UOBKayHian

Country Daily | Malaysia

Friday, 21 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,759.2	(1.3)	(2.0)	1.8	9.8
S&P 500	7,641.2	(0.9)	(2.0)	2.7	11.6
FTSE 100	10,748.2	0.0	(0.2)	2.1	8.2
AS30	9,298.5	0.5	(0.9)	3.6	3.1
CSI 300	4,592.8	0.1	(1.5)	(3.1)	(0.8)
FSSTI	5,671.9	(0.4)	(0.8)	2.6	22.1
HSCEI	8,547.8	0.9	1.4	2.2	(4.1)
HSI	25,698.5	0.8	1.2	2.2	0.3
JCI	6,501.6	1.7	2.0	2.5	(24.8)
KLCI	1,736.7	0.3	0.1	0.9	3.4
KOSPI	6,852.6	5.9	4.2	1.6	62.6
Nikkei 225	66,216.8	1.4	(3.1)	(0.0)	31.5
SET	1,610.0	0.0	(0.3)	(2.6)	27.8
TWSE	44,933.7	0.5	(2.4)	1.6	55.1
BDI	2,791	0.5	(1.9)	4.5	48.7
CPO (RM/mt)	4,596	0.9	1.7	2.2	16.8
Brent Crude (US$/bbl)	94	2.4	7.7	5.1	54.1

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
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 and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Foreign Reserves	Malaysia	21 Aug

Top Stories

Strategy | Impact Assessment For The FBMKLCI-50 Adoption Page 3 →

- Yesterday, Bursa and FTSE Russell jointly announced plans to widen the number of FBMKLCI Index constituents from 30 to 50. Concurrently, the FBM70 will be reduced from 70 to 50 constituents and renamed the FTSE Bursa Malaysia Mid Cap Index from 21 Dec 26. Implementation will be phased to facilitate orderly portfolio rebalancing and minimise concentrated trading flows. Our impact assessment suggests modest negative impact (at worst) to the incumbent FBMKLCI constituents, and modest positive impact on new component members.

Company Results | Dialog Group (DLG MK/**BUY**/RM1.96/Target: RM2.95) Page 6 →

- FY26 results were in line with our forecasts, but beat market expectations. The downstream segment contributed most of FY26 earnings growth. Midstream earnings are on peak-cycle earnings. Upstream earnings did benefit from higher oil prices, but production has yet to revert to normal. We expect DLG to continue benefitting from high oil prices, as its volume recovers and new PSC earnings from Cendramas (1QFY27) and the Baram Junior Cluster (early startup by 2QFY27) come through. Maintain BUY; target price: RM2.95.

Company Results | Genting Malaysia (GENM MK/**BUY**/RM1.73/Target: RM2.36) Page 9 →

- GENM delivered improved earnings, as RWNYC's official commercial casino transition lifted earnings significantly despite flattish RWG and UK operations. We anticipate stronger quarters ahead as RWNYC's robust earnings growth continues to take centre stage. Overall, GENM's valuations remain well below its intrinsic value, with resilient earnings growth expected in 2026-27. Maintain BUY. Target price: RM2.36.

Company Results | Pecca Group (PECCA MK/HOLD/RM1.32/Target: RM1.42) Page 12 →

- Pecca's FY26 earnings fell short of our forecasts due to weaker-than-expected margins. The group's diversification strategy progressed more slowly than we expected, while earnings will take time to fully ramp up. As such, we wait for a clearer earnings inflection point before turning more constructive on the stock. Downgrade to HOLD with a lower target price of RM1.42.

Company Results | Telekom Malaysia (T MK/**HOLD**/RM8.10/Target: RM7.50) Page 15 →

- 2Q26 core net profit (excluding Prihatin employee separation cost and forex losses) rose 5% yoy but fell 7% qoq to RM406m. The sequential earnings weakness was due to high content cost for the FIFA World Cup, booked in Jun 26. 1H26 core net profit of RM843m (+7% yoy) is in line with house and street's expectations. Maintain HOLD with a DCF-based target price of RM7.50.

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.

What's Inside

Market Spotlight

Technical Analysis

Strategy

Impact Assessment For The FBMKLCI-50 Adoption

Highlights

- Bursa and FTSE Russell jointly announced yesterday plans to widen the number of constituents for the FBMKLCI index from 30 to 50 constituents, creating a more sectorially diverse and economically representative index.
- Concurrently, the FBM70 will be reduced from 70 to 50 constituents and renamed the FTSE Bursa Malaysia Mid Cap Index from 21 Dec 26, while the FBM100 will remain unchanged.
- Implementation will occur in two phases to facilitate orderly portfolio rebalancing and minimise concentrated trading flows and market impact.
- Our impact assessment suggests only modest impact from Malaysian equity index-linked portfolio fund outflows (negatively impacting incumbent index components) and inflows (positively impacting new entrants).

Analysis

- **No dramatic impact is expected.** While some sector weightings could fall should FBM50 replace FBMKLCI as Malaysia's equity index benchmark (ie, financials), we estimate that only about US$1b of passive/index funds (representing about 5% of the estimated passive funds invested in Malaysian equities) directly track the FBMKLCI (Bloomberg data suggests that the index equity funds predominantly track MSCI indices).
- **Sector weighting impact.** Based on a simulation using market data as at 20 Aug 26 (see overleaf chart and table), the weighting of financial stocks could fall to 39.4% (from Phase 1 implementation) and 36.5% (upon Phase 2 implementation) from 42.7%, while utilities may decline to 13.7% (upon Phase 2 implementation) from 16.7%. Among the existing KLCI sectors, construction and consumer could gain the most with their weightages rising from 3.7% and 2.6% respectively to 4.8% and 3.6% respectively. Otherwise, technology would be the biggest winner of the new additions, commanding an estimated 3.4% weightage in the expanded index.
- **Sector losers.** Sector-wise, losers are banking (-6.2ppts), utilities (-3.0ppts) and manufacturing (-0.5ppts), potentially prompting passive funds to dilute existing positions.
- **Modest stock losers.** Listed Petronas subsidiaries, Maybank and Axiata would see the most downside as the new additions would dilute their weightage by an estimated 1-3ppts. However, downside is marginal at only 0.2%-0.3% of their respective market capitalisation, based on the assumption that only about US$1b worth of passive funds are linked to the FBMKLCI.
- **Sector winners.** Sectorial representation will widen from 11 sectors to 16 as technology (3.4% weightage), automobiles (1.3%), REITs (1.2%), ports (0.9%), and gaming (0.4%) are included (refer to pie chart below). Besides this, other noteworthy sectors which are currently represented in the FBMKLCI index include construction, consumer and property.
- **Stock inclusion winners.** Noteworthy additions include Westports, Hong Leong Financial Group, United Plantations, KLCCP Stapled Group as well as the large-cap technology names (eg. Vitrox, MPI, Frontken, Inari) which will gain benchmark representation and could attract passive fund inflows from FBMKLCI-linked funds. Meanwhile, the phased inclusion – 50% in Dec 26 and the remainder in Jun 27 – should create two rounds of buying and improve liquidity, institutional visibility and valuation discovery.

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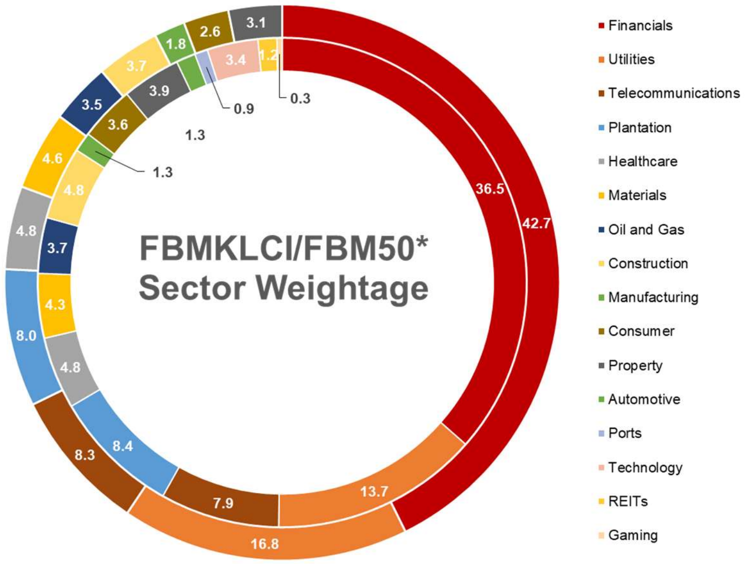
Key Takeaways

- FBMKLCI will expand from 30 to 50 constituents in two tranches
- Phase 1 - effective 21 Dec 26 – 20 newly added FBMKLCI constituents will be included at 50% of their final index weight
- Phase 2 – effective 21 Jun 27 – remaining 50% of the final index weight will be implemented reaching 100% of the final index weight
- Two phases implementation is a prudent approach – allow market participants to adjust gradually; reduce concentrated trading flows and market impact and; support an orderly portfolio rebalancing process.
- No capping applied to FBMKLCI.
- Based on data of close business on the Monday four weeks prior to review effective date of Dec 26 index review, ie, 23 Nov 26
- Meanwhile new sectors to be included in the FBMKLCI would be energy, REITS and tech sectors
- FBMKLCI earnings will be rebalanced following the expansion, not rebased
- The standard FBMKLCI screening criteria will apply during the December review for the new additions ie.

Source: Bursa Malaysia, FTSE, UOB Kay Hian

FBMKLCI/FBM50 Sector Weightage



Sector	FBMKLCI Weightage (%)	FBM50 Weightage Est. (%)
Financials	42.68	36.50
Utilities	16.75	13.73
Telecommunications	8.34	7.89
Plantation	8.00	8.44
Healthcare	4.84	4.77
Materials	4.59	4.26
Oil and Gas	3.54	3.68
Construction	3.70	4.82
Manufacturing	1.80	1.29
Consumer	2.64	3.63
Property	3.12	3.88
Automotive	0.00	1.28
Ports	0.00	0.86
Technology	0.00	3.37
REITs	0.00	1.24
Gaming	0.00	0.35

**Outer ring – FBMKLCI Weightage, Inner Ring – FBM50 Estimated Weightage*
Source: Bloomberg, UOB Kay Hian

Potential FBM50 Inclusions Ranked By Market Cap

No.	Ticker	Name	Market Cap (RMm)	Free Float (%)	KLCI Weightage (%)	Est FBM50 Weightage (%)	Potential Investment/Divestment of Passive Funds (% of Mkt Cap)
1	MAY MK Equity	MALAYAN BANKING BHD	127,971.3	57.7	13.2	10.3	-0.09
2	PBK MK Equity	PUBLIC BANK BERHAD	99,382.7	72.2	11.4	10.0	-0.05
3	TNB MK Equity	TENAGA NASIONAL BHD	84,522.6	70.1	10.8	8.3	-0.12
4	CIMB MK Equity	CIMB GROUP HOLDINGS BHD	86,259.0	69.5	10.0	8.4	-0.08
5	PMAH MK Equity	PRESS METAL ALUMINIUM HOLDIN	64,763.4	41.9	4.6	3.8	-0.05
6	IHH MK Equity	IHH HEALTHCARE BHD	73,693.5	28.9	4.2	3.0	-0.07
7	GAM MK Equity	GAMUDA BHD	26,415.4	85.1	3.7	3.1	-0.09
8	T MK Equity	TELEKOM MALAYSIA BHD	31,085.7	77.1	3.6	3.3	-0.03
9	SDG MK Equity	SD GUTHRIE BHD	45,782.0	55.9	3.5	3.6	0.01
10	RHBBANK MK Equity	RHB BANK BHD	37,363.5	47.3	3.0	2.5	-0.06
11	AMM MK Equity	AMMB HOLDINGS BHD	23,524.0	74.8	2.9	2.5	-0.08
12	PTG MK Equity	PETRONAS GAS BHD	34,588.2	38.7	2.7	1.9	-0.10
13	MISC MK Equity	MISC BHD	36,111.7	36.3	2.5	1.8	-0.08
14	HLBK MK Equity	HONG LEONG BANK BERHAD	49,424.0	34.7	2.2	2.4	0.02
15	SWB MK Equity	SUNWAY BHD	34,342.9	48.4	2.2	2.3	0.02
16	IOI MK Equity	IOI CORP BHD	28,911.9	35.0	1.9	1.4	-0.07
17	YTLP MK Equity	YTL POWER INTERNATIONAL BHD	45,015.2	32.9	1.9	2.1	0.02
18	PCHEM MK Equity	PETRONAS CHEMICALS GROUP BHD	34,960.0	26.4	1.8	1.3	-0.06
19	KLK MK Equity	KUALA LUMPUR KEPONG BHD	23,876.9	45.0	1.7	1.5	-0.04
20	CDB MK Equity	CELCOMDIGI BHD	34,017.4	25.7	1.7	1.2	-0.05
21	MAXIS MK Equity	MAXIS BHD	29,407.1	25.1	1.6	1.0	-0.07
22	AXIATA MK Equity	AXIATA GROUP BERHAD	17,641.4	47.1	1.5	1.2	-0.09
23	YTL MK Equity	YTL CORP BHD	28,276.5	38.6	1.4	1.5	0.02
24	PETD MK Equity	PETRONAS DAGANGAN BHD	19,491.6	24.8	1.0	0.7	-0.08
25	IOIPG MK Equity	IOI PROPERTIES GROUP BHD	22,189.8	30.4	1.0	0.9	0.00
26	NESZ MK Equity	NESTLE (MALAYSIA) BERHAD	24,575.6	26.6	0.9	0.9	0.00
27	MRDIY MK Equity	MR DIY GROUP M BHD	14,026.7	36.5	0.9	0.7	-0.05
28	PEP MK Equity	PPB GROUP BERHAD	14,069.8	41.7	0.9	0.8	-0.01

No.	Ticker	Name	Market Cap (RMm)	Free Float (%)	KLCI Weightage (%)	Est FBM50 Weightage (%)	Potential Investment/Divestment of Passive Funds (% of Mkt Cap)
29	99SMART MK Equity	99 SPEED MART RETAIL HOLDING	29,232.0	17.0	0.8	0.7	-0.02
30	SUNMED MK Equity	SUNWAY HEALTHCARE HOLDINGS B	24,156.7	27.6	0.7	0.9	0.05
31	WPRTS MK Equity	WESTPORTS HOLDINGS BHD	24,055.3	25.6	n.a.	0.9	0.15
32	HLFG MK Equity	HONG LEONG FINANCIAL GROUP	21,370.3	16.1	n.a.	0.5	0.09
33	UPL MK Equity	UNITED PLANTATIONS BHD	19,835.0	41.2	n.a.	1.1	0.23
34	VITRO MK Equity	VITROX CORP BHD	17,546.0	34.9	n.a.	0.9	0.20
35	KLCCSS MK Equity	KLCCP STAPLED GROUP	15,616.1	23.7	n.a.	0.5	0.13
36	SIME MK Equity	SIME DARBY BERHAD	15,675.9	58.7	n.a.	1.3	0.33
37	QLG MK Equity	QL RESOURCES BHD	14,419.0	42.8	n.a.	0.9	0.24
38	KPJ MK Equity	KPJ HEALTHCARE BERHAD	13,855.5	45.4	n.a.	0.9	0.26
39	IGBREIT MK Equity	IGB REAL ESTATE INVESTMENT T	11,912.5	43.7	n.a.	0.7	0.25
40	DLG MK Equity	DIALOG GROUP BHD	11,059.7	76.3	n.a.	1.2	0.43
41	TDC MK Equity	TIME DOTCOM BHD	11,092.9	73.6	n.a.	1.1	0.42
42	SCGB MK Equity	SUNWAY CONSTRUCTION GROUP BH	10,856.4	38.1	n.a.	0.6	0.22
43	GENM MK Equity	GENTING MALAYSIA BHD	9,805.2	25.3	n.a.	0.3	0.14
44	FNH MK Equity	FRASER & NEAVE HOLDINGS BHD	9,609.6	33.9	n.a.	0.5	0.19
45	IJM MK Equity	IJM CORP BHD	9,814.5	80.5	n.a.	1.1	0.46
46	LMC MK Equity	MALAYAN CEMENT BHD	9,387.3	36.1	n.a.	0.5	0.21
47	FRCB MK Equity	FRONTKEN CORP BHD	9,282.2	88.9	n.a.	1.2	0.51
48	MPI MK Equity	MALAYSIAN PACIFIC INDUSTRIES	9,032.7	37.7	n.a.	0.5	0.21
49	INRI MK Equity	INARI AMERTRON BHD	8,525.8	74.8	n.a.	0.9	0.42
50	SDPR MK Equity	SIME DARBY PROPERTY BHD	8,841.1	49.8	n.a.	0.6	0.28
51	GENT MK Equity	GENTING BHD	8,625.3	53.2	n.a.	n.a.	n.a.
52	ABMB MK Equity	ALLIANCE BANK MALAYSIA BHD	8,218.6	60.2	n.a.	n.a.	n.a.
53	ECOSHOP MK Equity	ECO-SHOP MARKETING BHD	8,175.7	17.0	n.a.	n.a.	n.a.
54	BAK MK Equity	BATU KAWAN BHD	8,133.9	30.8	n.a.	n.a.	n.a.
55	KGRB MK Equity	KELINGTON GROUP BHD	7,923.5	68.7	n.a.	n.a.	n.a.
56	UWC MK Equity	UWC BHD	7,605.3	40.4	n.a.	n.a.	n.a.
57	SREIT MK Equity	SUNWAY REAL ESTATE INVESTMEN	7,534.6	52.3	n.a.	n.a.	n.a.
58	CHIN MK Equity	CHIN HIN GROUP BHD	7,394.2	30.8	n.a.	n.a.	n.a.
59	UNI MK Equity	UNISEM (M) BERHAD	7,270.4	24.6	n.a.	n.a.	n.a.
60	GREATEC MK Equity	GREATECH TECHNOLOGY BHD	6,789.3	28.2	n.a.	n.a.	n.a.
61	HAP MK Equity	HAP SENG CONSOLIDATED	6,821.7	25.8	n.a.	n.a.	n.a.
62	BURSA MK Equity	BURSA MALAYSIA BHD	6,838.6	73.8	n.a.	n.a.	n.a.
63	ECW MK Equity	ECO WORLD DEVELOPMENT GROUP	6,689.5	39.5	n.a.	n.a.	n.a.
64	GMB MK Equity	GAS MALAYSIA BHD	6,407.2	20.4	n.a.	n.a.	n.a.
65	PREIT MK Equity	PAVILION REAL ESTATE INVEST	6,565.5	41.4	n.a.	n.a.	n.a.
66	OSK MK Equity	O.S.K. HOLDINGS BHD	6,341.0	34.5	n.a.	n.a.	n.a.
67	YNS MK Equity	YINSON HOLDINGS BHD	5,903.2	54.0	n.a.	n.a.	n.a.
68	LPI MK Equity	LPI CAPITAL BERHAD	5,896.1	37.2	n.a.	n.a.	n.a.
69	SCI MK Equity	SCIENTEX BHD	5,789.4	33.2	n.a.	n.a.	n.a.
70	HLI MK Equity	HONG LEONG INDUSTRIES BHD	5,616.3	18.8	n.a.	n.a.	n.a.

Current KLCI constituents

Potential FBM50 inclusions

Source: Bloomberg, UOB Kay Hian

Dialog Group (DLG MK)

4QFY26: Downstream's Year; FY27 Sets The Stage For Upstream

Highlights

- **FY26 results were in line with our forecast, but beat market expectation.** Segment-wise, downstream contributed most of the FY26 earnings growth yoy as DLG reverted the segment to sustainable profits following after a legacy of loss-making EPCC projects in FY25. Midstream earnings were slightly lower yoy, as storage was already at peak-cycle earnings. Upstream did benefit from higher oil prices, but the quantum was smaller yoy due to equipment maintenance since 3QFY26, which had not fully restored production volumes to normal levels.
- **FY27 sets the stage for upstream's earnings redebut**. Assuming the US-Iran conflict prolongs, oil prices may remain high despite consensus expectation for oil prices to normalise towards US$70/bbl. Maintain BUY, with a target price of RM2.95.

4QFY26 Results

Year to 30 Jun (RMm)		% chg	% chg	(RMm)	% chg	Note: Vopak's accounts is Year to 31 Dec
Revenue	774.6	11.1	27.3	2,884.7	15.3	
- Malaysia	462.0	(1.8)	35.5	1,868.6	29.9	
- Overseas	312.5	38.2	16.9	1,016.1	(4.5)	
JV/associates	69.2	(6.5)	(25.7)	280.7	(4.2)	Storage is already at peak cycle earnings
Finance costs	(12.9)	(6.2)	2.7	(54.7)	12.0	
PBT	204.1	14.8	12.6	717.7	3,841.0	
- Malaysia	191.4	22.9	12.2	641.1	118.9	
- Overseas	12.7	(42.4)	18.6	76.6	(7.7)	4QFY26 EI*: RM2m forex gain, and a huge
PBT margin (%)	26.4%	0.9%	-3.5%	24.9%	9.9%	RM31.8m inventory write-down from Australia/
Tax	(36.5)	107.5	23.8	(92.9)	40.4	New Zealand region, to net realisable value. We
Net Profit	167.5	12.9	13.6	593.6	95.4	believe this inventory refers to land held for
Core Profit	189.6	29.0	50.5	632.7	38.7	Development (FY25: RM15.0m write-down)

** Exceptional Item (EI)*
Source: Dialog Group

Analysis

- **FY26 profit beat the Street's estimates but was in line with ours, comprising 104%/109% of ours/consensus forecasts.** A final interim DPS was proposed at RM0.03, bringing total FY26 DPS to RM0.047 (FY25:RM0.031). Downstream segment The downstream segment continued to lead the growth for both 4QFY26 and the full-year, generating sustained profits unlike FY25 when Dialog Group (DLG) was still executing the loss-making legacy EPCC projects. Based on DLG's guidance that downstream earnings mix reached 25% for both 4QFY26/FY26, we estimated that the segment's earnings likely tripled in size relative to FY25.

Key Financials

Year to 30 Jun (RMm)	2025	2026F	2027F	2028F	2029F
Net turnover	2,502	2,885	2,971	2,416	2,312
EBITDA	**546**	**857**	**933**	**950**	**939**
Operating profit	**216**	**509**	**525**	**512**	**471**
Net profit (rep./act.)	**300**	**593**	**658**	**676**	**300**
Net profit (adj.)	452	632	658	676	630
EPS (x)	7.2	10.0	10.4	10.7	10.0
PE (x)	12.3	15.9	15.9	14.4	13.9
P/B (x)	2.2	2.1	1.9	1.8	1.7
EV/EBITDA (x)	1.4	2.2	2.2	2.3	2.1
Dividend yield (%)	12.0	18.4	18.4	12.0	12.0
Net margin (%)	12.0	20.6	22.1	28.0	27.2
Net debt/(cash) to equity (%)	-	1.7	-	-	-
Consensus net profit	-	-	580	590	-
UOBKH/Consensus (x)	-	-	1.13	1.15	-

Source: Dialog Group, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM1.96
Target Price	RM2.95
Upside	+48.1%
~~Previous TP~~	-

Stock Data

Sector	Energy
Bloomberg ticker	DLG MK
Shares issued (m)	5,642.6
Market cap (RMm)	11,066.0
Market cap (US$m)	2,766.0
3-mth avg daily t'over (US$m)	7.4

Price Performance (%

52-week high/low				RM2.36/RM1.54
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(3.9)	(0.9)	9.5	4.8	16.7

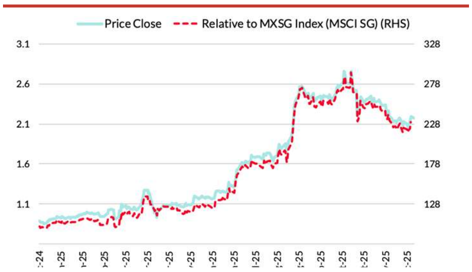
Major Shareholders (%)

Skim Amanah Saham Bumiputera	37.9
Yayasan Pelaburan Bumiputera	11.1

Balance Sheet Metrics

FY27 NAV/Share (RM)	RM1.01
FY27 Net Debt/Share (RM)	n.m.

Price Chart



Source: Bloomberg

Company Description

Dialog provides engineering, procurement, construction and commissioning (EPCC) services and plant maintenance services. The company also owns O&G tank terminals, while marketing specialty chemicals and equipment. Dialog has joint operatorship of 3 storage terminals with Royal Vopak (Vopak), which is the world's largest independent storage player. The terminals are Kertih, Pengerang Independent Terminals SB (PITSB), and Pengerang Terminals (Two) SB (PT2SB)

- **Midstream continued to operate at multi-cycle highs.** Similar to Vopak's reporting on its JV terminals, DLG's JV/associate income was largely driven by storage, which sustains at industry multi-cycle highs ie storage tank occupancy rates at over 94%, and monthly storage rates fixed at S$6.0-6.5/cbm. Hence, there is likely very little room to sustain profits above that level, despite the ongoing US-Iran conflict alongside the Hormuz blockage, which may benefit DLG especially on the ancillary income aspect. In regards to the qoq and yoy decline for that segment, management attributed this as normal fluctuations in the business.
- **Upstream: Benefitted from higher oil prices, though volumes not yet optimal.** According to US Energy Information Administration, Brent price averaged US$103/bbl in 2QFY26, vs US$81/bbl in 4QFY26 and below US$80/bbl in 2HFY25. We can observe how DLG's upstream business benefitted from higher oil prices via its Thailand onshore JV concession, which despite falling production volumes, recorded higher profits from RM4m in 2QFY26, to RM7m in 3QFY26, and subsequently RM8m in 4QFY26. However, upstream earnings quantum for FY26 was still lower yoy, mainly due to volume disruptions since a major local field maintenance was undertaken since 3QFY26. No other details were shared but we understand the maintenance remained ongoing throughout 4QFY26.
- **1HFY27 marks a new milestone for the group.** By end-1QFY27 (Sep 26), DLG's 25% stake in the Production Sharing Contract (PSC) Cendramas is expected to contributing to earnings. Cendramas was the legacy PM-304 PSC operated by Petrofac. Management's guidance at this stage is very limited, but it updated that the field's production rate had been stable. Hence, the only other reliable source is Petrofac's past disclosures on PM-304 PSC's financials (appended on the RHS) and adjusting for the stakes (but we assume for now all other cost bases are similar)
- **We believe DLG's initial earnings from Cendramas may be smaller than Petrofac's 2023**. Given various geopolitical developments, consensus is now expecting 2026/27 oil prices at US$82/bbl and US$70/bbl respectively. Assuming US$70/bbl, we doubt that DLG will repeat the losses Petrofac incurred in 2021, as East Cendor's first oil was in 2022 and production has since doubled. Conservatively, we expect lower earnings (RM0-40m p.a.) vs what Petrofac achieved in 2023, and comparatively smaller vs D35 PSC where DLG recognised a larger net entitlement volume vs Cendramas'.
- **DLG officially guides BJC startup in 2QFY27, aligning with our earlier reports** highlighting a potential early first gas startup (Oct/Nov 26) for the Baram Junior Cluster (BJC) PSC, vs DLG's initial guidance of 2027. We noted that DLG's capital commitments for upstream operations halved yoy from RM1.05b (FY25) to RM523m, coinciding with an increase in intangible assets by RM557m.

Valuation/Recommendation

- **Maintain BUY, with a target price of RM2.95.** This implies 27x FY27F PE and 22x EV/EBITDA. We believe DLG warrants the high EV/EBITDA, relative to its historical three-year average of 12-19x, given the near-term potential for its upstream earnings to surprise on the upside.

Earnings Revision/Risk

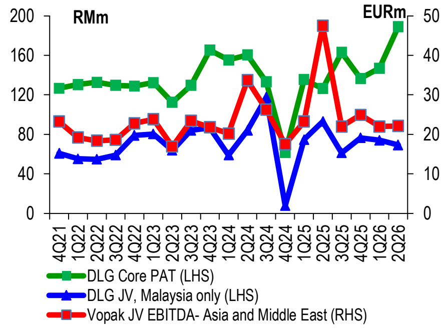
We keep our FY27/28 earnings estimates unchanged, and introduce our FY29 forecast. We largely retain our above-consensus forecasts, but we still leave room for upside surprise pending updates from the new PSC's startup,

Segmental Earnings Estimate*

Percentage (%), and RMm in amount	4QFY25	FY25	4QFY26	FY26
Group PATAMI, reported	147.4	440*	167.5	593.6
Upstream mix (%)	*25-30*	*30-35*	*20-25*	*25*
Upstream, RMm	29-38	132-154	34-42	149
Midstream mix (%)	*55-60*	*55-60*	*45-50*	*50*
Midstream, RMm	81-89	242-264	76-84	298
Downstream mix (%)	*10-15*	*5-10*	*25-30*	*25*
Downstream, RMm	15-22	22-44	42-54	149

** The range of percentages constitutes management guidance; RMm amount is our estimates. FY25 group PATAMI adds back RM91m Malic Acid write-off, RM44m loss (Dialog-Jiyou)*
Source: Dialog, UOB Kay Hian

Vopak's MENA* JV Terminals EBITDA Generation vs DLG



**Middle East and North Asia (MENA)*
Source: UOB Kay Hian

Petrofac Integrated Energy Services (IES) Data

FYE Dec, US$m	2021	2022	2023
Net production , kboe	640	1,261	1,260
Net production rate, kboepd	1.8	3.5	3.5
Realised oil price, US$/bbl	75	112	93
Revenue	50	137	121
EBITDA..	21	109	.90
EBIT, normalised	(6)	58	34
Net profit, normalised	(5)	53	23
Net book value	84.	86	73
Net lease liabilities	59	52	38

Note: PM304 PSC stakeholders: Petrofac (35.3%), Petronas Carigali (35.3%), KUFPEC (29.4%); expires in 23 Sep 2026.
Note: Jump in 2022 revenue due to East Cendor's first oil in 2021.
Source: Petrofac Annual Reports

Environmental, Social, Governance Updates (ESG)

Environmental

-Carbon (CO2) emission reduction. Although greenhouse gas emissions increased in FY21, DLG is installing solar power generation assets to offset this.
-Safety (HSE). 0.02 Lost Time Injury (LTI) frequency in FY25 (FY24: 0.03).

Social

-Diversity. 27-30% female representation in the management team.

Governance

Achieved 3.5 rating (FTSE4Good) and 20.7 Ratings/ Medium ESG Risk rating by Sustainalytics

Profit & loss

Year to 30 Jun (RMm)	2026	2027F	2028F	2029F
Net turnover	**2,885**	**2,971**	**2,416**	**2,312**
EBITDA	896	933	950	939
Deprec. & amort.	349	408	438	468
EBIT	548	525	512	471
Total other non-op. income	(595)	(685)	(629)	(626)
Associate contributions	281	292	328	328
Net interest income/(expense)	(55)	(30)	(33)	(37)
Pre-tax profit	**718**	**787**	**806**	**762**
Tax	(93)	(102)	(104)	(99)
Minorities	(31)	(27)	(27)	(33)
Net profit	**593**	**658**	**675**	**630**
Net profit (adj.)	632	658	675	630

Balance Sheet

Year to 30 Jun (RMm)	2026	2027F	2028F	2029F
Fixed assets	2,714	3,161	3,393	3,625
Other LT assets	2,453	2,753	3,081	3,409
Cash/ST investment	1,837	2,205	2,389	2,699
Other current assets	751	774	629	602
Total assets	**9,502**	**10,260**	**10,839**	**11,681**
ST debt	32	276	387	628
Other current liabilities	999	1,037	751	716
LT debt	1,818	1,425	1,604	1,796
Other LT liabilities	27	27	27	27
Shareholders' equity	5,982	6,363	6,755	7,119
Minority interest	521	496	607	607
Total liabilities & equity	**9,502**	**10,260**	**10,839**	**11,681**

Cash flow

Year to 30 Jun (RMm)	2026	2027F	2028F	2029F
Operating	**1,036**	**1,375**	**1,228**	**1,340**
Pre-tax profit	718	787	806	762
Tax	(85)	(102)	(104)	(99)
Deprec. & amort.	349	408	438	468
Associates	281	292	328	328
Working capital changes	(177)	74	(122)	(5)
Non-cash items	232	207	210	214
Other operating cashflows				
Investing	**1,036**	**1,375**	**1,228**	**1,340**
Capex (growth)	(859)	(250)	(250)	(250)
Investment				
Proceeds from sale of assets	(101)	(300)	(328)	(328)
Others				
Financing	**88**	**(206)**	**(217)**	**(202)**
Dividend payments	312	(426)	(434)	(415)
Proceeds from borrowings	(127)	250	250	250
Loan repayment	(97)	(30)	(33)	(37)
Others/interest paid				
Net cash inflow (outflow)	**185**	**369**	**184**	**311**
Beginning cash & cash equivalent	**1,669**	**1,836**	**2,205**	**2,389**
Changes due to forex impact	(17)	0	0	0
Ending cash & cash equivalent	**1,837**	**2,205**	**2,389**	**2,699**

Key Metric

Year to 30 Jun (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	31.1	31.4	39.3	40.6
Pre-tax margin	24.9	26.5	33.4	32.9
Net margin	15.1	15.0	14.7	13.2
ROA	8.7	9.1	9.0	8.0
ROE	15.1	15.0	14.7	13.2
Growth (% yoy)				
Turnover	15.3	3.0	(18.7)	(4.3)
EBITDA	64.2	4.1	1.8	(1.2)
Pre-tax profit	92.9	9.7	2.5	(5.6)
Net profit	39.9	4.0	2.7	(6.8)
Net profit (adj.)	39.9	4.0	2.7	(6.8)
EPS	39.9	4.0	2.7	(6.8)
Leverage				
Debt to total capital	29.9	30.0	31.5	33.6
Debt to equity	32.5	32.4	34.3	36.5
Net debt/(cash) to equity	1.7	-	-	-
Interest cover (x)	16.4	31.5	28.7	25.3

Genting Malaysia (GENM MK)

2Q26: RWNYC Gaining Momentum, Better 2H26 Ahead

Highlights

- 2Q26 results came in within expectations, lifted mainly by US operations as RWNYC fully transitioned into a commercial casino and is expected to further enhance earnings in 2H26 as operations reach better efficiency.
- Operations in RWG and UK were flattish, with lower visitations due to ongoing Middle East tensions.
- Maintain BUY with an unchanged target price of RM2.36. RWNYC's stronger earnings delivery provides visible upside towards 2H26-2027 earnings.

2Q26 Results

Year to 31 Dec (RMm)	2Q26	qoq % chg	yoy % chg	1H26	yoy % chg	Remarks
Revenue	**3853.3**	**34.4**	**32.0**	**6720.2**	**8.9**	Improved yoy on higher RWNYC and Empire's consolidation
Adjusted EBITDA	**899.1**	**37.8**	**12.5**	**1551.6**	**0.7**	
Leisure – Malaysia	615.0	20.1	1.4	1127.1	2.2	Surged yoy due to better operating cost management, despite lower visitations
Leisure – UK	68.8	35.2	(2.0)	119.7	8.1	Impacted by geopolitical tensions in the Middle East, and higher payroll costs
Leisure – US	216.6	169.1	82.9	297.1	(10.9)	Lifted by RWNYC's commercial casino commencement
Others	(56.4)	(4800.0)	(124.0)	(55.2)	(3780.8)	
Pretax profit	**143.8**	**233.6**	**(71.4)**	**186.9**	**102.4**	
Net Profit	47.4	(1347.4)	(88.6)	43.6	200.5	
Core net Profit	**178.8**	**455.3**	**(11.9)**	**211.0**	**(12.8)**	Deducting exceptional items
Margins (%)		**+/- ppt**	**+/- ppt**		**+/- ppt**	
Core adjusted EBITDA	23.3	0.6	(4.1)	23.1	(2.0)	
Core net profit	4.6	3.5	(2.3)	3.1	(1.2)	

Source: GENM, UOB Kay Hian

Analysis

- **2Q26: Within expectations.** Genting Malaysia (GENM) reported higher core adjusted EBITDA of RM899m (+13% yoy, +38% qoq) in 2Q26. 1H26 EBITDA was within expectations, making up 51% and 52% of our and consensus full-year forecasts respectively.
- **RWG charted flattish earnings, with better cost management offsetting weaker visitations.** Resorts World Genting's (RWG) revenue dropped 1% yoy, while EBITDA improved 1% yoy. On gaming statistics, non-VIP wins (-3% yoy) and VIP wins (+2% yoy) were mixed, with overall weaker visitations due to fewer holidays and moderating travel demand (hilltop visitors -6% yoy). Nevertheless, better operating cost management resulted in a slight EBITDA improvement of 1% and EBITDA margin uptick of 0.8ppt yoy.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	10,911.8	11,884.3	12,201.6	12,882.2	13,281.3
EBITDA	2,550.2	3,297.6	3,024.4	3,298.0	3,471.8
Operating profit	1,309.9	1,983.1	1,657.8	1,944.2	2,145.2
Net profit (rep./act.)	(108.9)	754.8	511.6	699.5	825.6
Net profit (adj.)	290.0	566.9	511.6	699.5	825.6
EPS	4.9	9.6	8.6	11.8	13.9
PE (x)	40.5	20.7	23.0	16.8	14.2
P/B (x)	1.0	0.9	0.9	0.8	0.8
EV/EBITDA (x)	7.7	6.3	7.0	6.5	6.3
Dividend yield (%)	5.0	3.5	3.5	4.0	5.0
Net margin (%)	(1.0)	6.4	4.2	5.4	6.2
Net debt/(cash) to equity(%)	73.0	73.2	74.2	75.4	75.2
ROE (%)	(0.7)	4.8	3.2	4.3	5.0
Consensus net profit	n.a	n.a	687.2	819.9	897.3
UOBKH/Consensus (x)	n.a	n.a	0.7	0.8	0.9

Source: Genting Malaysia, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM1.73
Target Price	RM2.36
Upside	36%

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	GENM MK
Shares issued (m)	5,667.7
Market cap (RMm)	11,165.4
Market cap (US$m)	2,817.8
3-mth avg daily t'over (US$m)	1.4

Price Performance (%)

52-week high/low RM2.40/RM1.70

1mth	3mth	6mth	1yr	YTD
8.2	0.0	(16.2)	16.6	(3.4)

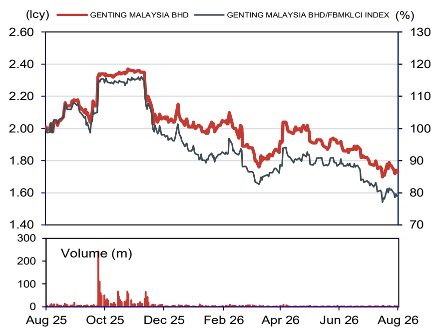
Major Shareholders (%)

Genting Bhd	73.9
UBS AG	1.0
Vanguard Group	1.0

Balance Sheet Metrics

FY26 NAV/Share (RM)	2.3
FY26 Net Debt/Share (RM)	1.7

Price Chart



Source: Bloomberg

Company Description

Casino, resort and theme park operator.

- **For RWG's non-gaming operations,** Genting SkyWorlds theme park ticket attendance declined 29% yoy as ticket prices normalised from 2Q25's lower levels. Recall that 2Q25 ticket prices were discounted in tandem with Genting Group's 60th Anniversary and attracted more crowds. Meanwhile, hotel occupancy rate was also slightly lower yoy at 97% (2Q25: 98%).
- **US operations: EBITDA surged qoq and yoy on higher costs.** GENM's US operations − comprising Resorts World New York City (RWNYC), Bimini (Bahamas) and Empire Resorts − delivered an EBITDA of RM217m (+83% yoy, +169% qoq) with higher revenue of RM1.53b (+166% yoy, +121% qoq). The much stronger EBITDA mainly reflects higher contribution from RWNYC following the commencement of its commercial casino operations.
- **UK and Egypt operations: Flattish yoy earnings despite new acquisition, dragged by Middle East tensions and Ramadan.** EBITDA dropped 2% yoy in tandem with slightly lower revenue (-1% yoy) despite being cushioned by the newly-acquired Genting Casino Stratford (formerly known as Aspers Stratford) in Apr 25. The slight earnings decline was mainly due to softer visitations and VIP gaming volume due to the ongoing Middle East tensions, as well as higher payroll costs from the increase in minimum wages. These headwinds were offset by the strengthening of the ringgit against the British pound.
- **RWNYC officially became the first full-fledged casino in downstate New York.** RWNYC officially opened its 242 live table games floor and another 2,507 commercial casino slots floor on 28 April. This marks the first component of RWNYC's US$5.5b investment, with a progressive ramp-up to 400 tables and 4,000 commercial slot machines by end-26. For 2H26, we expect gaming volume to improve in stages as more capacity is added. Slots GGR will also improve on a lower tax rate of 56% (from 68%). This will allow RWNYC's GGR and EBITDA to surge by US$603m and over US$106m respectively annually upon maturity. Note that the other two approved commercial casino developments in New York City are not expected to open before 2030.

Valuation/Recommendation

- **No changes to our earnings forecast.**
- **Maintain BUY with an SOTP-based target price of RM2.36**. Our target price implies 7.3x 2026 EV/EBITDA (-1SD below historical mean).

Environment, Social, Governance (ESG) Updates

Environmental

- 1,180 tonnes of recyclable waste collected globally in 2020, 0.433m mt of carbon dioxide reduction for carbon footprint.

Social

- Provided jobs for over 14,000 employees globally.
- Over RM8m worth of community investments.

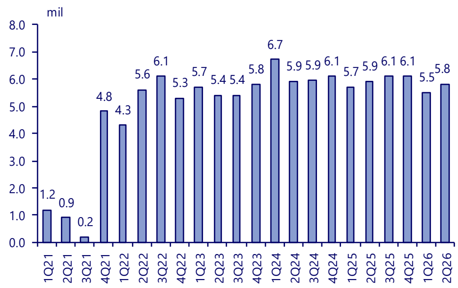
Governance

- Comprehended and applied Malaysian Code on Corporate Governance (MCCG).

EV/Ebitda

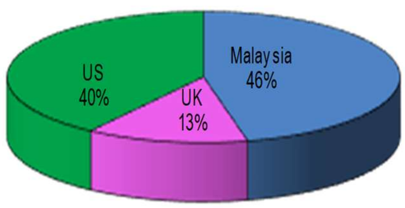
Source: UOB Kay Hian

Genting Highlands' Visitor Arrivals



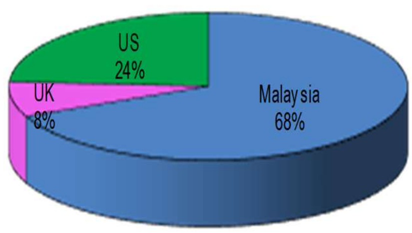
Source: GENM, UOB Kay Hian

Revenue By Country (2Q26)



Source: GENM, UOB Kay Hian

EBITDA By Country (2Q26)



Source: GENM, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**11,884**	**12,202**	**12,882**	**13,281**
EBITDA	3,298	3,024	3,298	3,472
Deprec. & amort.	1,314	1,367	1,354	1,327
EBIT	1,983	1,658	1,944	2,145
Associate contributions	0	0	0	0
Net interest income/(expense)	(837)	(1,030)	(1,040)	(1,056)
Pre-tax profit	**985**	**628**	**904**	**1,089**
Tax	(314)	(200)	(288)	(347)
Minorities	84	84	84	84
Preferred dividends	**755**	**512**	**699**	**826**
Net profit	567	512	699	826
Net profit (adj.)	**11,884**	**12,202**	**12,882**	**13,281**

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	16,338	16,371	16,217	15,891
Other LT assets	8,324	8,324	8,324	8,324
Cash/ST investment	2,847	2,544	2,093	1,813
Other current assets	2,016	2,047	2,093	2,120
Total assets	**31,388**	**31,333**	**31,359**	**31,863**
ST debt	1,440	1,440	1,440	1,440
Other current liabilities	3,283	3,500	3,649	3,732
LT debt	11,288	11,288	11,288	11,288
Other LT liabilities	2,760	2,260	1,760	1,760
Shareholders' equity	13,497	13,725	14,101	14,523
Minority interest	(880)	(880)	(880)	(880)
Total liabilities & equity	**31,388**	**31,333**	**31,359**	**31,863**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**2,029**	**1,980**	**2,072**	**2,124**
Pre-tax profit	985	628	904	1,089
Tax	(314)	(200)	(288)	(347)
Deprec. & amort.	1,167	1,367	1,354	1,327
Associates	(164)	0	0	0
Working capital changes	(244)	186	103	56
Other operating cashflows	599	0	0	0
Investing	**(1,483)**	**(1,400)**	**(1,200)**	**(1,000)**
Capex (growth)	(908)	(1,400)	(1,200)	(1,000)
Investments	(164)	0	0	0
Proceeds from sale of assets	89	0	0	0
Others	(501)	0	0	0
Financing	**(1,130)**	**(883)**	**(1,324)**	**(1,404)**
Dividend payments	(227)	(283)	(324)	(404)
Issue of shares	0	0	0	0
Proceeds from borrowings	289	0	0	0
Loan repayment	(372)	(600)	(1,000)	(1,000)
Others/interest paid	(820)	0	0	0
Net cash inflow (outflow)	**(584)**	**(303)**	**(451)**	**(280)**
Beginning cash & cash equivalent	**3,537**	**2,847**	**2,544**	**2,093**
Changes due to forex impact	(105)	0	0	0
Ending cash & cash equivalent	**2,847**	**2,544**	**2,093**	**1,813**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	27.8	24.8	25.6	26.1
Pre-tax margin	8.3	5.2	7.0	8.2
Net margin	6.4	4.2	5.4	6.2
ROA	2.4	1.6	2.2	2.6
ROE	4.8	3.2	4.3	5.0
Growth				
Turnover	8.9	2.7	5.6	3.1
EBITDA	13.3	(8.3)	9.0	5.3
Pre-tax profit	18.7	(16.4)	17.3	10.3
Net profit	32.1	(45.2)	43.9	20.5
Net profit (adj.)	44.9	(44.1)	36.7	18.0
EPS	44.9	(44.1)	36.7	18.0
Leverage				
Debt to total capital	100.9	99.1	96.3	93.3
Debt to equity	94.3	92.7	90.3	87.6
Net debt/(cash) to equity	73.2	74.2	75.4	75.2

Pecca Group (PECCA MK)

FY26: Below Expectations; Wait For A Clearer Earnings Inflection Point

Highlights

- Pecca's FY26 core net profit of RM51.8m (-9% yoy) was below expectations due to a weaker-than-expected margin following higher input costs.
- The group's foray into export sales and the aviation business progressed more slowly than we expected, and earnings are expected to take time to fully ramp up.
- Downgrade to HOLD with a lower target price of RM1.42, based on 16x 2027F PE.

FY26 Results

Year to 30 Jun (RMm)	4QFY26	4QFY25	qoq%	Yoy%	FY26	yoy%
Revenue	51.6	52.8	15.2	(2.4)	222.0	(1.1)
OEM	41.0	42.7	22.7	(4.0)	179.3	(3.1)
REM	2.1	2.0	12.0	6.2	8.2	6.8
Others	3.3	3.8	(0.2)	(13.7)	15.2	(18.4)
PT Gemilang	3.1	1.7	37.7	77.0	8.9	125.9
Aviation	0.7	1.1	(7.5)	(36.3)	2.8	75.3
EBIT	13.6	16.9	9.6	(19.3)	65.6	(9.3)
Net Profit	10.8	13.4	6.9	(18.5)	51.8	(9.1)
Margin						
EBIT	26.4	31.9	(1.3)	(5.5)	29.5	(2.7)
Net Profit	21.2	25.4	(1.6)	(4.2)	23.3	(2.1)

Source: Pecca, UOB Kay Hian

Analysis

- **Below expectations.** Pecca Group's (Pecca) FY26 core net profit of RM51.8m (-9.1% yoy) came in below our expectation, accounting for 92%/90% of our and consensus estimates. The negative variance was due to weaker-than-expected margins in 4QFY26 which we believe was attributable to higher input costs and an unfavourable sales mix.
- **Earnings decline due to margin contraction.** 4QFY26 earnings slipped 18.5% yoy to RM10.8m, mainly due to lower margins from an unfavourable sales mix amid the decline in high-margin OEM sales (-4% yoy) as well as higher depreciation costs. On a quarterly basis, earnings recovered from a low base as 3QFY26 was impacted by a seasonal slowdown in sales to key clients due to the festive season.

Key Financials

Year to 30 Jun (RMm)	FY25	FY26	FY27F	FY28F	FY29F
Net turnover	224.5	222.0	251.6	278.9	294.0
EBITDA	77.6	72.4	86.0	98.1	101.5
Operating profit	71.8	65.6	79.0	90.2	94.1
Net profit (rep./act.)	57.1	51.8	61.1	70.7	74.1
Net profit (adj.)	57.1	51.8	61.1	70.7	74.1
EPS	7.9	7.2	8.6	9.8	10.2
PE (x)	16.6	18.5	15.4	13.5	12.9
P/B (x)	4.6	4.4	4.2	3.9	3.7
EV/EBITDA (x)	13.8	14.8	12.4	10.7	10.1
Dividend yield (%)	3.8	4.5	4.5	5.3	5.7
Net margin (%)	25.4	23.4	24.3	25.4	25.2
Net debt/(cash) to equity (%)	(47.7)	(47.5)	(48.8)	(51.9)	(55.0)
Interest cover (x)	N/A	N/A	N/A	N/A	N/A
ROE (%)	27.4	24.0	27.6	29.1	28.4
Consensus net profit	n.a	n.a	65.5	75.2	n.a
UOBKH/Consensus (x)	n.a	n.a	0.95	0.94	-

Source: Pecca, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Downgraded)

Share Price	RM1.32
Target Price	RM1.42
Upside	7.6%
Previous TP	RM1.66

Stock Data

Sector	Autoparts
Bloomberg ticker	PECCA MK
Shares issued (m)	752
Market cap (RMm)	992.6
Market cap (US$m)	245.4
3-mth avg daily t'over (US$m)	0.1

Price Performance (%)

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

1mth	3mth	6mth	1yr	YTD
(0.7)	(10.8)	(21.4)	(14.3)	(21.4)

Major Shareholders (%)

MRZ Leather Holdings Sdn Bhd	51.1
Sam Yin Thing	7.3

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.3
FY26 Net Debt/Share (RM)	

Company Description

A leading provider of leather upholstery and interior products, serving automotive and aviation industries with a strong focus on high margin segments and global expansion.

- Pecca declared a fourth dividend interim dividend of 1.5 sen, which brings FY26 DPS to 6 sen (FY25: 5 sen).
- **Gemilang delivered strong growth.** On a positive note, earnings contribution from Gemilang rose 77% yoy to RM3.1m in 4QFY26, driven by higher orders from OEM customers. The strong performance reflects the group's successful efforts to replicate its OEM business model in Indonesia, underpinned by new orders secured from key automotive clients.
- **Export sales and aviation ventures remain slower to ramp up.** Pecca's foray into export sales and the aviation business progressed more slowly than expected, with both segments delivering broadly flattish earnings in 2HFY26, vs our initial expectation of double-digit revenue growth. This was mainly due to slower order replenishment from key clients, while earnings contributions from newly secured contracts are expected to take time to materialise. Nonetheless, we remain positive on the longer-term prospects of these ventures, as Pecca continues to secure new orders and broaden its customer base. We expect earnings contributions to build progressively over time.
- **Perodua remains the key earnings contributor.** We continue to expect earnings to recover in FY27, primarily supported by an improvement in Perodua's vehicle sales throughout the year. We believe this will be underpinned by the automaker's recent pricing strategy, including price reductions for the Perodua Axia and its EV model, while sales momentum for its other models should remain resilient.

Valuation/Recommendation

- **Downgrade to HOLD with a lower target price of RM1.42 (previously RM1.66).** We lower our target price to RM1.42, pegged to a lower 16x 2027F PE multiple (previously 17x), following our downward revision to earnings forecasts.
- **Wait for a clearer earnings inflection point.** We believe Pecca is currently fairly valued, trading at 15.4x FY27F earnings, close to its five-year average PE of 15x. While we remain positive on the group's expansion into export sales, aviation and seat assembly, which should provide longer-term earnings growth, we believe these ventures will take time to fully ramp up. Hence, we advise investors to wait for a clearer earnings inflection point before turning more constructive on the stock.

Earnings Revision/Risk

- **We trim our FY27/28 earnings forecasts by 7%/10% respectively,** as we reduce our earnings assumptions for export sales and the aviation business due to slower-than-expected earnings ramp-up.

Key Assumption

Segmental Revenue (RMm)	FY26	FY27F	FY28F
OEM	179.3	196.9	215.2
REM	8.2	12.0	15.0
PT Gemilang	8.9	12.5	14.0
Aviation	2.8	5	10
Total Revenue	222.0	251.6	278.9

Source: Pecca, UOB Kay Hian

Environmental, Social and Governance (ESG)

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 Jun (RMm)	FY26	FY27F	FY28F	FY29F
Net turnover	**222.0**	**251.6**	**278.9**	**294.0**
EBITDA	72.4	85.0	98.1	101.5
Deprec. & amort.	(6.8)	(7.0)	(7.9)	(7.4)
EBIT	65.6	78.0	90.2	94.1
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	3.0	2.7	2.9	3.4
Pre-tax profit	**68.5**	**81.7**	**93.1**	**97.4**
Tax	(16.7)	(19.6)	(22.3)	(23.4)
Minorities	0.0	0.0	0.0	0.0
Net profit	**51.8**	**61.1**	**70.7**	**74.1**
Net profit (adj.)	51.8	61.1	70.7	74.1

Balance Sheet

Year to 30 Jun (RMm)	FY26	FY27F	FY28F	FY29F
Fixed assets	85.4	88.4	85.5	83.0
Other LT assets	0.6	0.6	0.6	0.6
Cash/ST investment	116.9	124.1	140.4	157.6
Other current assets	53.3	61.4	67.6	71.2
Total assets	**256.2**	**274.6**	**294.0**	**312.4**
ST debt	2.3	2.3	2.3	2.3
Other current liabilities	18.0	20.1	21.6	22.6
LT debt	11.9	11.9	11.9	11.9
Other LT liabilities	7.5	14.6	14.6	14.6
Shareholders' equity	216.1	225.3	243.1	260.6
Minority interest	0.5	0.5	0.5	0.5
Total liabilities & equity	**256.2**	**274.6**	**294.0**	**312.4**

Cash Flow

Year to 30 Jun (RMm)	FY26	FY27F	FY28F	FY29F
Operating	**50.7**	**62.5**	**74.1**	**78.9**
Pre-tax profit	68.5	81.7	93.1	97.4
Tax	(16.7)	(19.6)	(22.3)	(23.4)
Deprec. & amort.	6.8	7.0	7.9	7.4
Working capital changes	(7.9)	(6.6)	(4.6)	(2.6)
Other operating cashflows				
Investing	**(0.9)**	**(6.5)**	**(1.3)**	**(0.8)**
Capex (maintenance)	(4.5)	(10.0)	(5.0)	(5.0)
Investments	3.5	3.5	3.7	4.2
Proceeds from sale of assets	0.1	0.0	0.0	0.0
Others				
Financing	**(38.1)**	**(46.1)**	**(53.7)**	**(56.6)**
Dividend payments	(45.1)	(45.3)	(52.9)	(56.6)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	7.8	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(0.8)	(0.8)	(0.8)	0.0
Net cash inflow (outflow)	**11.6**	**9.9**	**19.1**	**21.4**
Beginning cash & cash equivalent	**104.9**	**116.9**	**124.1**	**140.4**
Changes due to forex impact				
Ending cash & cash equivalent	**116.9**	**124.1**	**140.3**	**157.6**

Key Metric

Year to 30 Jun (%)	FY26	FY27F	FY28F	FY29F
Profitability				
EBITDA margin	32.6	33.7	35.2	34.5
Pre-tax margin	30.9	32.4	33.4	33.1
Net margin	23.4	24.3	25.4	25.2
ROA	20.2	22.6	24.1	23.7
ROE	24.0	27.6	29.1	28.4
Growth				
Turnover	(1.1)	13.4	10.8	5.4
EBITDA	(6.7)	18.8	14.0	3.5
Pre-tax profit	(9.3)	19.2	13.9	4.7
Net profit	(9.2)	19.8	13.9	4.7
Net profit (adj.)	(9.2)	19.8	13.9	4.7
EPS	(9.2)	19.8	13.9	4.7
Leverage				
Debt to total capital	5.5	5.2	4.8	4.5
Debt to equity	6.6	6.3	5.8	5.4
Net debt/(cash) to equity	(47.5)	(48.8)	(51.9)	(55.0)
Interest cover	N/A	N/A	N/A	N/A

Telekom Malaysia (T MK)

2Q26: In Line; Underlying Net Profit Rises 5% yoy Given Revenue Flow Through

Highlights

- 2Q26 core net profit (excluding Prihatin employee separation cost and forex losses) rose 5% yoy but fell 7% qoq to RM406m. The sequential earnings weakness was due to high content cost for the FIFA World Cup, booked in Jun 26.
- 1H26 core net profit of RM843m is in line with expectations.
- Maintain HOLD with a DCF-based target price of RM7.50.

2Q26 Results

Year to 31 Dec (RMm)	2Q26	qoq%	yoy%	1H26	yoy%
Turnover	**2,960.4**	**0.9**	**6.8**	**5,895.1**	**4.8**
COGS	(1,925.6)	(3.6)	12.1	(3,924.1)	11.6
EBITDA	1,068.6	11.5	(6.0)	2,026.9	(8.9)
Pre-Tax Profit	499.0	18.3	(11.1)	920.7	(16.0)
Tax	(133.8)	30.3	(16.2)	(236.5)	(18.7)
Reported Net Profit	365.5	13.7	(9.3)	687.0	(14.6)
Core Net profit	**406.4**	**(6.9)**	**4.6**	**842.7**	**7.0**
		+/- ppt	**+/- ppt**		**+/- ppt**
EBITDA Margin (%)	37.3	(0.6)	(4.0)	40.3	0.9
Core Net Margin (%)	13.7%	(1.1)	(0.3)	14.3	0.3

Source: TM, UOB Kay Hian

Analysis

- **1H26 results within expectations.** Telekom Malaysia's (TM) 2Q26 core net profit (excluding Prihatin employee separation cost and forex losses) rose 5% yoy but fell 7% qoq to RM406m. The sequential earnings weakness was due to high content cost for the FIFA World Cup, booked in Jun 26. Another portion of the content cost will be booked in Jul 26. 1H26 core net profit of RM843m (+7% yoy) is in line with house and street's expectations.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	11,712.4	11,872.0	13,007.7	13,502.8	13,944.0
EBITDA	4,474.0	4,204.3	4,426.5	4,793.9	4,858.1
Operating profit	2,324.6	2,025.6	2,226.6	2,557.1	2,644.6
Net profit (rep./act.)	2,016.9	1,713.0	1,669.0	1,923.8	1,928.3
Net profit (adj.)	1,584.5	1,749.7	1,669.0	1,923.8	1,928.3
EPS	41.3	45.6	43.5	50.1	50.2
PE (x)	19.6	17.8	18.6	16.2	16.1
P/B (x)	3.1	2.9	2.8	2.7	2.6
EV/EBITDA (x)	7.1	7.3	6.9	6.3	6.1
Dividend yield (%)	3.8	3.8	4.0	4.6	4.7
Net margin (%)	13.5	14.7	12.8	14.2	13.8
Net debt/(cash) to equity (%)	3.9	(5.3)	(6.3)	(8.2)	(13.8)
Interest cover (x)	5.4	4.7	10.0	10.8	10.0
ROE (%)	15.7	16.5	15.2	16.7	16.1
Consensus net profit			1,696.0	1,885.0	2,001.0
UOBKH/Consensus (x)			1.0	1.0	1.0

Source: TM, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	RM8.10
Target Price	RM7.50
Upside	-7.4%

Stock Data

Sector	Communication Services
Bloomberg ticker	T MK
Shares issued (m)	3,837.7
Market cap (RMm)	31,085.7
Market cap (US$m)	7,685.3
3-mth avg daily t'over (US$m)	7.3

Price Performance (%)

52-week high/low RM8.30/RM6.80

1mth	3mth	6mth	1yr	YTD
5.3	9.0	3.4	12.3	0.6

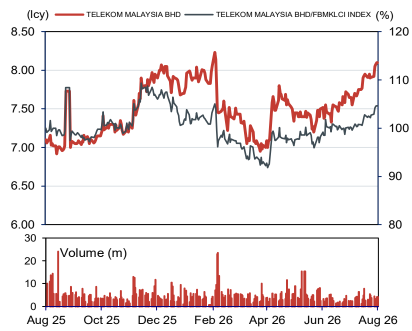
Major Shareholders (%)

Employees Provident Fund	24.5
Khazanah Nasional Bhd	20.1
Kumpulan Wang Persaraan	10.1

Balance Sheet Metrics

FY26F NAV/Share (RM)	2.8
FY26F Net Cash/Share (RM)	0.1

Price Chart



Source: Bloomberg

Company Description

Fixed line operator that provides services including fixed voice, mobile, fixed broadband, and leasing of fibre optics. It also provides ICT solutions to corporates/SMEs.

- **Higher second quarter dividend.** Following its dividend payout policy revision in Apr 26 (minimum 75% payout of reported PATAMI), the group declared a higher second interim dividend of 7.0 sen/share (1Q26: 6.5 sen/share). This brings 1H26 net DPS to 13.5 sen/share, reflecting a 75% dividend payout from 1H26 reported net profit. We expect TM to pay out a total of 32.6 sen net DPS (based on 75% dividend payout), translating to a net dividend yield of 4%.
- **Unifi's 2Q26 revenue improved by 5% yoy to RM 1,450m** (flat qoq), driven by healthy take-up of convergence offerings and stable 3.23m subscribers. TM saw close to 400,000 UniFi TV app downloads supported by FIFA World Cup 2026 broadcasting. ARPU rose 5% yoy to RM132/month (stable qoq).
- **TM One: Nascent growth trajectory – positive near-term outlook.** Revenue rose 3% yoy and qoq to RM693m, driven by government segment contract wins and renewal across cloud, contact centre outsourcing, smart service and cybersecurity. This momentum is expected to pick up in 2H26, driven by the execution of several major projects currently in the pipeline.
- **TM Global's underlying demand remained robust,** with revenue of RM778m (+12% yoy; flat qoq). Key drivers include demand for data centres, international data and 5G backhaul services. Iskandar Puteri Data Centre (IPDC) Block 2 has been fully taken up, while the successful landing of the Asia Link Cable in Sedili, Johor, adds another strategic route to TM's international connectivity. TM-Nxera will be ready by 3Q26, with 70% of capacity taken up and works are in the pipeline for Phase 2.

2Q26 Segmental Revenue Breakdown

Year to 31 Dec (RMm)	2Q26	qoq%	yoy%	1H26	yoy%
Unifi	1,450.2	(0.5)	5.3	2,907.4	5.2
TM One	693.0	3.2	3.3	1,364.5	1.9
TM Global	778.0	0.2	12.0	1,554.6	6.8
Others	39.2	33.3	31.1	68.6	4.9

Source: TM, UOB Kay Hian

Valuation/Recommendation

- **Maintain HOLD with a DCF-based target price of RM7.50.** Our target price has factored in a 64MW JV DC with Singapore Telecommunications. The DC will be a four-storey building and is expected to be operational in 2026. A blue-sky scenario (200MW DC) implies a fair value of RM8.30.

Earnings Revision/Risk

- No changes to earnings.

Environment, Social, Governance (ESG) Updates

Environmental

- Achieved 34% carbon emission reduction from 2019 baseline in 2025 through managing direct emissions, reducing energy-related emissions and adopting renewable energy generation (20% of total electricity consumption).

Social

- Contributed nearly RM17.6m (through Yayasan TM and partnerships) to provide humanitarian relief efforts nationwide, assisting over 130,220 people from the affected communities.

Governance

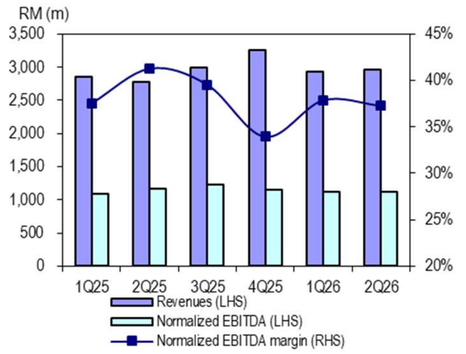
- Integrity screening of new vendors' background through MACC's Integrity Screening E-System.

Performance Guidance For 2026

	FY 2025	FY 2026 Guidance
Revenue Growth	+1.4%	Low single-digit increase
EBIT	RM2.026bil *Underlying EBIT: RM2.470bil	Similar level to 2025
Capex/Revenue	16.1%	18%-20%

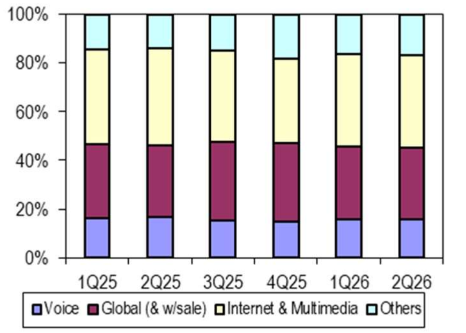
Source: TM

Revenue And EBITDA Margin



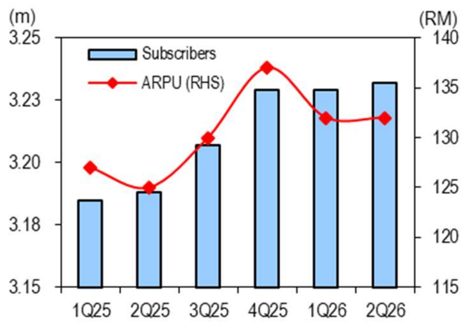
Source: TM, UOB Kay Hian

Revenue By Segment



Source: TM, UOB Kay Hian

Unifi Subscriber And ARPU



Source: TM, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**11,872**	**13,008**	**13,503**	**13,944**
EBITDA	4,204	4,426	4,794	4,858
Deprec. & amort.	2,179	2,200	2,237	2,214
EBIT	2,026	2,227	2,557	2,645
Associate contributions	4	4	4	4
Net interest income/(expense)	(229)	(88)	(83)	(66)
Pre-tax profit	**2,126**	**2,143**	**2,478**	**2,583**
Tax	(392)	(450)	(520)	(620)
Minorities	(21)	(24)	(34)	(35)
Net profit	**1,713**	**1,669**	**1,924**	**1,928**
Net profit (adj.)	1,750	1,669	1,924	1,928

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	11,408	11,549	11,743	11,621
Other LT assets	2,847	2,851	2,856	2,860
Cash/ST investment	2,623	2,239	2,544	3,293
Other current assets	3,582	4,002	4,118	4,221
Total assets	**20,459**	**20,641**	**21,260**	**21,995**
ST debt	511	526	542	558
Other current liabilities	5,220	5,472	5,529	5,699
LT debt	1,551	1,025	1,055	1,087
Other LT liabilities	2,416	2,416	2,416	2,416
Shareholders' equity	10,587	11,004	11,485	11,967
Minority interest	174	198	232	267
Total liabilities & equity	**20,459**	**20,641**	**21,260**	**21,995**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**3,519**	**3,720**	**4,132**	**4,239**
Pre-tax profit	2,126	2,143	2,478	2,583
Tax	(392)	(450)	(520)	(620)
Deprec. & amort.	2,179	2,200	2,237	2,214
Associates	(4)	(4)	(4)	(4)
Working capital changes	433	(168)	(58)	66
Non-cash items	(822)	-	-	-
Investing	**(1,197)**	**(2,341)**	**(2,431)**	**(2,092)**
Capex (growth)	(1,915)	(2,341)	(2,431)	(2,092)
Investments	3	-	-	-
Others	715	-	-	-
Financing	**(2,619)**	**(1,763)**	**(1,396)**	**(1,398)**
Dividend payments	(1,190)	(1,252)	(1,443)	(1,446)
Issue of shares	0	-	-	-
Proceeds from borrowings	(1,429)	(511)	47	48
Others/interest paid	-	-	-	(0)
Net cash inflow (outflow)	**(297)**	**(384)**	**305**	**749**
Beginning cash & cash equivalent	**2,973**	**2,486**	**2,102**	**2,407**
Changes due to forex impact	0	-	-	-
Ending cash & cash equivalent	**2,486**	**2,102**	**2,407**	**3,156**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	35.4	34.0	35.5	34.8
Pre-tax margin	35.0	33.6	37.3	37.5
Net margin	14.7	12.8	14.2	13.8
ROA	8.6	8.1	9.0	8.8
ROE	16.5	15.2	16.7	16.1
Growth				
Turnover	1.4	9.6	3.8	3.3
EBITDA	(6.0)	5.3	8.3	1.3
Pre-tax profit	(2.3)	0.8	15.6	4.2
Net profit	(15.1)	(2.6)	15.3	0.2
Net profit (adj.)	10.4	(4.6)	15.3	0.2
EPS	10.4	(4.6)	15.3	0.2
Leverage				
Debt to total capital	0.1	0.1	0.1	0.1
Debt to equity	0.2	0.1	0.1	0.1
Net debt/(cash) to equity	0.1	0.1	0.1	0.1
Interest cover	4.7	10.0	10.8	10.0

Coraza Integrated Technology

(CORAZA MK/BUY/RM1.17/Target: RM1.33)

1H26: Within Expectations; Strong Momentum Ahead On Rising Mass-Pro

Highlights

- **Within expectations.** Coraza Integrated Technology (Coraza) posted its highest ever revenue of RM51.0m (+16% qoq; +20% yoy). 2Q26 core net profit came in at RM4.1m (+12% qoq, +2% yoy), bringing 1H26 core net profit to RM7.7m (+2.2%) accounting for 44%/40% of our/consensus full-year estimates respectively. If not for the realised forex losses of RM2.6m, earnings would have been much stronger. We deem the results to be within expectations as we anticipate stronger quarters ahead, anchored by robust semiconductor-related order flows.
- **2Q26 revenue surged 20% yoy.** 2Q26 revenue marks the group's ninth consecutive quarter of yoy growth and another record quarterly revenue achievement, supported by sustained demand from both front-end and back-end semiconductor customers. Core net profit grew by a modest pace of 2% due to adverse forex movements. **Qoq,** revenue and core net profit improved 16% and 12% on stronger semiconductor order demand on a stable core NPM of 8.0% (-0.2ppt).
- **Multi-pronged growth drivers to underpin 2027 outlook.** Coraza remains well positioned to capitalise on the semiconductor upcycle, supported by robust demand across front-end, metrology and ATE applications. Its pre-emptive capacity expansion is progressing as planned, with utilisation expected to ramp up in 2H26 alongside the transition of several NPIs into mass production, driving stronger contributions through 2027. Meanwhile, the group continues to pursue new programmes and localisation opportunities arising from global supply-chain diversification, while evaluating further capacity investments to support its expanding pipeline. Semiconductor programmes will remain the near-term priority, while the test instrumentation business continues to progress steadily. Its outstanding orderbook currently stands at RM160m, 23% higher than last quarter, with the majority comprising robust semiconductor order loadings.

Earnings Revision/Risk

- We raise our 2027 earnings forecast by 13% to account for a higher sales assumption for the semiconductor segment following a higher orderbook backlog.

Valuation/Recommendation

- **Maintain BUY with a higher target price of RM1.33 (from RM1.18),** based on an unchanged 25x 2027F PE (at a 25% discount to semiconductor production equipment's seven-year mean PE of 34x).

2Q26 Results

Year to 31 Dec (RMm)	2Q26	qoq%	yoy%	1H26	yoy%
Revenue	**51.0**	**15.7**	**20.1**	**95.2**	**21.5**
Gross Profit	15.4	14.8	25.3	28.8	33.0
EBITDA	11.2	16.7	52.7	20.8	49.2
EBIT	7.7	23.2	66.5	13.9	64.4
Pre-tax Profit	7.2	24.8	70.5	12.9	67.1
Tax	(1.7)	(24.1)	(73.2)	(3.2)	(70.2)
Net Profit	5.4	25.0	69.7	9.8	66.2
Core Net Profit	**4.1**	**12.3**	**1.5**	**7.7**	**2.2**
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
Gross Profit	30.1	(0.2)	1.2	30.2	2.6
EBITDA	21.9	0.2	4.7	21.8	4.1
EBIT	15.0	0.9	4.2	14.6	3.8
PBT	14.1	1.0	4.2	13.6	3.7
Core Net profit	8.0	(0.2)	(1.5)	8.1	(1.5)

Source: Coraza, UOB Kay Hian

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	109.0	160.2	200.3	270.4	326.1
EBITDA	11.3	32.5	50.5	65.7	74.0
Operating profit	2.3	20.8	37.1	52.7	61.3
Net profit (rep./act.)	4.4	14.2	17.5	26.5	31.2
Net profit (adj.)	7.3	14.5	17.5	26.5	31.2
EPS	1.5	2.9	3.5	5.4	6.3
PE	78.7	40.0	33.2	21.9	18.6
P/B	4.4	4.0	3.6	3.1	2.6
EV/EBITDA	43.2	15.1	9.7	7.1	6.1
Dividend yield	0.0	0.0	0.0	0.0	0.0
Net margin	6.7	9.1	8.7	9.8	9.6
Net debt/(cash) to Equity (%)	(9.9)	(6.2)	(8.2)	(18.0)	(22.8)
Interest cover	(1.7)	(12.6)	(37.1)	(52.7)	(61.3)
ROE	3.4	9.8	10.7	14.0	14.2
UOBKH/Consensus (x)			0.90	1.07	1.10

Source: Coraza, UOB Kay Hian

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Gas Malaysia

(GMB MK/HOLD/RM5.15/Target: RM6.00)

2Q26: Below Expectations; Earnings Recovery In 2027

Highlights

- 2Q26 earnings came in weak at RM73m (-27% yoy; -22% qoq) on the back of lower natural gas (NG) margins per gigajoule (GJ), reflecting lower NG prices, higher opex including repair & maintenance and staff costs as well as higher finance cost.
- This brings 1H26 net profit to RM165m (-17% yoy). Accounting for 42% of our full-year net profit of RM394m, we deem the results to be below expectations.
- Gas Malaysia has declared a 5 sen net interim DPS (1H25: 6 sen). As Gas Malaysia is undertaking the Yan RGT project, we expect dividends to steer closer to its minimum dividend payout of 75% of net profit. Maintain HOLD with a DDM-based target price of RM6.00. The stock yields 5%.

Analysis

- 2Q26 revenue fell 12% yoy but was stable qoq at RM1,584m. This reflects a 17% yoy decline in NG prices to RM33.1/mmbtu. Positively, NG volume rose 4% yoy to 39.7m GJ, driven by a 5% yoy and 8% yoy uptake in NG demand from the glove and oleo-chemical segments respectively.
- Gas Malaysia Energy and Services (GMES) market share remained stable at 83.5% during the quarter, serving 1,011 industrial customers in Peninsular Malaysia.
- 2Q26 EBIT margin fell 1ppt yoy to 6.4% as a result of lower NG margin per GJ, higher repair & maintenance costs as well as higher staff costs.
- The higher opex relates to upfront investment in talent to support the Yan regasification project (RGT). As such, we expect opex to remain elevated as Gas Malaysia ramps up its RGT project milestone, which is slated for commercial operations in mid-30.

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.
- An update on Yan RGT: a) 15 May 26: Gas Malaysia signed a joint development agreement (JDA) with Tokio Gas and Vitol Group as key consortium owner of the Yan RGT project; and b) the project is advancing towards final investment decision (FID) while addressing the conditions imposed by the regulator.

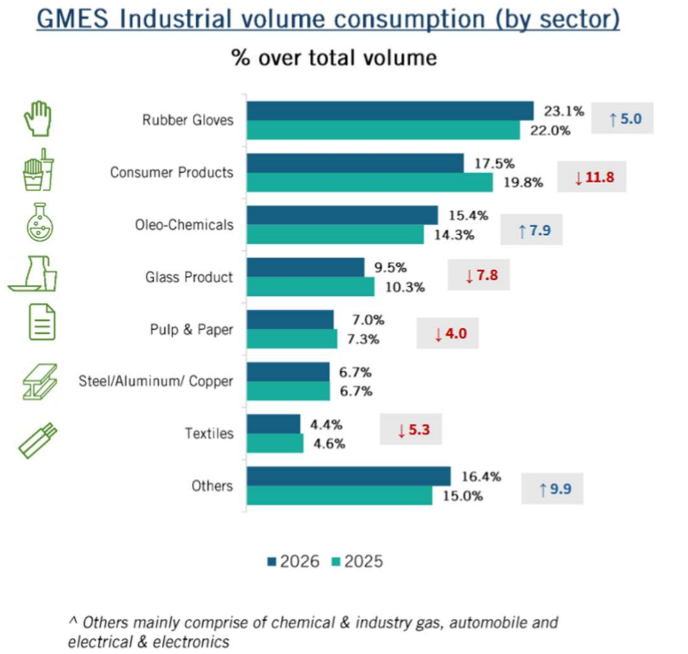
Earnings Revision/Risk

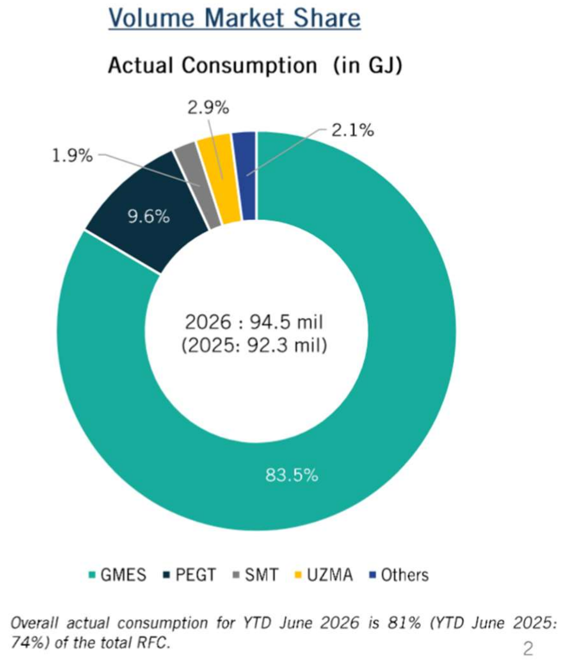
- Trim 2026 net profit by 4%, incorporating higher opex for the rest of the year. We now project 2026 net profit of RM380m, with a higher administrative cost for the year and expectation of a strong 4Q26 finish on the back of higher margin from GMES given higher NG prices.
- We expect to see an earnings recovery in 2027, driven by elevated NG prices from 4Q26 onwards. Management expects NG prices to surge from RM36/mmbtu to mid-RM40/mmbtu in 2027. NG demand however, will likely soften in 2H26 given market volatility amid the Middle East crisis.

Share Price Catalyst

- **Key re-rating catalysts** for the stock include: a) a prolonged period of heightened NG prices, b) an increase in NG retail market share for GMB, and c) clarity on the Yan RGT project.

Industrial Volume Consumption for Gas Malaysia in 1H26





Source: GMB

2Q26 Results

Year to 31 Dec (RMm)	2Q26	2Q25	qoq%	yoy%	1H26	yoy%
Turnover	1,584.8	1,802.4	(0.4)	(12.1)	3,176.6	(12.9)
COGS	(1,444.7)	(1,632.6)	0.8	(11.5)	(2,877.8)	(13.4)
EBITDA	127.2	155.7	(17.5)	(18.3)	281.5	(10.4)
Pre-Tax Profit	101.9	132.5	(19.1)	(23.1)	227.8	(14.2)
Tax	(29.4)	(33.3)	(11.2)	(11.9)	(62.4)	(5.5)
Reported Net Profit	72.5	99.1	(21.9)	(26.8)	165.4	(17.0)
NG Volume (GJ m)	39.7	38.3	1.6	3.7	78.8	2.1
NG Price (RM/mmbtu)	33.1	39.7	3.0	(16.7)	32.6	(18.6)
	2Q26	2Q25	qoq (ppt)	yoy (ppt)	1Q26	yoy (ppt)
EBITDA Margin (%)	8.0	8.6	(1.7)	(0.6)	8.9	0.2
PBT Margin (%)	6.4	7.3	(1.5)	(0.9)	7.2	(0.1)
Net Margin (%)	4.6	5.5	(1.3)	(0.9)	5.2	(0.3)

Source: Gas Malaysia, UOB Kay Hian

Key Financials

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	7,336.7	8,858.2	10,007.4	10,439.6
EBITDA	632.1	646.7	750.6	824.7
Operating profit	514.1	519.6	611.1	673.5
Net profit (rep./act.)	381.7	379.8	444.4	488.5
Net profit (adj.)	386.4	379.8	444.4	488.5
EPS (sen)	29.7	29.5	34.5	37.9
PE (x)	17.3	17.4	14.9	13.5
P/B (x)	4.2	4.1	4.0	3.7
EV/EBITDA (x)	10.6	10.6	9.3	8.5
Dividend yield (%)	4.6	4.9	6.0	5.3
Net margin (%)	4.2	4.3	4.4	4.7
Net debt/(cash) to equity (%)	8.9	13.1	20.0	21.7
ROE (%)	24.8	23.5	26.7	27.1
Consensus net profit		400.1	437.2	447.1
UOBKH/Consensus (x)		0.94	1.02	1.11

Source: Gas Malaysia, UOB Kay Hian

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Genting Bhd (GENT MK/BUY/RM2.24/Target: RM2.66)

2Q26: Within Expectations

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg	Remarks
Revenue	**7,746**	**16.2**	**14.2**	**14,410.7**	**8.4**	
Core Adjusted EBITDA	**2,226**	**17.8**	**6.3**	**4,114.6**	**(0.7)**	Lifted by weaker GENM and GENS performances
Leisure & Hospitality	1,827	18.3	6.8	3,371.7	0.0	Surged on GENS' higher mass volume and better UK operations
Power	100	14.0	(10.0)	186.8	7.0	Lower, as RM strengthened against USD.
Plantation	278	47.1	44.4	466.6	7.1	Stronger palm product prices and improved margins
Property	22	68.4	(2.6)	35.7	1.4	
Oil & Gas	(1)	(102.0)	(101.9)	53.8	(58.2)	Lower due to expiration of the Petroleum Contract of Genting CDX Singapore in the Chengdaoxi Block
Inv. & Others	(107)	68.4	1,647.5	(169.9)	156.6	Higher net unrealised foreign exchange translation losses
Pre-tax profit	**570**	**22.9**	**(45.5)**	**1,032.9**	**(38.2)**	Deducting exceptional items
Net Profit	**(27)**	**(126.8)**	**(111.1)**	**74.0**	**(70.1)**	
Core net profit	**79.2**	**(38.7)**	**(58.0)**	**208.5**	**(27.3)**	
Margin	%	+/- ppt	+/- ppt	%	+/- ppt	
Core Adjusted EBITDA	28.7	0.4	(2.1)	27.4	(3.3)	
Core Net Profit	1.0	(0.9)	(1.8)	1.4	(0.7)	

Source: GENT, UOB Kay Hian

Highlights

- **Within expectations.** Genting Bhd (GENT) reported a 2Q26 core adjusted EBITDA of RM2.22b (+6% yoy, +19% qoq), after adjusting for exceptional items. 1H26 core EBITDA represents 47% and 50% of our and consensus full-year forecasts respectively. The yoy earnings strength mostly reflects higher contributions from Genting Singapore (GENS), its US operations, and the plantation segment. GENS' stronger earnings mainly reflected the full opening of several non-gaming amenities and improving mass gaming, while its US operations were lifted by Resorts World New York City's (RWNYC) commercial casino transition.
- **GENS: Improving mass gaming volume on full opening of several non-gaming amenities lifted earnings.** Resorts World Sentosa's (RWS) earnings strength mainly reflects higher mass gross gaming revenue and full opening of The Laurus Hotel. Gaming revenue was flattish (-0.2% yoy). This mainly reflects an improving mass GGR (+13% yoy), which was offset by much lower VIP rolling chip volume (-27% yoy) and a lower win percentage of 3.19% (2Q25: 3.3%). Overall VIP GGR declined by 30% yoy. We believe that the stronger mass gaming statistics were lifted by the availability of more hotel rooms.
- **GENM: Strong US performances lifted earnings, offsetting flattish RWG and UK operations.** Genting Malaysia (GENM) delivered higher core adjusted EBITDA of RM899m (+13% yoy, +38% qoq) in 2Q26, lifted by stronger US operations due to RWNYC's official commencement of its commercial casino operations. Meanwhile, Resorts World Genting's (RWG) revenue dropped 1% yoy due to weaker visitations (hilltop visitors -6% yoy). Nevertheless, better operating costs management resulted in a slight EBITDA improvement of 1% and EBITDA margin uptick of 0.8ppt yoy.
- **RWLV: Weaker qoq operating statistics in 2Q26 on seasonality.** In 2Q26, Resorts World Las Vegas (RWLV) delivered revenue of about US$181m and EBITDA of US$24m (1Q26 revenue: US$209m; EBITDA: US$50m). EBITDA was lower qoq on: a) lower visitations due to the FIFA World Cup, and Las Vegas did not host matches, and b) seasonality as 2Q visitations are usually slower. Meanwhile, management alluded that its F&B and hotel operations were also softer qoq with a lower hotel occupancy rate of 88% (1Q26: 91.5%) and average daily rates of US$274 (1Q26: US$287). We expect RWLV to chart stronger earnings in the coming quarters on more convention events, leveraging on its close proximity to the Las Vegas Convention Center which completed its expansion (30% higher capacity) at the end of 2025.

Earnings Revision/Risk

- None.

Valuation/Recommendation

- **Maintain BUY but with a lower SOTP-based target price of RM2.66 (from RM2.80),** after lowering the target prices for subsidiary GENS. Our target price implies 5.7x 2027 EV/EBITDA (-1SD below mean) and 0.3x 2027F P/B.

Key Financials

Year to 30 Jun (RMm)	2024	2025	2026	2027F	2028F
Net turnover	27,717.0	27,711.9	30,973.6	31,122.3	31,683.4
EBITDA	8,099.1	7,879.8	8,725.3	9,252.9	9,610.8
Operating profit	4,186.9	4,027.8	4,721.8	5,217.2	5,544.9
Net profit (rep./act.)	200.2	(122.0)	734.6	848.1	1,000.4
Net profit (adj.)	200.2	(122.0)	734.6	848.1	1,000.4
EPS	5.2	(3.2)	19.0	21.9	25.8
PE (x)	43.4	(71.2)	11.8	10.2	8.7
P/B (x)	0.3	0.3	0.3	0.3	0.3
EV/EBITDA (x)	7.8	8.1	7.5	7.2	7.2
Dividend yield (%)	4.9	2.2	2.7	4.0	4.5
Net margin (%)	0.7	(0.4)	2.4	2.7	3.2
Net debt/(cash) to equity (%)	52.9	74.3	70.7	73.3	75.1
Interest cover (x)	6.8	5.2	5.7	6.1	6.3
ROE (%)	0.6	(0.4)	2.2	2.5	3.0
Consensus net profit	n.a	n.a	705.4	885.8	953.3
UOBKH/Consensus (x)	n.a	n.a	1.0	1.0	1.0

Source: GENM, Bloomberg, UOB Kay Hian

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Kossan Rubber Industries (KRI MK/BUY/RM1.14/Target: RM1.31)

2Q26: Windfall Quarter; Above Expectations

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg	Comments
Revenue	**568.9**	**20.9**	**48.8**	**1,039.2**	**19.5**	Qoq and yoy improvement on stronger demand and higher ASPs across all segments
EBITDA	**104.2**	**43.6**	**64.2**	**176.7**	**29.3**	
EBIT	**78.3**	**69.1**	**103.3**	**124.6**	**44.3**	
Finance costs	(0.2)	90.4	315.8	(0.2)	(64.6)	
Pre-tax Profit	**78.2**	**69.1**	**103.1**	**124.4**	**45.1**	
Tax	(13.1)	103.4	85.8	(19.6)	7.2	
Core Profit	**73.5**	**131.3**	**200.7**	**105.3**	**91.9**	Improving margin efficiency on better utilisation rate, besides higher MYR/USD rate
Margins	%	+/- ppt	+/- ppt	%	+/- ppt	
EBITDA Margin	18.3	2.9	1.7	17.0	1.3	
EBIT Margin	13.8	3.9	3.7	12.0	2.1	Improving margin efficiency
Eff. tax rate	(16.8)	(2.8)	1.6	(15.8)	5.6	
Core Margin	12.9	6.2	6.5	10.1	3.8	Overall lifted by higher economies of scale, lower cost and higher MYR/USD rate

Source: Kossan, UOB Kay Hian

Highlights

- **2Q26 results above our and consensus expectations.** Kossan Rubber Industries (Kossan) reported 2Q26 core profit of RM73.5m (+131% qoq; +201% yoy), after adjusting for one-off fair value gains on financial assets, derivatives and unrealised forex amounting to RM9m. The yoy results improvement mainly reflects a surge in volume sales, higher ASPs and margin expansion following better operating efficiency. 1H26 core earnings accounted for 79% of our and 64% of consensus projected 2026 earnings.
- **Gloves, technical rubber and cleanroom segments all saw top-line growth on better volume sales and ASPs.** In 2Q26, the glove segment's revenue grew 21% qoq, which we attribute to the higher sales volume and ASPs as inventory replenishment activities by customers ramped up due to the Middle East tensions. Meanwhile, the technical rubber and cleanroom segments delivered qoq revenue improvement of 26% and 18% respectively on seasonality and better sales volume as well. Overall, sales demand and ASP trend for glove products saw qoq strength in 1H26, but is expected to retrace in 2H26 as ASPs have now softened by 20-25% from peak levels.
- **Core profitability well supported by better operating efficiency.** 2Q26 pre-tax profit for the glove segment increased 70% qoq to RM68.1m (1Q26: RM40m) due to higher revenue (+21% qoq). Positively, the glove segment's pre-tax profit margins also expanded 4.1ppt yoy to 14ppt, reflecting: a) better operating efficiency, b) higher ASP, and c) higher volume sales. Overall, the group's core net margins expanded 6.2ppt qoq, mainly due to: a) a strong surge in the glove segment's ASPs and economies of scale; b) technical rubber and cleanroom segments' higher revenue and earnings; and c) the strengthening of the US dollar against the ringgit (+1.1% qoq).
- **Sequentially weaker 2H26 anticipated.** Following the de-escalation of Iran war, ASP have moderated swiftly from peak of US$26-27/'000 pcs in 1H26 to US$19-20/'000 pcs for Aug-Sep 26 shipments. We also anticipate potential margin compression in 2H26, as the group may need face higher operating costs from raw material inventories which are purchased at higher costs due to the Iran war. Furthermore, the upcoming natural gas tariff's upward revision in 4Q26 will also lift the energy cost and further pressure operating margins. Overall, we opine that softer ASP and higher input costs will result in weaker earnings through the rest of 2026 for Kossan.
- **Healthy balance sheet with net cash still appealing.** Including cash and short-term money market investments, Kossan is in a cash-rich position of around RM1.64b net cash (around 63 sen/share or 55% of its current market cap). This signifies that the group may further deploy better capital management with more special dividends as earnings momentum improves in 2026-27.

Earnings Revision/Risk

- We raise our 2026-27 earnings forecasts by 21% and 9% respectively as we recalibrate our volume sales and utilisation rate higher to reflect better operating efficiency and sales demand.

Valuation/Recommendation

- **Maintain BUY with a higher target price of RM1.31 (from RM1.26),** pegged to 14x ex-cash 2027F PE (-0.5SD below mean) after factoring in the group's RM1.64b net cash position.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026	2027F	2028F
Net turnover	1,906.8	1,748.0	2,302.2	2,119.8	2,173.9
EBITDA	159.4	176.5	199.6	152.2	163.7
Operating profit	159.4	176.5	118.6	77.4	90.7
Net profit (rep./act.)	97.3	120.6	159.8	136.8	156.4
Net profit (adj.)	97.3	120.6	159.8	136.8	156.4
EPS	3.8	4.7	6.3	5.4	6.1
PE (x)	27.0	21.8	16.4	19.2	16.8
P/B (x)	0.7	0.7	0.7	0.7	0.7
EV/EBITDA (x)	26.5	24.0	21.1	28.0	25.7
Dividend yield (%)	7.8	1.9	4.5	4.1	4.5
Net margin (%)	5.1	6.9	6.9	6.4	7.2
Net debt/(cash) to equity(%)	(25.1)	(24.4)	(24.6)	(23.4)	(24.4)
Interest cover (x)	116.9	126.7	n.a	n.a	n.a
ROE (%)	3.2	4.0	5.2	4.4	5.0
Consensus net profit	n.a	n.a	162.5	174.1	193.8
UOBKH/Consensus (x)	n.a	n.a	1.0	0.8	0.8

Source: Kossan, Bloomberg, UOB Kay Hian

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Magnum (MAG MK/BUY/RM1.26/Target: RM1.60)

2Q26: Above Expectations; Positive Dividends Surprise

2Q26 Results

Year to 31 Dec	1Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg	Remarks
Revenue	**555.3**	**(3.5)**	**(2.7)**	**1,130.5**	**(7.3)**	Lower yoy due to one less draw day
Gaming	555.3	(3.5)	(2.7)	1,130.5	(7.3)	Jackpot accounted for 30% of gaming revenue
Others	0.0	5.3	5.3	0.0	0.0	
Gross profit	129.1	34.4	10.6	225.1	0.5	
EBIT	102.6	49.5	10.1	171.2	(1.5)	
PBT	**93.5**	**56.9**	**11.1**	**153.1**	**(1.8)**	PBT improved on lower prize payout and longer 4D jackpot accumulation
Gaming	92.3	48.5	14.0	154.5	0.2	
Others	1.2	(145.6)	(63.2)	(1.4)	(187.5)	
Core net profit	**67.3**	**53.3**	**8.8**	**111.3**	**(0.3)**	
Margin	%	+/- ppt	+/- ppt	%	+/- ppt	
PBT	16.8	6.5	2.1	13.5	0.8	Increased yoy on lower prize payout.
Net Profit	12.1	4.5	1.2	9.8	0.7	

Source: Magnum, UOB Kay Hian

Highlights

- **2Q26 results above our expectations.** Magnum reported a 2Q26 revenue of RM555m (-2.7% yoy, -3.5% qoq) and core net profit of RM67m (+8.8% yoy, +53.3% qoq). Revenue dropped yoy (one fewer draw day in the quarter), but earnings improved on better jackpot ticket sales and lower prize payouts. 1H26 core net profit accounts for 63% of our and consensus forecasts.
- **Declared an interim DPS of 3.5 sen.** Magnum declared a 3.5 sen DPS in 2Q26 (2Q25: 2.5 sen). This brings 1H26 DPS to 6 sen (1H25: 5 sen) and implies a 4.8% yield and 78% payout.
- **Weaker yoy classic 4D games offset by improving jackpot sales.** We estimate that Magnum's classic 4D ticket sales per draw dropped by 2.2% yoy in 2Q26. For jackpot sales, we estimate sales per draw to have surged by 5.1% yoy as 4D Jackpot 1 accumulation period is stronger and lifted sales performance. As such, the more lucrative jackpot games accounted for about 29.7% of total gaming revenue (+1.4ppt yoy). Overall, Magnum's revenue declined 3% yoy due to a lower number of draws (2Q26: 40 draws; 2Q25: 41 draws).
- **Prize payout was below the theoretical level, lifting earnings.** We estimate 2Q26 prize payout to be about 60.7%, lower than 2Q25's 63%. As a result, PBT margin surged 2.1ppt yoy.
- **Monetisation of stake in U-Mobile still a key re-rating catalyst, despite an uncertain timeline.** Based on media reports, U-Mobile previously sought a listing via an IPO with a potential valuation of ~RM10b. Upon monetisation, Magnum has the potential to fetch RM780m or RM0.54/share (around 43% of its current market cap) via its 7.8% stake. We do not rule out the possibility of Magnum doling out special dividends or shares in specie upon the potential monetisation, which may translate to a yield of up to 43%. Alternatively, the group may pare down borrowings significantly with the proceeds.
- **Defensive nature and lush dividend yield remain attractive.** Magnum should gain more attention as the group delivers lush prospective yields of 8.5-8.7% for 2026-28. Risk-reward remains palatable as current valuations have more than priced in existing downsides, especially when earnings are on course for a sequential recovery in the upcoming quarters. Such valuations are particularly appealing for Magnum given: a) its asset-light business model, and b) it doles out most of the domestic cash flows as dividends

Earnings Revision/Risk

- We raise our 2026 earnings forecast by 13% to reflect lower prize payout assumptions.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM1.60,** which implies 13.5x 2026F PE (mean). Key assumptions are WACC: 7.1%, risk-free rate: 3.5%, and terminal growth rate: 1%.

Key Financials

Year to 30 Jun (RMm)	2024	2025	2026	2027F	2028F
Net turnover	2,231.0	2,297.1	2,466.8	2,531.4	2,566.5
EBITDA	244.6	261.2	282.6	277.9	282.3
Operating profit	258.2	277.4	298.6	293.6	297.9
Net profit (rep./act.)	152.4	166.2	184.8	181.3	184.3
Net profit (adj.)	152.4	166.2	184.8	181.3	184.3
EPS	10.6	11.6	12.9	12.6	12.8
PE (x)	11.9	10.9	9.8	10.0	9.8
P/B (x)	0.7	0.7	0.7	0.7	0.7
EV/EBITDA (x)	15.8	14.7	13.3	13.4	13.0
Dividend yield (%)	5.6	7.1	8.7	8.5	8.6
Net margin (%)	6.8	7.2	7.5	7.2	7.2
Net debt/(cash) to equity (%)	21.5	19.6	16.4	14.0	11.8
Interest cover (x)	6.4	7.1	8.0	7.9	8.0
ROE (%)	6.3	6.8	7.5	7.3	7.4
Consensus net profit	n.a	n.a	175.0	181.0	186.0
UOBKH/Consensus (x)	n.a	n.a	1.1	1.0	1.0

Source: Magnum, Bloomberg, UOB Kay Hian

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Mah Sing Group
(MSGB MK/BUY/RM1.17/Target: RM1.42)

Positive Progress Is Made At Southville City's Data Centre Land

Highlights

- **Proposed RM618m Southville City DC land disposal.** Mah Sing announced that its wholly-owned subsidiary, Southville City Sdn Bhd, has entered into a conditional agreement to dispose 78.8 acres of freehold land at Southville City for RM617.9m, or RM180psf, to WG Malaysia X Sdn Bhd, a wholly-owned subsidiary of an established international digital infrastructure group. The transaction also grants the purchaser an option over an additional 17.55 acres for a minimum consideration of RM137.6m (~RM180psf).
- **Positive progress in crystallising its DC landbank value.** We view the announcement positively as it marks further progress in monetising Southville City's DC Land. Of the ~150 acres previously earmarked for DC development, management indicated that only several smaller parcels of 10-20 acres remain available for future land sales. The disposal remains subject to conditions precedent, including relevant regulatory and land-related approvals – both are expected to be completed and fully recognised by end-Aug 27. We believe securing an established international DC player should further validate Southville City's positioning as a DC location and potentially support enquiries for Mah Sing's remaining DC-ready landbank.
- **Strengthens balance sheet for landbank replenishment.** Recall that Mah Sing has historically replenished RM5b of GDV annually, with land cost typical accounting for 12-15% of GDV. With no residential land acquisition announced thus far in 2026, we understand the group is actively evaluating opportunities for 2H26. The expected cash proceeds from the Southville disposal in 2027 should provide additional headroom for landbank replenishment.
- **Potentially sizeable earnings uplift in 2027.** Assuming a net margin of 20-30% on the RM617.9m disposal, we estimate a potential net gain of RM124m-185m, accounting for 40-60% of our 2027 earnings forecast. Pro-forma target price will increase by 2-4% to RM1.45-1.47.

Earnings Revision/Risk

- No changes to earnings forecast, pending the completion of conditions precedent.

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, and b) acceleration of industrial/DC land monetisation.

Key Financials

Year to 30 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)	12.2	10.9	10.4	9.7	9.1
P/B (x)	0.8	0.7	0.7	0.7	0.7
EV/EBITDA (x)	7.0	6.9	7.2	6.8	6.4
Dividend yield (%)	3.8	4.3	4.7	5.1	5.4
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	-	-	289	320	348
UOBKH/Consensus (x)	-	-	1.0	1.0	0.9

Source: Mah Sing, UOB Kay Hian

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Market Spotlight

Market News

Despite selling pressure, the FBMKLCI added 5.39pt to close at 1,736.71 yesterday on the back of rejuvenated buying interest. Meanwhile, Asian markets are mostly higher on Thursday, following the broadly positive cues from Wall Street overnight, with markets in South Korea surging over 6%. Positive sentiment from easing treasury yields after the US Treasury Department announced upscaled buyback operations for longer-term debt was partially offset by another jump in crude oil prices that raised global inflation worries. The FBMKLCI's top gainers were YTL Corporation (+9.5%), YTL Power International (+5.7%) and PPB Group (+2.3%), while the top losers were Petronas Chemicals Group (-6.8%), MR D.I.Y Group (M) (-2.0%) and 99 Speed Mart Retail Holdings (-1.4%). In the broader market, losers outpaced gainers 610 to 577 with 610 counters unchanged. Turnover was 4.28b shares valued at RM4.00b.

US stocks were lower after the close on Thursday, as losses in the consumer services, healthcare and industrials sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average declined 1.31%, while the S&P 500 Index declined 0.86%, and the NASDAQ Composite Index declined 1.00%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,776 to 946 and 86 ended unchanged; on the Nasdaq Stock Exchange, 2,123 fell and 1,309 advanced, while 198 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

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FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,736.71
Expected moving range:	1,720-1,750

Technical View:

The FBMKLCI recovered from an earlier pullback and closed higher at 1,736.71 yesterday. From the technical perspective, the RSI is still trading below 50pt, which signals weaker buying pressure and thus may push the index lower in the near term. Overall, we expect the index to trade within 1,720-1,750. Support and resistance levels are still maintained as follows:

Support: 1,677, 1,652

Resistance: 1,753, 1,770

FCPO

Source: TradingView

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

Technical BUY with +5.1% potential return

Trading BUY range:	RM4,800-4,900
Last price:	RM4,973
Target price:	RM4,999, RM5,039
Support:	RM4,846
Stop-loss:	RM4,844

BUY with a target price of RM5,039 and stop-loss at RM4,844. Based on the chart, FCPO continues the bullish movement and closed higher at RM4,973 yesterday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We peg our targets at RM4,999 and RM5,039 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 0.66% potential return

Trading BUY range:	1,720-1,740
Last price:	1,735.5
Target price:	1,739, 1,747
Support:	1,723
Stop-loss:	1,722

BUY with a target price of 1,747 and stop-loss at 1,722. Based on the chart, FKLI continued the bullish movement and closed at 1,735.5 on yesterday's movement. This bullish movement is supported by an uptick in the RSI and bullish crossovers in the MACD. We peg our targets at 1,739 and 1,747 in the near term.

Expected timeframe: One day to three days

Traders' Corner

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Source: UOBKH ChartGenie

NEXG
NEXG MK

Technical BUY with +37.9% potential return

Trading BUY range:	RM0.315-0.32
Last price:	RM0.33
Target price:	RM0.395, RM0.455
Support:	RM0.25
Stop-loss:	RM0.245

BUY with a target price of RM0.455 and stop-loss at RM0.245. Currently, NEXG's share price has consolidated within the immediate support of RM0.25, before yesterday's positive closing above the BBI set a new tone for the short-term outlook. The bullish bias has been established following an uptick in RSI and bullish crossover in both DMI and MACD. We peg our targets at RM0.395 and RM0.455 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Paramount Corporation
PAR MK

Technical BUY on breakout with +14.4% potential return

Trading BUY range:	RM1.04-1.05
Last price:	RM1.02
Target price:	RM1.12, RM1.19
Support:	RM1.01
Stop-loss:	RM0.995

BUY on breakout with a target price of RM1.19 and stop-loss at RM0.995. Yesterday, the stock closed above the BBI line, indicating upward potential in the near term. This is supported by the 7-day EMA crossing above the 21-day EMA, which indicates a bullish signal. This is consistent with the uptick in the RSI and a bullish crossover in the DMI, which suggest stronger buying momentum ahead. We peg our target prices at RM1.12 and RM1.19 once the stock penetrates the breakout level of RM1.04.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Top Glove Corporation TOPG MK

Technical BUY on breakout with +24.3% potential return

Trading BUY range:	RM0.68-0.685
Last price:	RM0.665
Target price:	RM0.78, RM0.845
Support:	RM0.62
Stop-loss:	RM0.615

BUY on breakout with a target price of RM0.845 and stop-loss at RM0.615. Based on the daily chart, share price has recovered gradually and moved above the 7- and 21-day EMAs following yesterday's spike to close at RM0.67. This bullish movement is supported by an uptick in the RSI and a bullish crossover in the MACD and the DMI, indicating positive momentum. Moving forward, we expect TOPG will continue to form higher highs and higher lows toward the resistance level of RM0.85 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading