Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53,885.1	(0.9)	3.2	1.6	12.1
S&P 500	7,710.0	(0.2)	3.7	2.3	12.6
FTSE 100	10,867.9	(0.2)	(0.3)	1.9	9.4
AS30	9,452.0	0.5	3.6	5.0	4.8
CSI 300	4,651.3	(0.1)	2.2	(2.9)	0.5
FSSTI	5,639.0	1.0	(0.6)	5.6	21.4
HSCEI	8,498.7	(1.2)	(1.7)	9.4	(4.7)
HSI	25,530.3	(1.5)	(1.3)	8.1	(0.4)
JCI	6,343.7	(0.1)	2.5	6.0	(26.6)
KLCI	1,737.2	(0.6)	1.0	3.2	3.4
KOSPI	6,296.4	(4.6)	(4.5)	(17.8)	49.4
Nikkei 225	65,683.3	(0.9)	6.2	(3.8)	30.5
SET	1,614.6	0.3	1.0	0.7	28.2
TWSE	44,396.7	(0.5)	11.2	(2.4)	53.3
BDI	3,057	(0.2)	14.4	9.3	62.9
CPO (RM/mt)	4,532	0.3	0.4	1.9	15.2
Brent Crude (US$/bbl)	82	3.8	(7.3)	14.6	35.6

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
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 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 | Pentamaster Corporation (PENT MK/**HOLD**/RM5.71/Target: RM5.20) Page 2

Pentamaster's results were below expectations due to higher tax rates following the expiry of Pioneer tax incentives. That said, orderbook has improved to RM550m (+15% qoq) anchored mainly by the AI compute and medical segments. The group is actively exploring opportunities in AI, DC, high-performance computing and networking to capture next-gen technology growth. Trim 2026 earnings by 10% mainly to reflect higher tax rates. Maintain HOLD. Target price: RM5.20.

Company Update | Mah Sing Group (MSGB MK/**BUY**/RM1.12/Target: RM1.42) Page 5

We expect Mah Sing's 2Q26 core earnings to be within RM72m-75m, while sales should remain on track to meet its full-year target of RM2.76b. We see scope for further re-rating as Mah Sing builds its industrial exposure through MS Industrial Park @ Kulai and unlocks potential value from data centre land sales at Southville City and Meridin East. The stock currently trades at 10.0x/9.3x 2026F/27F PE and 0.7x 2026/27F P/B. Maintain BUY with an unchanged target price of RM1.42.

Market Spotlight

Page 8

- The FBMKLCI declined 11.02pt to close at 1,737.15 yesterday, weighed down by selling pressure in selected heavyweights and index-linked counters.
- US stocks were lower after the close on Thursday, as losses in the industrials, consumer goods and utilities sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 9

Traders' Corner Page 11

Citaglobal | CITAGLB MK
Trading Buy Range: RM0.86-0.88

DRB-Hicom | DRB MK
Trading Buy Range: RM2.51-2.52

LB Aluminium | LBA MK
Trading Buy Range: RM0.48-0.485

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*

Pentamaster Corporation (PENT MK)

2Q26: Trudging Through 2026; Accelerating In 2027

Highlights

- Pentamaster's results were below expectations due to higher tax rates following the expiry of Pioneer tax incentives.
- That said, orderbook has improved to RM550m (+15% qoq) anchored mainly by the AI compute and medical segments.
- Trim 2026 earnings by 10% to reflect higher tax rates. Maintain HOLD. Target price: RM5.20.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	180.9	0.3	24.8	361.2	30.6
Gross Profit	43.7	(4.8)	11.9	89.5	21.0
EBITDA	34.1	1.5	36.7	67.7	27.5
Operating profit	34.1	30.6	90.4	60.2	53.5
Pre-tax profit	34.7	27.7	96.4	61.8	61.8
Net Profit	19.0	6.1	63.9	37.0	49.8
Core Net Profit	11.0	(28.4)	(42.3)	26.3	(7.4)
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
Gross Profit	24.1	(1.3)	(2.8)	24.8	(2.0)
EBITDA	18.9	0.2	1.6	18.7	(0.5)
PBT	19.2	4.1	7.0	17.1	3.3
Net Profit	10.5	0.6	2.5	10.2	1.3
Core Net Profit	6.1	(2.4)	(7.0)	7.3	(3.0)

Source: Pentamaster, UOB Kay Hian

Analysis

- **Below expectations.** Pentamaster Corporation (Pentamaster) reported a 2Q26 core net profit of RM11.0m (-28% qoq, -42% yoy), bringing 1H26 to RM26.3m, accounting for 38%/32% of our/consensus full-year estimates respectively. The shortfall was mainly due to a higher-than-expected tax rate of 19.3% in 2Q26 (vs 4.7% in 1Q26) due to the expiry of pioneer tax incentives.
- Note that the core net profit has been adjusted for: a) an unrealised forex gain of RM14.7m, b) one-off loss from changes in FV of foreign currency forward contracts, and c) inventory net reversal.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	623	584	660	760	876
EBITDA	128	124	153	185	209
Operating profit	106	96	102	128	146
Net profit (rep./act.)	65	62	61	87	99
Net profit (adj.)	80	59	61	87	99
EPS (sen)	11.2	8.2	8.6	12.2	13.9
PE (x)	50.8	69.3	66.1	46.9	41.2
P/B (x)	5.4	5.1	4.4	3.8	3.3
EV/EBITDA (x)	31.0	33.0	26.5	21.6	18.7
Dividend yield (%)	-	-	-	-	-
Net margin (%)	10.5	10.6	9.3	11.4	11.3
Net debt/(cash) to equity (%)	(0.4)	(0.2)	(0.2)	(0.2)	(0.3)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	9.0	8.3	7.5	9.8	10.1
Consensus net profit			81.3	104.2	125.5
UOBKH/Consensus (x)			0.76	0.83	0.79

Source: Pentamaster, Bloomberg, UOB Kay Hian

HOLD (Maintained)

Share Price	RM5.71
Target Price	RM5.20
Upside	-8.9%
Previous TP	RM4.20

Analyst(s)
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Stock Data

GICS sector	Industrials
Bloomberg ticker	PENT MK
Shares issued (m)	711.3
Market cap (RMm)	4,061.5
Market cap (US$m)	993.0
3-mth avg daily t'over (US$m)	2.0

Price Performance (%)

52-week high/low: RM5.79/RM2.80

1mth	3mth	6mth	1yr	YTD
22.0	26.6	86.6	53.5	52.7

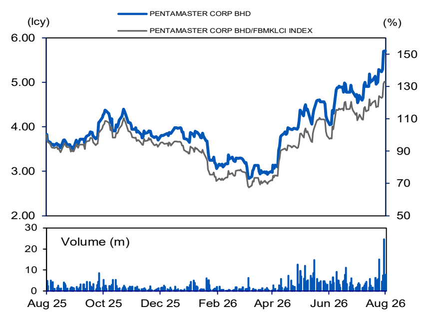
Major Shareholders

	%
Chuah Choon Bin	19.7
Bank Julius Baer & Co AG	19.7
Employees Provident Fund	11.4

Balance Sheet Metrics

FY26 NAV/Share (RM)	1.69
FY26 Net Cash/Share (RM)	0.38

Price Chart



Source: Bloomberg

Company Description

Pentamaster Corporation designs, manufactures and installs automated equipment in the semiconductor, pharmaceutical, medical devices, automotive, food and beverages, and consumer goods industries globally.

- **1H26 revenue grew 31% yoy,** as robust growth in the factory automation solutions (FAS) (+119% yoy) was more than offset by a 24% yoy decline in automated test equipment segment revenue. By end-market, sales to the electro optical, medical and semicon segments rebounded strongly (+95%, +66% and +66% yoy, respectively), driven by recovering demand for FAS and test handling solutions. However, the automotive segment – previously the largest contributor in 2025 – saw its revenue plunge 58% yoy, mainly due to the timing of project deliveries. While PBT grew by a wider 62% yoy on better operational efficiency, core net profit dropped 7% on higher tax rates on unfavourable forex translations.
- **Qoq,** revenue came in flat, as strong sales contribution from consumer & industrial was negated by softer sales in the automotive and electro-optical segments. While PBT improved by 27%, core net profit dropped by 28% qoq on higher tax rates (following the expiry of tax incentives granted by MIDA to Pentamaster Technology (PTSB) and Pentamaster Equipment Manufacturing), after stripping out unrealised forex gains. Note that the group has obtained approval for a new tax incentive (70% of PTSB's statutory income for five years) relating to its advanced packaging and advanced photonics equipment initiatives under the ATE segment.
- **Orderbook grew to RM550m; pivoting towards high growth sectors.** Pentamaster's 2Q26 orderbook grew 15% qoq to RM550m (rolling basis) anchored mainly by the AI compute and medical segments which would remain key growth drivers for the group in 2026. The group continues to strengthen its capabilities in advanced packaging technologies, underpinned by accelerating demand in AI, HPC, and other data-intensive, high-speed applications. These structural trends provide a favourable backdrop for long-term growth, positioning Pentamaster to capitalise on next-generation technology opportunities over the medium to long term.

Valuation/Recommendation

- **Maintain HOLD with a higher target price of RM5.20 (from RM4.20),** based on a rolled-over 42.0x 2027F PE (+0.5SD above average SPE's seven-year forward PE).
- The stock has staged a notable rebound from its March trough of RM2.84, underpinned by improving industry sentiment and sustained optimism surrounding AI-driven demand. Following this sharp recovery, we are of the view that the current valuation is fair as it presents a balanced risk-reward profile.

Earnings Revision/Risk

- We cut our 2026 earnings estimate by 10% to account for a higher tax rate assumption but make no change to our 2027 earnings forecast.

Environmental, Social, Governance (ESG) Updates

Environmental

- To minimise waste, Pentamaster only starts material procurement, assembly and programming once a suggested solution is approved by its customers.

Social

- In 2020, besides various donations to support NGOs, Pentamaster provided used computers to schools and charity homes to support e-learning, low-cost ventilators to support local hospitals, and financial assistance to the needy.

Governance

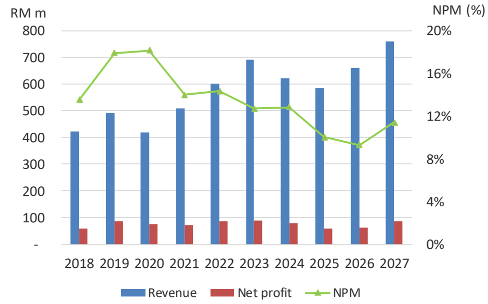
- The company has in place an Anti-Bribery and Anti-Corruption Policy.
- There were zero whistle-blowing and bribery instances in 2020.

Revenue By Segment

Year to 31 Dec (RMm)	1H26	1H25	yoy % chg
Total Revenue	**361.02**	**276.48**	**30.6**
Electro Optical (Telco)	116.08	59.57	94.9
Auto	39.80	95.08	(58.1)
AI Compute	32.96	n.a.	n.a.
CE & Industrial	37.93	37.26	1.8
Semicon	63.46	38.33	65.6
Medical	70.57	42.46	66.2
Others	0.23	3.77	(93.9)

Source: Pentamaster, UOB Kay Hian

Revenue And Margin Outlook



Source: Pentamaster, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**584**	**660**	**760**	**876**
EBITDA	124	153	185	209
Deprec. & amort.	(28)	(51)	(57)	(63)
EBIT	96	102	128	146
Total other non-operating income	0	0	0	0
Associate contributions	0	0	0	0
Net interest income/(expense)	0	0	0	0
Pre-tax profit	**96**	**102**	**128**	**146**
Tax	(5)	(12)	(1)	(1)
Minorities	(29)	(29)	(40)	(46)
Net profit	**62**	**61**	**87**	**99**
Net profit (adj.)	59	61	87	99

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	496	578	618	651
Other LT assets	88	88	88	88
Cash/ST investment	248	272	335	423
Other current assets	425	475	532	601
Total assets	**1,256**	**1,413**	**1,573**	**1,762**
ST debt	0	0	0	0
Other current liabilities	188	203	217	234
LT debt	0	0	0	0
Other LT liabilities	8	8	8	8
Shareholders' equity	790	931	1,077	1,249
Minority interest	271	271	271	271
Total liabilities & equity	**1,256**	**1,413**	**1,573**	**1,762**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**(26)**	**74**	**113**	**133**
Pre-tax profit	96	102	128	146
Tax	(2)	(12)	(1)	(1)
Deprec. & amort.	(28)	(51)	(57)	(63)
Associates	(0)	(0)	(0)	(0)
Working capital changes	(145)	35	43	51
Non-cash items	0	0	0	0
Other operating cashflows	53	0	0	1
Investing	**(136)**	**(50)**	**(50)**	**(49)**
Capex (growth)	(60)	(50)	(50)	(49)
Investments	(14)	0	0	0
Proceeds from sale of assets	0	0	0	0
Others	(63)	0	0	0
Financing	**(35)**	**0**	**0**	**2**
Dividend payments	0	0	0	0
Issue of shares	0	0	0	1
Proceeds from borrowings	0	0	0	0
Loan repayment	0	0	0	0
Others/interest paid	(35)	0	0	1
Net cash inflow (outflow)	**(197)**	**24**	**63**	**86**
Beginning cash & cash equivalent	**449**	**248**	**272**	**335**
Changes due to forex impact	(4)	0	0	1
Ending cash & cash equivalent	**248**	**272**	**335**	**423**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	21.3	23.2	24.4	23.9
Pre-tax margin	16.4	15.5	16.9	16.7
Net margin	10.6	9.3	11.4	11.3
ROA	4.8	4.5	6.0	6.4
ROE	8.3	7.5	9.8	10.1
Growth				
Turnover	(20.3)	(5.9)	12.8	34.6
EBITDA	(28.6)	(4.7)	21.3	40.9
Pre-tax profit	(41.9)	(36.0)	(12.2)	4.3
Net profit	(39.6)	(40.3)	(3.7)	14.1
Net profit (adj.)	(39.6)	(40.3)	(3.7)	14.1
Leverage				
Debt to total capital	-	-	-	-
Debt to equity	-	-	-	-
Net debt/(cash) to equity	(23.4)	(22.7)	(24.9)	(27.8)
Interest cover (x)	na	na	na	na

Mah Sing Group (MSGB MK)

2Q26 Results Preview; Industrial Catalysts Emerging

BUY (Maintained)	
Share Price	RM1.12
Target Price	RM1.42
Upside	27.0%

Analyst(s)
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Highlights

- We expect Mah Sing's 2Q26 core earnings to be within RM72m-75m, while sales remain on track to meet its full-year target of RM2.76b.
- We see scope for further re-rating as Mah Sing builds its industrial exposure through MS Industrial Park @ Kulai and unlocks potential value from data centre land sales at Southville City and Meridin East. The stock currently trades at 10.0x/9.3x 2026F/27F PE and 0.7x 2026/27F P/B.
- Maintain BUY with an unchanged target price of RM1.42.

Analysis

- **2Q26 results preview.** We expect Mah Sing Group (Mah Sing) to report core earnings of RM72m-75m (+7-12% yoy) in 2Q26, bringing 1H26 core earnings to RM140m-143m, running on track at 49-50% of our full-year forecast. We expect cost pressures to remain manageable, supported by tighter cost control, contingency buffers built into project budgets and its ability to negotiate with contractors given a steady project pipeline.
- **Fast project turnaround supports earnings visibility.** M Zenya, Kepong topped out in Jul 26 and is expected to complete in 1Q27, around three years after its launch and 13 months ahead of its original schedule. This follows M Astra in Setapak, which was completed in Jan 26, also around three years after launch and 15 months ahead of schedule. Both projects were originally scheduled for completion over a period of around four years, highlighting Mah Sing's ability to shorten its project turnaround. With RM384m of unbilled sales and remaining GDV as of end-1Q26, the faster construction timeline should bring forward revenue recognition into 2H26 and 1Q27.
- **Sales on track.** We gather that property sales remain on track to meet its full-year sales target of RM2.76b, supported by solid owner-occupier demand for its M-series products. The weaker industry residential loan approval rate has not materially affected Mah Sing, supported by its price points and pre-launch engagement with banks on project valuations. In Jul 26, Mah Sing launched M Amaya in Penang, with a starting price of RM480,000, with Phase 1A achieving a 92% take-up rate. Upcoming launches include M Mira, M Hana, M Cora, M Tiara 2, Corus redevelopment (late 3Q26 or 4Q26) and MS Industrial Park @ Kulai (4Q26).

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	2,520	2,517	2,840	2,998	3,179
EBITDA	442	503	510	566	620
Operating profit	392	441	466	502	535
Net profit (rep./act.)	241	260	287	308	328
Net profit (adj.)	241	274	287	308	328
EPS (sen)	9.6	10.7	11.2	12.0	12.8
PE (x)	11.7	10.5	10.0	9.3	8.7
P/B (x)	0.7	0.7	0.7	0.7	0.6
EV/EBITDA (x)	7.0	6.9	7.2	6.8	6.4
Dividend yield (%)	4.0	4.5	4.9	5.3	5.6
Net margin (%)	9.6	10.9	10.1	10.3	10.3
Net debt/(cash) to equity (%)	16.0	25.8	28.8	30.5	32.6
Interest cover (x)	8.1	8.6	7.8	7.7	7.7
ROE (%)	6.5	7.3	7.4	7.8	8.1
Consensus net profit			292	310	329
UOBKH/Consensus (x)			1.0	1.0	1.0

Source: Mah Sing, Bloomberg, UOB Kay Hian

Stock Data

GICS sector	Real Estate
Bloomberg ticker	MSGB MK
Shares issued (m)	2,560.1
Market cap (RMm)	2,483.3
Market cap (US$m)	609.7
3-mth avg daily t'over (US$m)	1.2

Price Performance (%)

52-week high/low				RM1.27/RM0.925
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(2.5)	(7.6)	(13.4)	(23.0)	0.5

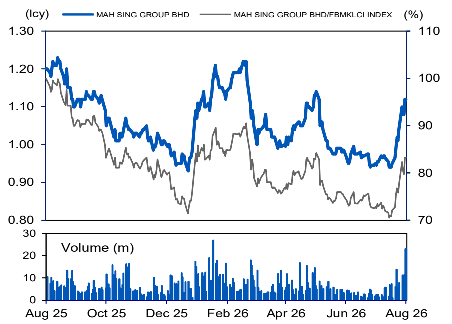
Major Shareholders

	%
Mayang Teratai	32.5
Amanah Saham Nasional	7.5
Bank of Singapore	6.05

Balance Sheet Metrics

FY26F NAV/Share (RM)	1.65
FY26F Net Debt/Share (RM)	0.48

Price Chart



Source: Bloomberg

Company Description

One of the leading property developers in Malaysia, famous for its quick turnaround strategy.

- **Industrial contribution to support 2027 growth.** Following shareholders' approval for the related party land acquisition in Jul 26, MS Industrial Park @ Kulai remains on track for launch in 4Q26, with revenue contribution expected from 1Q27. Management targets the industrial sales to contribute around 10% of group sales in 2026, while that could increase to 20-30% of sales over time. Margins for initial phases are expected to be comparable with M Series due to upfront infrastructure works, before improving in subsequent quarters. This could support a higher sales and margin mix in 2027. The development will comprise cluster factories and outright industrial land sales (including land sales to data centre). The company targets domestic and foreign clients, including players in the halal, F&B, medical related industries.
- **Potential upside from material land monetisation.** Apart from MS Industrial Park @ Kulai, Mah Sing has 150 acres earmarked for data centre development at Southville City and another 60.9 acres at Meridin East, with enquiries progressing well at both locations. Recall that previous discussions with potential buyers at Southville covered 53.2 acres (17.6-acre Plot 2 land and 35.7-acre Plot 3a & 3b land), with land values ranging from RM160-200psf, providing a useful valuation benchmark. On 5 Aug 26, Mah Sing announced that it has entered into a term sheet for a proposed land disposal "which may be deemed to be material", with the parties currently finalising the definitive agreement. While no details have been disclosed, we do not rule out a sizeable industrial or data centre land sale, which could crystallise land value and provide earnings upside.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM1.42.** Our SOTP-based target price implies 0.9x 2026F P/B (10-year mean: 0.7x) and 12.7x 2026F PE (10-year mean: 13.9x). The stock currently offers an attractive value, on the back of: a) solid property sales and take-up rates, b) expanding industrial exposure which has higher margin, and c) potential lumpy industrial land sales.

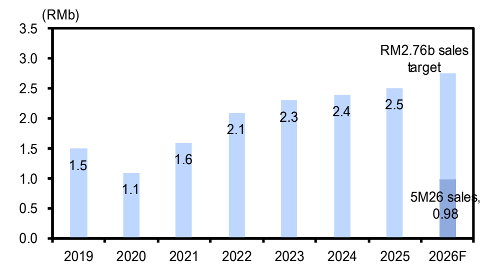
Earnings Revision/Risk

- No earnings revision.

Environmental, Social, Governance (ESG)

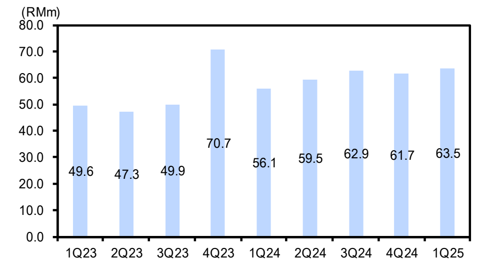
- Environmental - Awarded GreenRE Bronze certification for M Minori, M Panora, M Astra and others.
- Social - M Adora completed 2,200,000 man-hours without any incidents.
- Governance - Good company transparency along with an anti-bribery and anti-corruption policy.

Sales Trend (RMm)



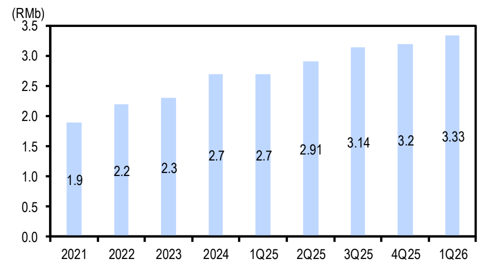
Source: Mah Sing, UOB Kay Hian

Quarterly Core Net Profit Trends (RMm)



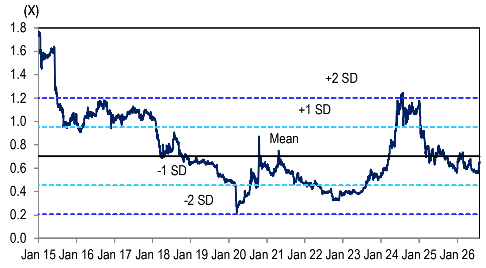
Source: Mah Sing, UOB Kay Hian

Unbilled Sales (RMm)



Source: Mah Sing, UOB Kay Hian

12-Month Forward PB



Source: Bloomberg, UOB Kay Hian

12-Month Forward PE

Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**2,517**	**2,840**	**2,998**	**3,179**
EBITDA	503	510	566	620
Deprec. & amort.	(61)	(44)	(64)	(84)
EBIT	441	466	502	535
Associate contributions	48	41	45	43
Net interest income/(expense)	(59)	(66)	(73)	(80)
Pre-tax profit	**383**	**401**	**429**	**455**
Tax	(105)	(96)	(103)	(109)
Minorities	(18)	(18)	(18)	(18)
Net profit	**260**	**287**	**308**	**328**
Net profit (adj.)	274	287	308	328

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	3,273	3,655	4,041	4,433
Other LT assets	489	489	489	489
Cash/ST investment	1,211	1,255	1,355	1,440
Other current assets	3,090	3,216	3,284	3,356
Total assets	**8,063**	**8,615**	**9,169**	**9,718**
ST debt	333	333	333	333
Other current liabilities	1,600	1,770	1,907	2,015
LT debt	1,930	2,143	2,368	2,606
Other LT liabilities	99	99	99	99
Shareholders' equity	4,069	4,233	4,409	4,595
Minority interest	18	36	54	71
Total liabilities & equity	**8,063**	**8,615**	**9,169**	**9,718**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**387**	**458**	**532**	**546**
Pre-tax profit	383	401	429	455
Tax	(105)	(96)	(103)	(109)
Deprec. & amort.	(61)	(44)	(64)	(84)
Associates	-	-	-	-
Working capital changes	504	44	68	36
Non-cash items	59	66	73	80
Other operating cashflows	(392)	87	128	169
Investing	**(621)**	**(407)**	**(431)**	**(458)**
Capex (growth)	(640)	(426)	(450)	(477)
Others	19	19	19	19
Financing	**346**	**6**	**(0)**	**(3)**
Dividend payments	(159)	(141)	(152)	(161)
Issue of shares	-	-	-	-
Proceeds from borrowings	286	213	225	238
Others/interest paid	219	(66)	(73)	(80)
Net cash inflow (outflow)	**112**	**57**	**100**	**85**
Beginning cash & cash equivalent	**1,347**	**1,211**	**1,255**	**1,355**
Ending cash & cash equivalent	**1,211**	**1,255**	**1,355**	**1,440**

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	20.0	18.0	18.9	19.5
Pre-tax margin	15.2	14.1	14.3	14.3
Net margin	10.9	10.1	10.3	10.3
ROA	5.2	5.8	6.0	6.3
ROE	7.3	7.4	7.8	8.1
Growth				
Turnover	(0.1)	12.9	5.6	6.0
EBITDA	13.8	1.5	11.0	9.5
Pre-tax profit	12.7	5.6	7.7	6.6
Net profit	8.0	10.3	7.4	6.4
Net profit (adj.)	13.6	4.7	7.4	6.4
EPS	11.9	4.7	7.4	6.4
Leverage				
Debt to total capital	55.4	58.0	60.5	63.0
Debt to equity	55.6	58.5	61.3	64.0
Net debt/(cash) to equity	25.8	28.8	30.5	32.6
Interest cover (x)	8.6	7.8	7.7	7.7

Market Spotlight

Market News

The FBMKLCI declined 11.02pt to close at 1,737.15 yesterday, weighed down by selling pressure in selected heavyweights and index-linked counters. Meanwhile, Asian shares took a breather on Thursday after an AI-driven surge the previous day, while oil prices traded in a tight range as markets assessed prospects for an Iran peace deal. The FBMKLCI's top gainers were Sunway Healthcare Holdings (+2.0%), Gamuda (+1.8%) and AMMB Holdings (+1.4%), while the top losers were Press Metal Aluminium Holdings (-3.9%), CelcomDigi (-2.7%) and 99 Speed Mart Retail Holdings (-2.2%). In the broader market, losers outpaced gainers 577 to 566 with 574counters unchanged. Turnover was 3.24b shares valued at RM2.90b.

US stocks were lower after the close on Thursday, as losses in the industrials, consumer goods and utilities sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average fell 0.85%, while the S&P 500 Index declined 0.18%, and the NASDAQ Composite Index declined 0.06%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,610 to 1,107 and 84 ended unchanged; on the Nasdaq Stock Exchange, 1,788 fell and 1,573 advanced, while 202 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,737.15

Expected moving range: 1,720– 1,750

Technical view:

From a technical perspective, the tight trading yesterday did no significant findings that would change our current stance of the index trading in a tight range. Given the indecisive nature of the "spinning top" pattern registered and a flattish RSI, we still expect the index will likely continue to move sideways in the near term. 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 2.9% potential downside

Trading SELL range: RM4,600-4,700

Last price: RM4,671

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 RM4,671 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 0.64% potential downside

Trading SELL range: 1,730-1,760

Last price: 1,730

Target price: 1,724, 1,719

Resistance: 1,746

Stop-loss: 1,747

SELL with a target price of 1,719 and stop-loss at 1,746. Based on the chart, FKLI hit our both previous targets at 1,745 and 1,740 before continuing the bearish movement 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 new targets at 1,724 and 1,719 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Source: UOBKH ChartGenie

Citaglobal (CITAGLB MK)

Technical BUY with +15.0% potential return

Trading buy range: RM0.86-0.88

Last price: RM0.865

Target price: RM0.955, RM0.995

Support: RM0.835

Stop-loss: RM0.83

BUY with a target price of RM0.995 and stop-loss at RM0.83. Yesterday, CITAGLB formed a bullish candlestick and penetrated above the BBI line to close higher at RM0.88. An uptick in the RSI and increased trading volumes suggest buying momentum is set to continue in the near term. This bullish movement is also supported by the bullish crossover in the MACD and the DMI. We expect CITAGLB will continue to move towards our targets of RM0.955 and RM0.995 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

DRB-Hicom (DRB MK)

Technical BUY on breakout with +17.5% potential return

Trading buy range: RM1.03-1.04

Last price: RM0.98

Target price: RM1.14, RM1.21

Support: RM0.945

Stop-loss: RM0.94

BUY on breakout with a target price of RM1.21 and stop-loss at RM0.94. Based on the daily chart, DRB has formed higher highs and higher lows towards the breakout level of RM1.03 yesterday. Currently, the positive directional index (+DI) has crossed above the negative directional index (-DI). The ADX line shows a positive uptrend at this level. This bullish movement is also supported by a bullish crossover in the MACD. We peg our targets at RM1.14 and RM1.21 if the stock penetrates above the breakout level of RM1.03.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

LB Aluminium (LBA MK)

Technical BUY on breakout with +13.5% potential return

Trading buy range: RM0.48-0.485

Last price: RM0.47

Target price: RM0.53, RM0.545

Support: RM0.45

Stop-loss: RM0.445

BUY on breakout with a target price of RM0.545 and stop-loss at RM0.445. Based on the daily chart, share price has consolidated lower and has been trading sideways for the past few weeks. We expect share price to continue to move up if it penetrates the breakout level of RM0.48. Positive readings in both the DMI and the MACD should translate into stronger momentum, which will in turn lift share price. We expect LBA will continue the bullish movement towards the resistance level of RM0.55 once it manages to penetrate the breakout level of RM0.48.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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