Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	54,349.1	0.5	5.3	2.7	13.1
S&P 500	7,723.6	(0.2)	5.6	3.2	12.8
FTSE 100	10,888.3	0.1	(0.2)	2.0	9.6
AS30	9,405.4	1.0	2.2	4.1	4.3
CSI 300	4,658.2	1.2	1.3	(3.8)	0.6
FSSTI	5,581.4	(0.6)	(2.3)	6.1	20.1
HSCEI	8,603.7	0.3	(0.2)	10.1	(3.5)
HSI	25,915.8	0.2	0.4	11.0	1.1
JCI	6,351.1	0.5	4.3	7.4	(26.6)
KLCI	1,748.2	0.9	1.9	3.8	4.1
KOSPI	6,598.3	3.8	16.5	(18.0)	56.6
Nikkei 225	66,300.4	3.7	7.9	(4.9)	31.7
SET	1,609.8	(0.5)	(0.9)	(0.4)	27.8
TWSE	44,611.6	2.9	11.4	(4.2)	54.0
BDI	3,063	4.3	16.4	12.7	63.2
CPO (RM/mt)	4,517	0.3	0.4	1.6	14.8
Brent Crude (US$/bbl)	79	0.1	(12.4)	10.2	30.6

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

Corporate & Macro Calendar

Economic Indicator/Event	Country/Region	Date
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 Results | Heineken Malaysia (HEIM MK/**BUY**/RM19.10/Target: RM21.80) Page 2

Heineken's 1H26 results missed expectations, dragged by persistently soft sales volumes. The continued inventory adjustment among distributors resulted in a sharp decline in earnings with core net profit contracting by more than half sequentially. Looking forward, the outlook appears mixed. Positively, the recent announcement that Heineken Malaysia will begin exporting to Singapore could lift sales volume. Conversely, soft sales and a drag from high inventory levels signal near-term struggles. Maintain BUY with a lower target price of RM21.80.

Company Update | Pecca Group (PECCA MK/**BUY**/RM1.33/Target: RM1.66) Page 5

We remain positive on Pecca's outlook in anticipation of its near-term earnings recovery supported by an improvement in Perodua's sales performance, while its long-term prospects remain intact, driven by growing contributions from exports sales, the aviation business and the seat assembly venture. Maintain BUY with an unchanged target price of RM1.66, based on 17x 2027F PE.

Market Spotlight

Page 8

- The FBMKLCI closed higher yesterday, adding 15.51pt to 1,748.17 amid bargain hunting across the board.
- US stocks were mixed after the close on Wednesday, as gains in the basic materials, healthcare and financials sectors led shares higher while losses in the oil & gas, telecommunications and utilities sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 9

Traders' Corner Page 11

Bank Islam Malaysia | BIMB MK
Trading Buy Range: RM2.17-2.20

Greatech Technology | GREATEC MK
Trading Buy Range: RM2.51-2.52

Kobay Technology | KOBAY MK
Trading Buy Range: RM2.38-2.40

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*

Heineken Malaysia (HEIM MK)

1H26: Below Expectations; Inventory Adjustment Continues

BUY (Maintained)	
Share Price	RM19.10
Target Price	RM21.80
Upside	+14.1%
Previous TP	RM24.70

Analyst(s)
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Highlights

- **1H26 results missed expectations** on weaker-than-expected sales volume.
- **Revenue declined 19.5% yoy** as persistently soft sentiment and low sales resulted in bottlenecks at the distributor level
- **We trim our 2026/27/28 forecasts by 23%/8%/7% respectively** as we impute the continued impact of the inventory adjustment. Maintain BUY with a lower target price of RM21.80 (from RM24.70 previously).

1H26 Results

Year to 31 Dec	1Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	**434.7**	**(34.5)**	**(19.5)**	**1,099.0**	**(15.7)**
EBITDA	91.0	(44.8)	(31.8)	255.8	(21.1)
EBIT	**68.1**	**(51.8)**	**(38.5)**	**209.5**	**(23.8)**
PBT	66.6	(51.6)	(39.1)	204.2	(24.5)
Core net profit	**51.8**	**(50.7)**	**(38.0)**	**156.7**	**(24.1)**
Margins	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**
EBIT Margin (%)	15.7	(5.6)	(4.9)	19.1	(2.0)
PBT Margin (%)	15.3	(5.4)	(4.9)	18.6	(2.2)
Eff. Tax rate (%)	(24.1)	(0.1)	(0.0)	(24.1)	0.0
Core Net Margin (%)	11.9	(3.9)	(3.6)	14.3	(1.6)

Source: Heineken, UOB Kay Hian

Analysis

- **Below expectations.** Heineken Malaysia (Heineken) reported a core net profit of RM156.7m (-24.1% yoy) on revenue of RM1.1b (-15.7% yoy). We arrive at this number after stripping out RM1.7m in provisions for inventory write-offs. This missed expectations, making up only 35% of both our and consensus full-year forecasts. The negative deviation stemmed largely from a larger-than-expected decline in sales volume. An interim dividend of 40 sen was announced, unchanged yoy.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	2,797	2,798	2,307	2,816	2,880
EBITDA	510	502	468	597	601
Operating profit	418	406	381	511	515
Net profit (rep./act.)	467	459	347	433	447
Net profit (adj.)	448	463	347	433	447
EPS (sen)	148.3	153.2	114.8	143.2	148.0
PE (x)	12.9	12.5	16.6	13.3	12.9
P/B (x)	10.7	10.9	10.9	10.9	10.9
EV/EBITDA (x)	11.0	11.9	12.5	9.8	9.8
Dividend yield (%)	8.1	8.0	6.0	7.5	7.8
Net margin (%)	16.7	16.4	15.0	15.4	15.5
Net debt/(cash) to equity (%)	8.8	25.4	16.2	16.8	17.8
Interest cover (x)	46.3	47.7	31.5	41.1	737.7
ROE (%)	102.5	101.9	76.9	95.9	99.2
Consensus net profit	-	-	453	479	458
UOBKH/Consensus (x)	-	-	0.77	0.90	0.98

Source: Heineken, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Consumer Staples
Bloomberg ticker	HEIM MK
Shares issued (m)	302.1
Market cap (RMm)	5,550.1
Market cap (US$m)	1,409.4
3-mth avg daily t'over (US$m)	1.0

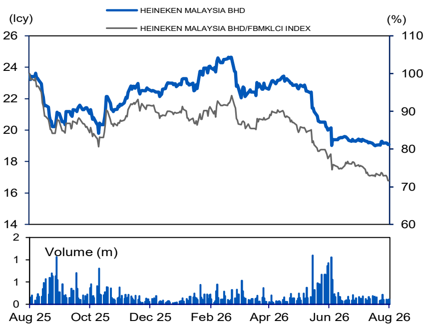
Price Performance (%)

52-week high/low				RM24.64/RM19.80
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(1.0)	(15.9)	(20.7)	(18.7)	(16.8)

Major Shareholders

	%
GAPL Pte Ltd	51.0
Virtus Investment Partners	2.1
AIA	1.3

Price Chart



Source: Bloomberg

Company Description

Market leader in the malt liquor market, led by key driving brands, lager beer Tiger and Heineken, and stout Guinness Anchor.

- **Sales adjustment dragged 2Q26.** Heineken's 2Q26 core net profit of RM51.8m (-50.7% qoq, -38.0% yoy) saw a sharp contraction as the group felt the continued impact of the sales volume adjustment started in 1Q26. We understand this is largely due to a mismatch of demand at the distributor level as soft consumption and high distributor stockpiles have resulted in significantly slower inventory churn. Looking forward, we believe this softness may persist into 2H26 as consumer sentiment has remained largely muted.
- **Further details on Singapore transition.** While Heineken remained tight-lipped on the volume split between Malaysia and Vietnam, the group did provide further details regarding the Singapore export operations. Namely, the phased rollout is still expected to begin soon as Singapore's Asia Pacific Breweries (APB) winds down its production. Heineken also shared that the Malaysia facilities are expected to brew and export APB's entire portfolio of brands. The brewery is also currently undergoing upgrades including an additional bottling line. While it did not provide exact guidance, the group did comment that the new line is a relatively significant investment, although gains are largely on the efficiency side instead of production capacity. Nonetheless, we view the expansion as positive for Heineken given the product range is already established within Singapore. However, earnings impact in the near-term will likely be muted given the rollout is expected to take until 3Q26.
- **2026 fizzling out?** Conversely, near-term headwinds signal that the remainder of 2026 may be challenging for Heineken. Barring a significant uptick in beer consumption, we believe inventory levels may require an additional 3-6 months to normalise. The previously anticipated tourism-driven consumption boost also appears to be minimal as travel was disrupted by the Iran War. Despite the visibility from Visit Malaysia Year 2026, year-to-May tourist arrivals have only grown 1% yoy. Overall, we believe Heineken's earnings may require additional time to recover from the sales adjustment.

Valuation/Recommendation

- **Maintain BUY with a lower DCF-based target price of RM21.80 (from RM24.70).** We use a WACC estimate of 7.8% and terminal growth rate of 2.7% to arrive at our fair value estimates. Our DCF-derived target price implies 15.2x 2027F PE, around -0.5SD to its five-year mean.
- We maintain our recommendation largely on valuation grounds. While Heineken trades at near -1.0SD based on 2027F PE, a significant rerating will likely be further out. While the 5-7% yields may tide over some investors in the meantime, we remain conservative on Heineken given the limited near-term catalysts.

Earnings Revision/Risk

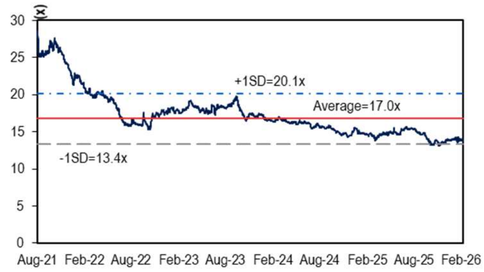
- We cut our 2026/27/28 earnings forecasts by 23%/8%/7% respectively, imputing significantly lower sales volumes for 2026F followed by a gradual normalisation going into 2027F.

Key Assumptions

Year	2026F	2027F	2028F
Revenue (RMm)	**2,977**	**3,059**	**3,097**
yoy growth (%)	-20.2	22.1	2.3
Volume yoy (%)	-25.0	20.0	2.0
ASPs yoy (%)	6.4	1.7	0.2
Core Profit (RMm)	**335**	**418**	**433**
yoy growth (%)	-27.6	24.8	3.5

Source: Heineken, UOB Kay Hian

12-Month Forward PE Band



Source: Bloomberg, UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental
- **Water management.** Water efficiency has gradually improved over the years. It is now 16% more efficient relative to 2014.
- **Emissions.** Zero waste to landfill. Aims to reduce CO2 emissions by 40% in production compared with 2008.

Social
- **Product services responsibility.** More than 10% of Heineken's media budget is committed to advocating responsible consumption.

Governance
- **Board gender diversity.** Women are well-represented on the board, with a 57:43 male to-female ratio.
- **Management gender diversity.** Among employees, Heineken has a 50:50 male-to female ratio in middle to senior management positions.

Source: Heineken, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**2,798**	**2,307**	**2,816**	**2,880**
EBITDA	502	468	597	601
Deprec. & amort.	96	87	87	87
EBIT	406	381	511	515
Total other non-operating income	216	92	76	78
Net interest income/(expense)	(10)	(15)	(15)	(1)
Pre-tax profit	**608**	**459**	**572**	**592**
Tax	(148)	(112)	(140)	(144)
Net profit	**459**	**347**	**433**	**447**
Net profit (adj.)	459	347	433	447

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Other LT assets	588	549	546	544
Cash/ST investment	15	64	61	56
Other current assets	739	624	738	753
Total assets	**1,342**	**1,238**	**1,345**	**1,353**
ST debt	150	150	150	150
Other current liabilities	637	533	641	648
LT debt	0	0	0	0
Other LT liabilities	24	24	24	24
Shareholders' equity	531	531	531	531
Total liabilities & equity	**1,342**	**1,238**	**1,345**	**1,353**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**485**	**478**	**513**	**513**
Pre-tax profit	608	459	572	592
Tax	(145)	(112)	(140)	(144)
Deprec. & amort.	96	87	87	87
Working capital changes	(73)	45	(5)	(6)
Non-cash items	0	0	0	0
Other operating cashflows	(1)	(1)	(1)	(15)
Investing	**(107)**	**(82)**	**(83)**	**(71)**
Capex (growth)	(95)	(83)	(85)	(86)
Others	(12)	1	1	15
Financing	**(404)**	**(347)**	**(433)**	**(447)**
Dividend payments	(468)	(347)	(433)	(447)
Loan repayment	70	0	0	0
Net cash inflow (outflow)	**(26)**	**49**	**(3)**	**(5)**
Beginning cash & cash equivalent	**32**	**15**	**64**	**61**
Ending cash & cash equivalent	**7**	**64**	**61**	**56**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	17.8	20.3	21.2	20.9
Pre-tax margin	21.7	19.9	20.3	20.5
Net margin	16.4	15.0	15.4	15.5
ROA	40.3	31.8	37.9	39.0
ROE	101.9	76.9	95.9	99.2
Growth				
Turnover	0.1	(17.6)	22.1	2.3
EBITDA	(1.6)	(6.7)	27.6	0.6
Pre-tax profit	4.0	(24.5)	24.8	3.4
Net profit	(1.6)	(24.5)	24.8	3.4
Net profit (adj.)	3.3	(25.1)	24.8	3.4
EPS	3.3	(25.1)	24.8	3.4
Leverage				
Debt to total capital	28.3	28.3	28.3	28.3
Debt to equity	28.3	28.3	28.3	28.3
Net debt/(cash) to equity	25.4	16.2	16.8	17.8
Interest cover (x)	47.7	31.5	41.1	737.7

Pecca Group (PECCA MK)

Improved Perodua Sales To Drive Earnings Recovery, Growth Prospects Remain Intact

BUY (Maintained)	
Share Price	RM1.33
Target Price	RM1.66
Upside	24.8%

Analyst(s)
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Highlights

- Pecca's earnings is anticipated to sequentially recover in 4QFY26, driven by an improvement in Perodua's sales performance and a growing contribution from export sales and the aviation business.
- Management is positive on securing an MRO contract with the national airline worth around RM10m.
- The new seat assembly business venture is expected to meaningfully contribute at latter part of 2027 with Chery and GWM as potential clients.
- Maintain BUY with an unchanged target price of RM1.66 based on 17x FY27F PE.

Analysis

- **Earnings recovery to be driven by improved Perodua sales.** To recap, Pecca Group's (Pecca) 3QFY26 results were hit by a 34% qoq seasonal decline in earnings to RM10.2m, following a temporary plant shutdown during the festive break. Looking into 4QFY26, we expect earnings to recover to RM13m-15m, which implies a growth of 37% qoq and 1.5% yoy. This will be mainly driven by a recovery in Perodua's production volume, in line with the national marque's improved sales performance, which rose 13% qoq to 84,062 units during Apr-Jun 26. In addition, we also expect higher contribution from the aviation segment as its operations were partly affected by the relocation of its manufacturing base during the previous quarter.
- **Perodua's price revision strategy is expected to further solidify its market competitiveness.** We expect Perodua to sustain its sales momentum throughout the year and continue commanding more than 40% of the total industry volume (TIV), despite rising competition from the rival national automaker. The automaker's recent pricing strategy, which includes: a) reducing the price of its EV model from RM87,500 to RM63,500 under the Battery-as-a-Service (BaaS) option, b) introduces an outright purchase option, and c) lowers the price of the Perodua Axia by up to RM4,700, is anticipated to support overall sales growth, particularly for the EV model. Based on our channel checks, Perodua has also recently revised upward its production forecasts for the EV model, which should directly benefit Pecca as the supplier of instrument panel wraps for the vehicle.

Key Financials

Year to 30 June (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	242.5	224.5	242.4	270.0	300.6
EBITDA	73.8	77.6	73.7	86.7	101.0
Operating profit	68.3	71.8	68.6	81.7	96.0
Net profit (rep./act.)	55.0	57.1	56.7	66.9	78.4
Net profit (adj.)	55.0	57.1	56.7	66.9	78.4
EPS (sen)	7.3	7.6	7.8	9.2	10.4
PE (x)	23.0	22.1	18.8	15.9	13.6
P/B (x)	5.4	6.1	4.8	4.6	4.2
EV/EBITDA (x)	15.1	15.0	15.6	13.2	11.2
Dividend yield (%)	3.9	3.0	4.1	4.8	5.4
Net margin (%)	22.7	25.4	23.4	24.8	26.1
Net debt/(cash) to equity (%)	(62.8)	(47.7)	-46.0	-46.6	-47.8
Interest cover (x)	19.2	20.5	186.7	222.1	261.1
ROE (%)	23.5	27.4	25.8	28.6	31.1
Consensus net profit	-	-	58.0	65.5	75.2
UOBKH/Consensus (x)	-	-	0.98	1.02	1.04

Source: Pecca, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Autoparts
Bloomberg ticker	PECCA MK
Shares issued (m)	752
Market Cap (RMm)	1,000.2
Market Cap (US$m)	244.3
3-mth avg turnover (US$m)	0.2

Price Performance (%)

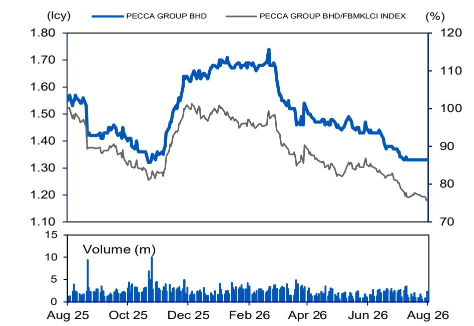
52-week high/low RM1.79/RM1.26

1mth	3mth	6mth	1yr	YTD
(2.9)	(8.3)	(21.3)	(14.2)	(20.8)

Major Shareholders

	%
MRZ Leather Holdings Sdn Bhd	51.1
Sam Yin Thing	7.3
Huaren Holdings	4.8

Price Chart



Source: Bloomberg

Company Description

Pecca Group is a leading provider of leather upholstery and interior products, serving automotive, and aviation with a strong focus on high-margin segments and global expansion.

- **Cost pressures remain manageable.** On the cost front, management does not anticipate significant cost pressures arising from the Middle East conflict. The only potential impact is on selected raw materials, such as plastic and resin, which together account for less than 10% of total production costs. Moreover, Pecca's contract with its key customer includes a cost pass-through mechanism, allowing the company to mitigate the impact of unexpected increases in raw material costs resulting from external factors such as foreign exchange volatility and commodity price fluctuations.
- **Export sales start picking up.** Following earlier delays in executing export sales, we understand that Pecca managed to deliver three shipments to its US-based client in 3QFY26, which we estimate would contribute around RM1m to REM sales. Pecca has also started delivering orders to its Saudi-based client, which is a prominent sole distributor of Toyota in the country. Moving forward, Pecca expects increased shipment volumes to the client and is also working on introducing additional templates for FY27. We forecast the REM segment's revenue to double in FY26 following the sales contribution from these new export markets.
- **Multiple aviation MRO jobs ahead.** Management expects to secure sizeable recurring maintenance, repair and overhaul (MRO) contracts from a Myanmar-based airline, with potential annual revenue exceeding that of its current largest aviation customer. In addition, Pecca has submitted a tender for an umbrella MRO contract with the national airline, with management targeting contract wins worth around RM10m p.a.. We believe securing this contract would be a key catalyst for its aviation segment and could enable Pecca to surpass its FY27 aviation revenue target of RM5m.
- **New Serendah facility to support Tier 1 venture.** We note that Pecca has completed the audit process for its seat assembly line by two major Chinese automakers, Chery and GWM. However, we expect contributions from this new venture to materialise only in the latter part of 2027, pending the tender submission process. The commissioning of the new Serendah facility remains on track for Jan 27, with management targeting a 60–70% utilisation rate for the first-phase capacity of 150,000 units. supported by existing and prospective contract flows across the OEM, aviation, and seat assembly businesses.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM1.66,** based on 17x 2027F PE (+1SD to five-year mean). While this implies a premium to the sector average of 11x PE, we believe Pecca's valuation is justified by its resilient earnings supported by Perodua's sustained sales volumes, the growth prospects from its strategic diversification into the export market and the high-margin, high-barrier aviation industry as well as its above-industry average net margin of 25%.

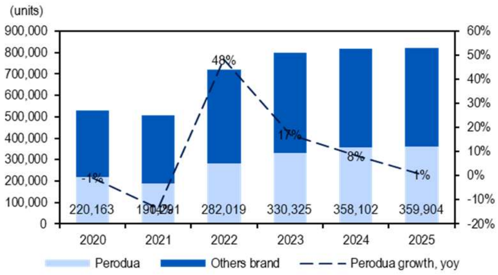
Earnings Revision/Risk

- No changes to our earnings forecast. We expect Pecca to deliver a 17% earnings CAGR over FY26-28, driven by: a) growth in export sales, b) a rising contribution from the aviation segment, and c) incremental capacity expansion.

Share Price Catalyst

- Higher-than-expected Perodua sales.
- Winning a sizeable MRO contract from the national airline.
- Securing seat assembly jobs from Chinese automakers.

Perodua Sales Volume



Source: MAA, UOB Kay Hian

Environmental, Social And Governance (ESG) Updates

Environmental
- Pecca has achieved a 19.8% reduction in GHG emission intensity in FY25 compared to the FY22 baseline.
- The waste diversion rate increased to 22.4% in FY25 through reductions in hazardous waste and recycling initiatives.

Social
- Zero workplace fatalities were reported. Employees received an average of 8.5 hours of training, focusing on technical skill, ISO certificate and personal development.

Governance
- Zero incident of corruption. 25% female representation aligns with MCGG recommendation.

Source: Pecca, UOB Kay Hian

Profit & Loss

Year to 30 Apr (RMm)	2025	2026F	2027F	2028F
Net turnover	224.5	242.4	270.0	300.6
EBITDA	77.6	73.7	86.7	101.0
Deprec. & amort.	(5.1)	(5.0)	(5.1)	(5.5)
EBIT	71.8	68.6	81.7	96.0
Associate contributions	0	0	0	0
Net interest income/(expense)	4	4	4	5
Pre-tax profit	75.8	72.6	85.7	100.0
Tax	(19.0)	(18.2)	(21.4)	(25.0)
Minorities	0	0	0	0
Net profit	**57.1**	**56.7**	**66.9**	**78.4**
Net profit (adj.)	57.1	56.7	66.9	78.4

Balance Sheet

Year to 30 Apr (RMm)	2025	2026F	2027F	2028F
Fixed assets	42	43	41	40
Other LT assets	24	24	24	24
Cash/ST investment	154	105	111	131
Other current assets	69	74	83	94
Total assets	**289**	**245**	**259**	**290**
ST debt	2	1	1	1
Other current liabilities	41	24	19	21
LT debt	5	4	4	4
Other LT liabilities	6	7	7	7
Shareholders' equity	234	208	227	256
Minority interest	1	1	1	1
Total liabilities & equity	**289**	**245**	**259**	**290**

Cash Flow

Year to 30 Apr (RMm)	2025	2026F	2027F	2028F
Operating	**48**	**56**	**77**	**90**
Pre-tax profit	76	86	109	125
Tax	(21)	(19)	(24)	(28)
Deprec. & amort.	5	6	6	6
Associates	0	0	0	0
Working capital changes	(8)	(14)	(10)	(8)
Other operating cashflows	(4)	(4)	(4)	(5)
Investing	**(1)**	**0**	**0**	**1**
Capex (growth)	(5)	(5)	(5)	(5)
Investments	0	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	0	0	0	0
Financing	**(95)**	**(49)**	**(57)**	**(64)**
Dividend payments	(63)	(49)	(57)	(64)
Issue of shares	0	0	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	8	2	0	0
Others/interest paid	(33)	0	0	0
Net cash inflow (outflow)	**(48)**	**6**	**20**	**27**
Beginning cash & cash equivalent	**154**	**105**	**111**	**131**
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	**105**	**111**	**131**	**158**

Key Metrics

Year to 30 Apr (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	30.4	34.6	34.3	36.9
Pre-tax margin	29.7	33.7	33.5	36.3
Net margin	22.7	25.4	26.2	28.4
ROA	19.1	23.3	26.1	29.4
ROE	23.5	27.4	29.8	33.3
Growth				
Turnover	10	(7)	15	16
EBITDA	48	5	14	25
Pre-tax profit	54	5	14	26
Net profit	55	4	18	26
Net profit (adj.)	55	4	18	26
EPS	7.3	7.6	9.0	11.3
Leverage				
Debt to total capital	(62.8)	(47.7)	(46.6)	(49.2)
Debt to equity	(0.6)	(0.5)	(0.5)	(0.5)
Net debt/(cash) to equity	30.4	34.6	34.3	36.9
Interest cover (x)	29.7	33.7	33.5	36.3

Market Spotlight

Market News

The FBMKLCI closed higher yesterday, adding 15.51pt to 1,748.17 amid bargain hunting across the board. Meanwhile, Asian stocks rallied on Wednesday as investors piled back into technology shares after easing oil prices, lower bond yields and strong US earnings revived confidence in the artificial intelligence trade. The FBMKLCI's top gainers were YTL Power International (+7.1%), Gamuda (+4.8%) and CelcomDigi (+3.8%), while the top losers were Axiata Group (-3.0%), Petronas Chemicals Group (-2.8%) and IHH Healthcare (-1.3%). In the broader market, gainers outpaced losers 690 to 487 with 587 counters unchanged. Turnover was 3.89b shares valued at RM3.80b.

US stocks were mixed after the close on Wednesday, as gains in the basic materials, healthcare and financials sectors led shares higher while losses in the oil & gas, telecommunications and utilities sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average added 0.49% to hit a new all-time high, while the S&P 500 Iindex fell 0.17%, and the NASDAQ Composite Index lost 0.83%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,536 to 1,184 and 99 ended unchanged; on the Nasdaq Stock Exchange, 1,983 fell and 1,417 advanced, while 181 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,748.17

Expected moving range: 1,720– 1,750

Technical view:

From a technical perspective, the FBMKLCI continued its impressive recovery after approaching to the immediate resistance of 1,750 yesterday. Strong gains on the back of a higher trading volume signify a genuine breakout, potentially prolonging the upward movement. However, the remarkable gains in the last few days may attract conservative investors to lock in gains. Nevertheless, the long-term outlook remains bullish. 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 SELL with 3.3% potential downside

Trading SELL range: RM4,600-4,700

Last price: RM4,693

Target price: RM4,571, RM4,538

Resistance: RM4,694

Stop-loss: RM4,695

SELL with a target price of RM4,538 and stop-loss at RM4,695. Based on the chart, FCPO continued the bearish movement and closed lower at RM4,693 on yesterday's movement. This bearish movement is supported by a downtick in the RSI and a bearish crossover in both the MACD and DMI indicators. We still maintained our targets at RM4,571 and RM4,538 in the near term.

Expected timeframe: One day to three

FKLI

Source: Tradingview

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

Technical SELL with 1.0% potential downside

Trading SELL range: 1,730-1,760

Last price: 1,758

Target price: 1,745, 1,740

Resistance: 1,765

Stop-loss: 1,766

SELL with a target price of 1,740 and stop-loss at 1,766. Based on the chart, FKLI hit our both previous targets before formed a pullback to the current level. 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 1,745 and 1,740 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Source: UOBKH ChartGenie

Bank Islam Malaysia (BIMB MK)

Technical BUY with +9.2% potential return

Trading buy range: RM2.17-2.20

Last price: RM2.18

Target price: RM2.28, RM2.37

Support: RM2.07

Stop-loss: RM2.06

BUY with a target price of RM2.37 and stop-loss at RM2.06. Based on the daily chart, the share price has been trading above the BBI line. Given the profit-taking activity, BIMB rebounded on yesterday's gain and established a new up-leg. Persistent buying interest as shown by the RSI and MACD should drive the share price higher. Moving forward, we expect BIMB will continue the upward movement toward the resistance level of RM2.38 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Greatech Technology (GREATEC MK)

Technical BUY on breakout with +16.7% potential return

Trading buy range: RM2.51-2.52

Last price: RM2.39

Target price: RM2.76, RM2.93

Support: RM2.26

Stop-loss: RM2.24

BUY on breakout with a target price of RM2.93 and stop-loss at RM2.24. The chart shows the upside trend will be intact if the stock can penetrate the breakout level of RM2.51. This is supported by an uptick in the RSI. Currently, both the MACD and DMI are showing positive signals that support the upward momentum. Going forward, we expect GREATEC to continue the bullish movement toward our targets once it penetrates the breakout level of RM2.51.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Kobay Technology (KOBAY MK)

Technical BUY with +25.1% potential return

Trading buy range: RM2.38-2.40

Last price: RM2.36

Target price: RM2.78, RM2.99

Support: RM2.16

Stop-loss: RM2.14

BUY with a target price of RM2.99 and stop-loss at RM2.14. Currently, share price is consolidating within the immediate support of RM2.16. Yesterday's positive closing above the BBI sets a new tone for the short-term outlook. This is supported by the 7-day EMA which is on the verge of making a golden cross with the 21-day EMA, indicating a bullish signal. The bullish bias has been established following an uptick in the RSI and a bullish crossover in both MACD and DMI indicators.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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