Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,947.3	0.5	(0.4)	0.2	8.1
S&P 500	7,412.0	0.0	(0.6)	0.7	8.3
FTSE 100	10,736.2	0.9	1.3	2.6	8.1
AS30	8,941.5	(0.8)	(0.4)	(0.8)	(0.9)
CSI 300	4,649.2	(1.7)	2.7	(5.9)	0.4
FSSTI	5,588.3	0.1	1.4	7.1	20.3
HSCEI	8,271.1	(1.0)	1.7	6.5	(7.2)
HSI	24,963.2	(1.0)	1.6	6.6	(2.6)
JCI	6,196.4	(1.9)	0.3	5.3	(28.3)
KLCI	1,701.0	(0.8)	(1.8)	1.1	1.2
KOSPI	6,690.6	(5.7)	(1.9)	(21.0)	58.8
Nikkei 225	64,611.2	(2.7)	0.7	(6.6)	28.4
SET	1,644.4	0.2	0.3	6.2	30.5
TWSE	43,654.8	(2.7)	2.3	(5.2)	50.7
BDI	2,743.0	0.7	(0.3)	4.1	46.1
CPO (RM/mt)	4,542.5	0.0	1.0	(0.2)	15.5
Brent Crude (US$/bbl)	96.8	(3.9)	9.9	31.2	59.0

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Post-result Group Luncheon with Plover Bay Technologies Ltd (1523 HK)	Hong Kong	31 Jul	31 Jul
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug

Corporate & Macro Calendar

Economic Indicator/Event	Country/Region	Date
PMI	Malaysia	3 Aug
Foreign Reserves	Malaysia	7 Aug
Industrial Production	Malaysia	11 Aug
Manufacturing Sales	Malaysia	11 Aug

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

Top Stories

Company Update | Gas Malaysia (GMB MK/**HOLD**/RM5.25/Target:RM6.00) Page 2

We expect a sequentially weaker 2Q26 on the back of weak NG prices, higher staff and administrative costs and marginally lower returns on regulated assets. The high oil prices will translate into higher NG prices from 4Q26 onwards, driving earnings growth into 2027. We trim 2026 earnings by 7%. Maintain HOLD on GMB with a target price of RM6.00, with a RM0.58/share valuation baked into our fair value for Yan RGT.

Market Spotlight

Page 5

- The FBMKLCI continued to slide by 13.57pt to close at 1,701.02 last Friday amid persistent selling pressure across index counters.
- US stocks were mixed after the close on Friday, as gains in the telecoms, financials and healthcare sectors led shares higher while losses in the technology, utilities and oil & gas sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 6

Traders' Corner Page 8

Hextar Global | HAL MK
Trading Buy Range: RM0.79-0.795

HSS Engineers | HSS MK
Trading Buy Range: RM0.445-0.45

Inch Kenneth Kajang Rubber | IKEN MK
Trading Buy Range: RM0.505-0.51

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.*

Gas Malaysia (GMB MK)

Near-Term Earnings Weakness Due To Timing Of NG Prices

HOLD (Maintained)

Share Price	RM5.25
Target Price	RM6.00
Upside	14.3%

Analyst(s)
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Highlights

- We expect 1H26 net profit to fall 10% yoy against potentially weak 2Q26 results. This is due to: a) lower NG prices in 2Q26, b) higher staff and administrative costs, and c) marginally lower returns on regulated assets.
- The sharp spike in global oil prices due to the Middle East tension will lead to higher NG prices from 4Q26 onwards. This suggests a strong finish for 2026 and spillover of higher NG prices into 2027.
- We trim 2026 net profit by 7% to pencil in higher staff and administrative costs. Earnings growth will resume in 2027 amid high NG prices. Maintain HOLD with a fair value of RM6.00. In arriving at our fair value, we have factored in a blue-sky scenario of RM0.58/share equity enhancement for Gas Malaysia's (GMB) RGT project in Yan.

Analysis

- **A weaker 1H26 vs 1H25, due to higher expenses and lower returns.** We expect 1H26 earnings to decline 10% yoy, reflecting a weak 2Q26 net profit of RM85m-87m (-6% qoq; -12% yoy). This is against a backdrop of: a) lower natural gas (NG) prices in 2Q26, b) higher staff and administrative costs, and c) marginally lower returns on regulated assets. 1H26 NG volume continued to expand 2-4% yoy; likely on the back of higher utilisation in the glove segment.
- **High NG prices to be captured from 4Q26 onwards.** We estimate that 4Q26 NG prices will jump to RM45-50/mmbtu vs the estimated 9M26 NG prices of RM34/mmbtu. To recap, there is a six-month time lag between oil prices and NG prices to be realised by GMB. Assuming the conflict leads to prolonged high oil prices (>6 months), GMB stands to benefit as higher NG prices could translate into growing profitability in 2027. The high Brent prices (Mar-Jul 26) will translate into higher NG prices for GMB from Sep 26 onwards.
- **GMES shipper to see higher profitability in 2027.** GMB derives 50-60% of group net profit from Gas Malaysia Energy and Services (GMES) – a division in GMB that supplies NG to 1,013 industrial customers. Higher NG prices therefore translate into higher profitability for GMES, as NG is sold at cost plus a profit margin (% of NG prices). A 1% change in NG prices can swing GMB's net profit by 4%, we estimate.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net Turnover	8,045	7,337	8,858	10,007	10,440
EBITDA	692	632	664	751	825
Operating Profit	582	514	537	611	673
Net Profit (Rep./Act.)	441	382	394	445	489
Net Profit (Adj.)	441	377	394	445	489
EPS (sen)	34.3	29.3	30.6	34.6	38.0
PE (x)	15.3	17.9	17.1	15.2	13.8
P/B (x)	4.5	4.3	4.1	4.0	3.7
EV/EBITDA (x)	9.3	10.9	10.5	9.4	8.7
Dividend Yield (%)	5.0	4.5	4.8	5.9	5.1
Net Margin (%)	5.5	5.2	4.4	4.4	4.7
Net Debt/(Cash) to Equity (%)	(20.7)	8.9	13.1	20.0	21.7
Interest Cover (x)	n.a.	385.4	186.0	95.7	83.0
ROE (%)	30.7	24.9	25.1	27.9	29.4
Consensus net profit	-	-	403.3	451.0	448.4
UOBKH/Consensus (x)	-	-	0.98	0.99	1.09

Source: GMB, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Utilities
Bloomberg ticker	GMB MK
Shares issued (m)	1,284.0
Market cap (RMm)	6,741.0
Market cap (US$m)	1,647.8
3-mth avg daily t'over (US$m)	2.0

Price Performance (%)

52-week high/low				RM6.04/RM4.08
1mth	3mth	6mth	1yr	YTD
(0.9)	(2.2)	15.9	23.0	20.1

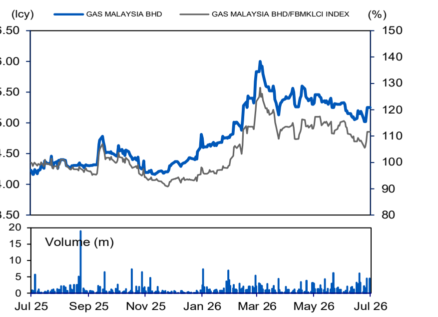
Major Shareholders

	%
Anglo Oriental Annuities	30.9
Tokyo Gas-Mitsui	18.5
Petronas Gas	14.8

Balance Sheet Metrics

FY26F NAV/Share (RM)	1.27
FY26F Net Debt/Share (RM	0.17

Price Chart



Source: Bloomberg

Company Description

Supplies natural gas to industries in Peninsular Malaysia.

- **Yan LNG regasification terminal…** To recap, GMB has been given a Letter to Proceed by the Energy Commission of Malaysia for an LNG regasification terminal project in Yan, Kedah. The terminal is expected to house an offshore floating storage and regasification unit with an initial planned regasification capacity of 4-6MTPA.
- **…to be finalised by end of this year.** At this juncture, we understand that plans are rather fluid; while the initial plan was to build a 6MTPA RGT project, there is a chance that the project will be scaled down to 4MTPA with a focus on one offtaker (potentially Malakoff). The expected commercial operational date is slated for mid-30, instead of the initial 2029 timeline.
- **Blue sky: Yan LNG RGT to yield positive equity value of RM750m, or RM0.58/share.** On a blue-sky basis, the 6MTPA RGT project can yield a positive equity value of RM750m. This is based on an average project IRR of 12% for similar projects in the market. In arriving at our equity value of RM750m or RM0.58/share, we assume: a) 6MTPA of LNG capacity, b) 70% utilisation rate, and c) capex of RM3b. It also assumes 100% stake in the project.

Earnings Revision/Risk

- **Trim 2026 net profit by 7%.** In view of a marginally lower rate of return for regulated assets and higher base for staff cost – reflecting start-up costs for RGT Yan, we cut 2026 net profit by 7%. We estimate a full-year net profit of RM394m, with a strong 4Q26 as a result of higher NG prices to be reflected from Sep 26 onwards.
- **Key risk to earnings.** GMES commands 84% share of the NG retail distribution market. As retail contracts for more than 1,013 customers come into negotiation (by end-26), there is a risk that heightened market competition (from Yuzma, Petronas Gas) may lead to lower retail margins for GMES.

Valuation/Recommendation

- **Maintain HOLD with an SOTP-based target price of RM6.00.** In arriving at our fair value, we have factored in a blue-sky scenario RM0.58/share equity enhancement for GMB's RGT project in Yan.
- **Key re-rating catalysts** for the stock include: a) prolonged period of heightened NG prices, b) increase in NG retail market share for GMB, and c) clarity on the Yan RGT project.

Environmental, Social, Governance (ESG) Updates

Environmental

- The group generates electricity through gas-powered combined heat and power systems (CHP) through its JV entities, which are highly efficient and produce less emissions. CHP systems utilise 32% less fuel and have 50% less annual carbon emissions than coal.

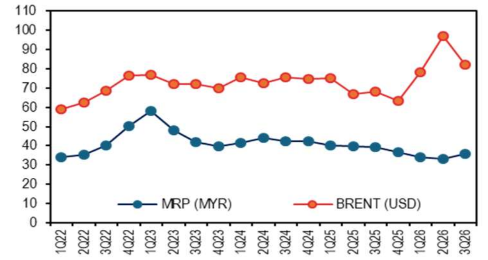
Social

- Organised CSR programmes in collaboration with local communities which include planting fruit saplings, cleaning the river and distributing care packages to underprivileged families, with a focus on the Orang Asli community. GMB contributed RM911,920 to this initiative.

Governance

- The board comprises seven members consisting of three Independent Directors. Meanwhile, women comprise 14% (one director) of the board.

Malaysia Reference Price (MRP) In 3Q26



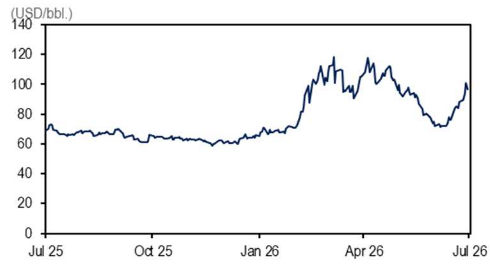
Source: Petronas, GMB, UOB Kay Hian

What Is MRP?

- MRP is the weighted-average price of LNG Free-on-Board exported from Malaysia as declared by the Department of Statistics, Malaysia.
- MRP represents the prices of all LNG exported out of Malaysia.
- There is a lag effect of 6-7 months between Quarterly MRP and Brent.

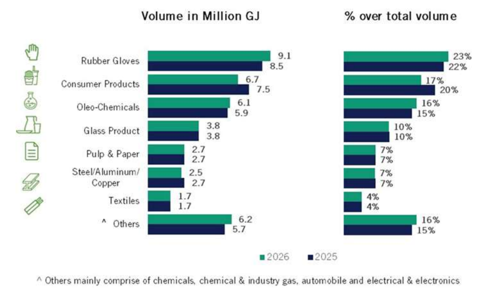
Source: Petronas

Crude Brent Prices



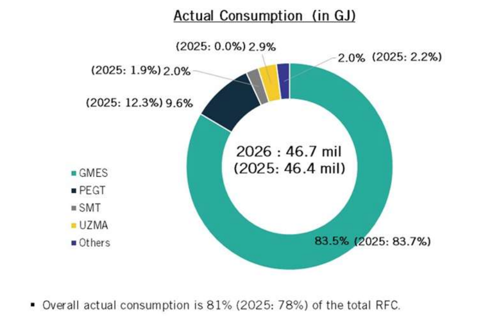
Source: Bloomberg, UOB Kay Hian

Industrial Customer Breakdown



Source: GMB

Retail Market Share



Source: GMB

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**7,337**	**8,858**	**10,007**	**10,440**
EBITDA	632	664	751	825
Deprec. & amort.	118	127	139	151
EBIT	514	537	611	673
Associate contributions	4	4	4	4
Net interest income/(expense)	(2)	(4)	(8)	(10)
Pre-tax profit	**521**	**538**	**607**	**668**
Tax	(140)	(144)	(163)	(179)
Minorities	0	0	0	0
Net profit	**382**	**394**	**445**	**489**
Net profit (adj.)	377	394	445	489

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	2,166	2,414	2,650	2,874
Other LT assets	273	273	273	273
Cash/ST investment	497	471	400	390
Other current assets	771	934	1,058	1,107
Total assets	**3,708**	**4,093**	**4,381**	**4,644**
ST debt	105	105	105	105
Other current liabilities	1,231	1,494	1,686	1,759
LT debt	530	580	630	680
Other LT liabilities	281	281	281	281
Shareholders' equity	1,560	1,632	1,678	1,819
Minority interest	0	0	0	0
Total liabilities & equity	**3,708**	**4,093**	**4,381**	**4,644**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**244**	**621**	**653**	**663**
Pre-tax profit	521	538	607	668
Tax	(140)	(144)	(163)	(179)
Deprec. & amort.	127	127	139	151
Associates	(4)	(4)	(4)	(4)
Working capital changes	(195)	105	73	27
Other operating cashflows	(66)	0	0	0
Investing	**(340)**	**(375)**	**(375)**	**(375)**
Capex (growth)	(375)	(375)	(375)	(375)
Others	35	0	0	0
Financing	**(151)**	**(272)**	**(349)**	**(298)**
Dividend payments	(306)	(322)	(399)	(348)
Issue of shares	4	0	0	0
Proceeds from borrowings	204	50	50	50
Others/interest paid	(53)	0	0	0
Net cash inflow (outflow)	**(247)**	**(25)**	**(71)**	**(10)**
Beginning cash & cash equivalent	**706**	**459**	**434**	**362**
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	**459**	**434**	**362**	**353**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.6	7.5	7.5	7.9
Pre-tax margin	7.1	6.1	6.1	6.4
Net margin	5.2	4.4	4.4	4.7
ROA	10.3	10.1	11.0	11.8
ROE	24.9	25.1	27.9	29.4
Growth				
Turnover	(8.8)	10.1	24.4	29.8
EBITDA	(8.6)	(4.0)	8.5	19.2
Pre-tax profit	(12.1)	(9.3)	2.4	12.6
Net profit	(13.5)	(10.8)	0.8	10.8
Net profit (adj.)	(14.6)	(10.8)	0.6	10.5
EPS	(14.6)	(10.8)	0.6	10.5
Leverage				
Debt to total capital	40.7	42.0	43.8	43.2
Debt to equity	40.7	42.0	43.8	43.2
Net debt/(cash) to equity	8.9	13.1	20.0	21.7
Interest cover (x)	385.4	186.0	95.7	83.0

Market Spotlight

Market News

The FBMKLCI continued to slide by 13.57pt to close at 1,701.02 last Friday amid persistent selling pressure across index counters. Meanwhile, Asian stocks fell sharply on Friday, with Japan and South Korea leading regional losses after President Donald Trump's new tariffs on imports from 60 trading partners took effect, reviving concerns over global trade just as surging oil prices and heavyweight US technology earnings rattled investor sentiment. The FBMKLCI's top gainers were Petronas Chemicals Group (+1.9%), SD Guthrie (+1.1%) and Kuala Lumpur Kepong (+1.1%), while the top losers were Press Metal Aluminium Holdings (-2.4%), Hong Leong Bank (-1.7%) and YTL Power International (-1.7%). In the broader market, losers outpaced gainers 722 to 339 with 546 counters unchanged. Turnover was 3.04b shares valued at RM2.31b.

US stocks were mixed after the close on Friday, as gains in the telecoms, financials and healthcare sectors led shares higher while losses in the technology, utilities and oil & gas sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average rose 0.45%, while the S&P 500 Index gained 0.05%, and the NASDAQ Composite Index declined 0.64%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,571 to 1,125 and 110 ended unchanged; on the Nasdaq Stock Exchange, 1,931 fell and 1,457 advanced, while 175 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,701.02

Expected moving range: 1,700– 1,730

Technical view:

The FBMKLCI formed a bearish Marubozu bar and continued its pullback to close lower at 1,701.02 last Friday. The correction looks set to continue as selling pressure grows as reflected by the negative reading in RSI. The index slipped below the BBI lines last Friday, suggesting the short-term trend remains vulnerable to further corrections. The support and resistance levels are still maintained as follows:

Support: 1,677, 1,650

Resistance: 1,750, 1,770

FCPO

Source: Tradingview

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

Technical BUY with +2.4% upside

Trading buy range: RM4,700-RM4,750

Last price: RM4,723

Target price: RM4,799, RM4,834

Support: RM4,662

Stop-loss: RM4,661

BUY with a target price of RM4,834 and stop-loss at RM4,661. Based on the chart, FCPO continued the bullish movement and closed higher at RM4,723 last Friday. This positive signal is supported by an uptick in the RSI and a bullish crossover in both MACD and DMI indicators. We maintain our targets at RM4,799 and RM4,834 in the near term.

Expected timeframe: One day to three days

FKLI

Source: Tradingview

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

Technical SELL with 1.2% potential downside

Trading SELL range: 1,700-1,730

Last price: 1,702

Target price: 1,689, 1,681

Resistance: 1,716

Stop-loss: 1,717

SELL with a target price of 1,681 and stop-loss at 1,717. Based on the chart, FKLI continued the bearish movement and closed lower at 1,702 last Friday. 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 1,689 and 1,681 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Source: UOBKH ChartGenie

Hextar Global (HAL MK)

Technical BUY on breakout with +14.6% potential return

Trading buy range: RM0.79-0.795

Last price: RM0.78

Target price: RM0.875, RM0.905

Support: RM0.755

Stop-loss: RM0.745

BUY on breakout with a target price of RM0.905 and stop-loss at RM0.745. The upside trend is intact if the stock can breaks out of RM0.79. This is supported by an uptick in RSI. Currently, both the MACD and the DMI are showing positive signals of supporting the upward momentum. We peg our targets at RM0.875 and RM0.905 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

HSS Engineers (HSS MK)

Technical BUY on breakout with +33.7% potential return

Trading buy range: RM0.445-0.45

Last price: RM0.44

Target price: RM0.545, RM0.595

Support: RM0.395

Stop-loss: RM0.39

BUY on breakout with a target price of RM0.595 and stop-loss at RM0.39. The stock consolidated within the BBI line and last Friday's closing above the BBI sets a new tone for the short-term outlook. We expect HSS to continue moving up once it penetrates the breakout level of RM0.445. The bullish bias has been established following an uptick in the DMI. We peg our targets at RM0.545 and RM0.595 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Inch Kenneth Kajang Rubber PLC (IKEN MK)

Technical BUY on breakout with +43.4% potential return

Trading buy range: RM0.505-0.51

Last price: RM0.48

Target price: RM0.625, RM0.72

Support: RM0.395

Stop-loss: RM0.39

BUY on breakout with a target price of RM0.725 and stop-loss at RM0.39. Last Friday, the share price closed above the BBI line to keep up the bullish momentum towards the previous high. This was supported by the MACD's bullish crossover and is consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We peg our target prices at RM0.625 and RM0.72 once the stock breaks above RM0.505.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Analyst

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