1,356.6**
Beginning cash & cash equivalent	**224.0**	**778.0**	**2,045.9**	**3,793.3**
Changes due to forex impact	0.9	-	-	1.0
Ending cash & cash equivalent	**778.0**	**2,045.9**	**3,793.3**	**5,150.9**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	43.4	44.2	43.8	43.8
Pre-tax margin	16.2	17.3	19.7	22.7
Net margin	12.8	13.0	14.9	17.1
ROA	4.6	4.7	5.3	6.1
ROE	10.4	10.8	12.6	14.8
Growth				
Turnover	2.2	2.4	1.0	1.5
EBITDA	(8.7)	4.3	0.1	1.5
Pre-tax profit	21.1	9.0	15.4	16.8
Net profit	9.9	14.0	15.5	17.0
Net profit (adj.)	(4.1)	4.0	15.5	17.0
EPS	(4.1)	4.0	15.5	17.0
Leverage				
Debt to total capital	48.5	45.8	45.9	46.1
Debt to equity	85.4	88.2	91.7	95.3
Net debt/(cash) to equity	79.9	75.4	67.8	62.7
Interest cover (x)	4.4	4.5	4.7	5.1

Market Spotlight

Market News

The FBMKLCI declined 9.16pt yesterday to close at 1,722.29, dragged down by selling pressure in the index-linked counters. Meanwhile, Asian stock markets were mixed on Monday, with South Korea sliding amid growing concerns over stretched AI valuations, and Chinese shares climbing on optimism over domestic artificial intelligence developments. The FBMKLCI's top gainers were Mr D.I.Y. Group (M) (+1.8%), Maxis (+1.7%) and Petronas Gas (+1.0%), while the top losers were RHB Bank (-1.9%), Malayan Banking (-1.6%) and Axiata Group (-1.5%). In the broader market, gainers outpaced losers 591 to 465 with 580 counters unchanged. Turnover was 3.28b shares valued at RM2.21b.

US stocks were lower after the close on Monday, as losses in the healthcare, consumer goods and industrials sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average declined 0.59%, while the S&P 500 Index fell 0.19%, and the NASDAQ Composite Index fell 0.05%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,727 to 986 and 94 ended unchanged; on the Nasdaq Stock Exchange, 2,178 fell and 1,188 advanced, while 171 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,722.29

Expected moving range: 1,710– 1,750

Technical view:

Despite yesterday's negative closing, our outlook remains neutral for the short term as we expect further consolidation on the back of cautious regional sentiments. We expect the FBMKLCI to hover in the range of 1,710-1,750 for the time being, and violation of either limit would spark a follow-through. Support and resistance levels are maintained as follows:

Support: 1,677, 1,65

Resistance: 1,750, 1,770

FCPO

Source: Tradingview

Futures Crude Palm Oil (FCPO) Active Contract, 1 Hour Chart

Technical SELL with -1.8% potential downside

Trading SELL range: RM4,500-4,600

Last price: RM4,627

Target price: RM4,568, RM4,542

Resistance: RM4,710

Stop-loss: RM4,711

SELL with a target price of RM4,542 and stop-loss at RM4,711. Based on the chart, FCPO continued the bearish movement and closed lower at RM4,627 yesterday. This bearish movement is supported by a downtick in the RSI and a bearish crossover in both the MACD and DMI indicators. We peg our targets at RM4,568 and RM4,542 in the near term.

Expected timeframe: One day to three days

FKLI

Source: Tradingview

FTSE Bursa Malaysia KLCI Futures (FKLI), 1 Hour Chart

Technical BUY with +0.69% potential return

Trading buy range: 1,700-1,720

Last price: 1,726

Target price: 1,744, 1,749

Support: 1,719

Stop-loss: 1,718

BUY with a target price of 1,749 and stop-loss at 1,718. Based on the chart, FKLI continue to form a series of higher highs and higher lows that indicates an uptrend pattern. This bullish movement is supported by an uptick in the RSI and bullish crossovers in both MACD and DMI indicators. We maintain our targets at 1,744 and 1,749 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Source: UOBKH ChartGenie

Coastal Contracts (COCO MK)

Technical BUY on breakout with +12.7% potential return

Trading buy range: RM1.34-1.35

Last price: RM1.33

Target price: RM1.44, RM1.51

Support: RM1.24

Stop-loss: RM1.23

BUY on breakout with a target price of RM1.51 and stop-loss at RM1.23. Easing from a high, COCO has rebounded at the immediate support of RM1.24 as share price formed higher highs and higher lows towards the breakout level of RM1.34 yesterday. A successful closing above the BBI line on the back of higher trading volumes points to improving sentiment as COCO looks set to resume the uptrend move. This is supported by positive readings in the RSI and a bullish crossover in the DMI.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Destini (DSTN MK)

Technical BUY on breakout with +27.4% potential return

Trading buy range: RM0.305-0.31

Last price: RM0.29

Target price: RM0.365, RM0.395

Support: RM0.275

Stop-loss: RM0.27

BUY on breakout with a target price of RM0.395 and stop-loss at RM0.27. Following a correction from the recent high, DSTN has established strong support at the RM0.275 level in the past few days. Yesterday's gain to close above the 7- and 21-day EMA lines signals the end of the recent consolidation. This is consistent with renewed buying interest as indicated by an uptick in the RSI and bullish crossover in both MACD and DMI. Closing above RM0.305 will ensure the creation of a new up-leg and possibly a retest of the previous high of RM0.37 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Hartalega Holdings (HART MK)

Technical BUY on breakout with +27.1% potential return

Trading buy range: RM1.07-1.08

Last price: RM1.02

Target price: RM1.28, RM1.36

Support: RM0.97

Stop-loss: RM0.965

BUY on breakout with a target price of RM1.36 and stop-loss at RM0.965. Based on the daily chart, MI formed a higher high and higher low towards the breakout level of RM1.07 yesterday. This is supported by positive readings in the RSI and bullish crossover on the MACD. Currently, DMI is on the verge of making a golden cross to the positive signal. We peg our targets at RM1.28 and RM1.36 if HART manages to penetrate above the breakout level of RM1.07.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Analyst

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