UOBKayHian

Country Daily | Malaysia

Wednesday, 26 August 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53,577.4	0.3	0.4	3.1	11.5
S&P 500	7,677.3	0.3	(0.2)	3.6	12.2
FTSE 100	10,886.2	0.3	1.5	1.4	9.6
AS30	9,374.9	0.6	1.1	4.8	3.9
CSI 300	4,552.0	(0.2)	(3.7)	(2.1)	(1.7)
FSSTI	5,735.7	1.0	0.6	2.6	23.4
HSCEI	8,445.4	(0.3)	(0.1)	2.1	(5.3)
HSI	25,511.1	(0.0)	0.2	2.2	(0.5)
JCI	6,501.7	(0.4)	1.6	4.9	(24.8)
KLCI	1,736.3	(0.0)	0.6	2.1	3.3
KOSPI	6,742.7	0.7	(1.8)	0.8	60.0
Nikkei 225	65,856.4	0.5	(2.4)	1.9	30.8
SET	1,596.0	(0.3)	(1.6)	(2.9)	26.7
TWSE	45,169.5	0.9	(0.3)	3.5	56.0
BDI	2,926	1.5	3.9	6.7	55.9
CPO (RM/mt)	4,688	1.0	3.6	4.2	19.2
Brent Crude (US$/bbl)	89	(3.9)	(2.7)	(8.5)	45.6

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
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Malaysia Manufacturing PMI	Malaysia	1 Sep
BNM Overnight Policy Rate Decision	Malaysia	3 Sep

Top Stories

Company Results | Kuala Lumpur Kepong (KLK MK/**BUY**/RM21.92/Target: RM24.65) Page 3 →

- KLK's 3QFY26 headline net loss of RM1,344m reflects a RM1,621m non-cash impairment on its stake in Synthomer. Excluding that and the RM168m share of Synthomer's equity loss, core PATAMI was RM349m (+10.6% qoq, +5.0% yoy), taking 9MFY26 core earnings to RM1,047m (+27.9% yoy), or 67% of our full-year forecast. Maintain BUY with an unchanged target price of RM24.65, pegged to 17x FY26F PE.

Company Results | Petronas Dagangan (PETD MK/**BUY**/RM20.00/Target: RM24.20) Page 6 →

- 1H26 core profit was above expectations, on substantial commercial profit gains benefitting from a product price downtrend that was even steeper and came sooner vs 2022 (a substantial profit gain was recorded in 4Q22). We also deduced that PetDag temporarily gained some market share with the main goal of safeguarding the nation's fuel security. We observe no major cash flow risk, and continue to like PetDag's defensive proposition. Retain BUY with target price rolled over to RM24.20.

Company Results | Sunway Construction Group (SCGB MK/**HOLD**/RM8.08/Target: RM8.44) Page 9 →

- Suncon's 2Q26 results were within expectations, with earnings growth lifted by significant margin expansion from the construction segment. 1H26 dividend of 26.8 sen (including special dividends) declared is also on track for the group to deliver a 5.7% yield for 2026. Overall, Suncon's robust orderbook pipeline will continue to support record-high earnings in 2026-28 and a lush prospective yield of 5-6%. Nevertheless, risk-reward appears balanced after a steep share price rally. Downgrade to HOLD despite a higher target price of RM8.44.

Company Results | Zetrix AI (ZETRIX MK/**BUY**/RM0.655/Target: RM1.56) Page 12 →

- Zetrix delivered a decent quarter with 32% yoy net profit growth, mainly reflecting growing contributions from the blockchain segment. Meanwhile, the e-government segment continues to deliver steady earnings. The key re-rating catalyst for the group is still the potential spin-off of web3 business as SPV in 4Q26 which will unlock the value of its blockchain segment. Maintain BUY; target price: RM1.56.

What's Inside

- ITMAX delivered solid 2Q26 earnings, with core net profit up 31% yoy to RM29.8m, bringing 1H26 earnings of RM54.6m to 46% of our FY26 estimate, within expectations. Revenue grew 29% yoy, driven by stronger DIS contributions from Johor CCTV projects and higher smart parking collections. We expect earnings momentum to strengthen in the coming quarters, supported by higher contributions from the Johor Bahru smart parking contract and full delivery of the DBKL project. Maintain BUY; target price: RM6.10.

- Matrix's 1QFY27 results came in within expectations. The group declared a dividend of 1.40 sen per share. 1QFY27 sales reached RM417m, on track towards and achieving 23% of its full-year target of RM1.8b. Looking ahead, property sales should pick up in 2HFY27, as it launches the first block of Levia Residence @ Puchong that has a GDV of RM356m. The stock offers a dividend yield of 5.9% for FY27. Maintain BUY with an unchanged target price of RM1.72.

- 9MFY26 results beat expectations, with core net profit rising 63% yoy to reach 86% of our initial FY26 forecast, driven by robust semiconductor and photonics loadings, favourable product mix and stronger operating leverage. Outstanding orderbook rose 26% to RM82m from RM65m in April, reinforcing earnings visibility. NE remains well positioned to capture accelerating AI infrastructure demand, supported by capacity expansion and continued migration up the value chain. Raise FY26-28F earnings by 18-23%. Maintain BUY with a higher TP of RM1.42.

Market Spotlight

- The FBMKLCI continued to slide by 0.15pt to close at 1,736.33 on Monday amid persistent selling pressure in index-linked counters.
- US stocks were higher after the close on Tuesday, as gains in the technology, basic materials and healthcare sectors led shares higher.

Technical Analysis

- Trading Buy Range: RM0.415-0.42

- Trading Buy Range: RM2.75-2.80

- Trading Buy Range: RM0.70-0.74

Kuala Lumpur Kepong (KLK MK)

3QFY26: Within Expectations; Synthomer Write-Down Masks Core Recovery

Highlights

- KLK's 3QFY26 net loss of RM1,344m follows a RM1,621m non-cash impairment on Synthomer plc. Excluding the impairment and the RM168m share of Synthomer's equity loss, core PATAMI was RM349m, +10.6% qoq and +5.0% yoy.
- 9MFY26 core PATAMI of RM1,047m (+27.9% yoy) makes up 67% of our full-year forecast and 80% of consensus estimates. We consider this within expectations, as 4QFY26 is the seasonal production peak and will capture the recent rise in CPO prices.
- Maintain BUY with an unchanged target price of RM24.65, pegged to 17x FY26F PE.

3QFY26 Results

Year to 30 Sep (RMm)	3QFY26	3QFY25	qoq%	yoy%	9MFY26	yoy%
Revenue	7,054	6,432	7.7	9.7	19,952	6.6
EBIT	628	564	27.8	11.3	1,766	13.5
Plantation	661	620	84.3	6.6	1,654	0.1
Manufacturing	101	27	(337.2)	272.6	100	(255.0)
Property	8	9	318.4	(14.0)	13	(37.1)
Net Finance Cost	(115)	(124)	(0.1)	(7.6)	(344)	(6.7)
Associate & JV	(159)	(2)	(58,101.5)	9,977.6	(159)	221.1
Profit Before Tax	**(1,129)**	**525**	**(374.7)**	**(315.0)**	**(122)**	**(110.0)**
Net Profit	**(1,344)**	**347**	**(557.2)**	**(487.9)**	**(668)**	**(192.6)**
Core Net Profit	**349**	**332**	**10.6**	**5.0**	**1,047**	**27.9**
Margin	**%**	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**
EBIT	8.9	8.8	18.7	1.5	8.9	6.5
Core Net Profit	4.9	5.2	2.7	(4.2)	5.2	19.9

Source: KLK, UOB Kay Hian

Analysis

- **Within expectations.** Kuala Lumpur Kepong's (KLK) 3QFY26 core PATAMI of RM349m rose 10.6% qoq and 5.0% yoy, lifting 9MFY26 core earnings to RM1,047m (+27.9% yoy). That makes up 67% of our full-year forecast and 80% of consensus estimates. The reported net loss of RM1,344m reflects a RM1,621m impairment on the group's investment in Synthomer plc, written down to a recoverable amount of RM190.1m from a carrying value of RM1,811.4m. The write-down follows a prolonged gap between Synthomer's market value and its carrying amount, its market capitalisation remaining below that carrying value, and an earnings recovery that has progressed more slowly than anticipated. The charge is non-cash and leaves operating cash flow, liquidity, debt servicing and dividend capacity untouched.

Key Financials

Year to 30 Sep (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	22,274	25,020	34,243	35,067	34,716
EBITDA	2,864	3,099	3,623	3,978	4,102
Operating profit	1,817	2,060	2,566	2,874	2,952
Net profit (rep./act.)	591	818	(147)	1,768	1,771
Net profit (adj.)	899	1,004	1,568	1,767	1,770
EPS (sen)	83.3	92.9	144.9	163.4	163.7
PE (x)	26.3	23.6	15.1	13.4	13.4
P/B (x)	1.8	1.7	1.8	1.7	1.6
EV/EBITDA (x)	1.4	2.0	3.8	4.3	4.3
Dividend yield (%)	1.2	1.7	3.3	3.7	3.7
Net margin (%)	3.2	3.3	(0.4)	5.0	5.1
Net debt/(cash) to equity (%)	50.2	64.5	73.3	68.4	62.9
Interest cover (x)	8.0	7.4	8.1	8.1	7.3
ROE (%)	6.4	7.2	11.4	12.8	12.1
Consensus net profit	-	-	1,310	1,376	1,376
UOBKH/Consensus (x)	-	-	1.20	1.28	1.29

Source: KLK, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM21.92
Target Price	RM24.65
Upside	+12.5%
Previous TP	RM24.65

Stock Data

Sector	Consumer Staples
Bloomberg ticker	KLK MK
Shares issued (m)	1,113.7
Market cap (RMm)	24,411.4
Market cap (US$m)	6,038.5
3-mth avg daily t'over (US$m)	3.4

Price Performance (%)

52-week high/low				RM23.18/RM18.60
1mth	3mth	6mth	1yr	YTD
5.3	9.8	14.3	10.4	10.7

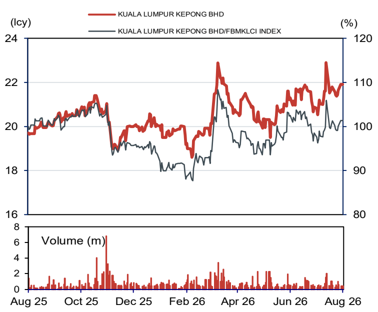
Major Shareholders (%)

Batu Kawan Bhd	47.9

Balance Sheet Metrics

3QFY26 NAV/Share (RM)	11.11
3QFY26 Net Debt/Share (RM)	8.63

Price Chart



Source: Bloomberg

Company Description

Plantation company that is also engaged in downstream manufacturing and property development.

- **Plantation and manufacturing both delivered.** Plantation PBT rose 84.3% qoq and 6.6% yoy to RM661m on realised CPO of RM3,756/tonne ex-mill (+1.8% qoq) and palm kernel of RM3,488/tonne (+9.6% qoq), higher CPO and PK sales volumes and a lower production cost. Manufacturing PBT rose to RM101m (versus a RM42m loss in 2QFY26 and RM27m profit in 3QFY25), with oleochemicals leading the improvement amid supply disruptions in the global petrochemical industry which lifted the competitiveness of palm-based products. For 9MFY26, plantation PBT of RM1,654m was flat yoy while manufacturing PBT improved at RM100m compared with a RM65m loss a year ago.
- **Balance sheet and dividend.** Net debt rose to RM9.61b at end-3QFY26 from RM9.20b at FY25 and net gearing rose to 78% from 65%, mostly because the impairment reduced shareholders' funds. NAV per share fell to RM11.11 from RM12.79. Working capital absorbed RM1.88b over 9MFY26 as receivables and inventories built up, holding operating cash flow to RM690m against RM825m a year ago. An interim dividend of 20 sen was paid on 28 Jul 26, unchanged from a year earlier.
- **4QFY26 is the seasonal peak.** The combination of higher output and materially higher spot prices should lift realised ASPs well above the RM3,756/tonne recorded in 3QFY26, though realisation typically lags spot and Indonesian estates realise less after the export levy. Management expects plantation to keep delivering, with operating costs staying elevated, and describes the manufacturing outlook as satisfactory.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM24.65,** pegged to 17x FY26F PE (-1SD to the five-year mean of 23x). At RM21.92, the stock trades at 15.1x FY26F PE. We continue to like KLK as a laggard sector play, backed by a positive production growth profile at its estates and a downstream segment that has now delivered two consecutive quarters of recovery against the RM174m pre-tax loss booked in FY25. The Synthomer impairment removes an overhang that has weighed on reported earnings for several years, and the residual carrying value of RM190m limits further downside from that holding.

Earnings Revision/Risk

- **No change to our core earnings forecasts, but FY26F reported earnings now carry the charge.** 9MFY26 core PATAMI of RM1,047m represents 67% of our unchanged FY26F core forecast of RM1,568m, implying 4QFY26 core PATAMI of about RM520m against RM349m in 3QFY26. We have taken the RM1,621m Synthomer impairment and the RM167.9m share of its equity loss into account for our FY26F reported numbers, which turns FY26F reported net profit into a loss of RM147m and lifts FY26F net gearing to 73%. Our target price is unaffected, as it is based on core earnings.
- The gap to watch is realised pricing. Our FY26F assumes a realised CPO price of RM4,350/tonne for the Malaysian estates, on a market CPO assumption of RM4,500/tonne, against 9MFY26 group realisation of RM3,765/tonne ex-mill.

Key Assumptions

	2026F	2027F	2028F
FFB growth (% yoy)	(2.4)	(0.1)	1.3
Realised CPO (RM/mt, ex-mill)	4,350	4,400	4,300
CPO extraction rate (%)	21.8	22.0	22.0
Production cost (RM/mt)	2,851	2,894	2,857

Source: UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental

- All Malaysian estates are MSPO certified, while Indonesian estates are 80% ISPO certified. Committed to no deforestation, no peat land and no exploitation.

Social

- Smallholders' development and best practices training programme.

Governance

- Transparent governance along with an Anti-Bribery and Anti-Corruption Policy.

Profit & Loss

Year to 30 Sep (RMm)	2025	2026F	2027F	2028F
Net turnover	**25,020**	**34,243**	**35,067**	**34,716**
EBITDA	3,099	3,623	3,978	4,102
Deprec. & amort.	1,039	1,057	1,104	1,149
EBIT	2,060	2,566	2,874	2,952
Total other non-op. income	168	170	171	170
Associate contributions	(108)	100	100	100
Net interest income/(expense)	(420)	(446)	(491)	(565)
Exceptional items	(186)	(1,715)	1	1
Pre-tax profit	**1,514**	**676**	**2,654**	**2,658**
Tax	(540)	(574)	(637)	(638)
Minorities	(156)	(249)	(249)	(249)
Net profit	**818**	**(147)**	**1,768**	**1,771**
Net profit (adj.)	1,004	1,568	1,767	1,770

Balance Sheet

Year to 30 Sep (RMm)	2025	2026F	2027F	2028F
Total non-current assets	21,105	19,929	20,513	21,050
Cash/ST investment	2,492	3,636	5,408	7,342
Other current assets	8,140	11,057	11,178	11,436
Total assets	**31,738**	**34,622**	**37,099**	**39,828**
ST debt	5,246	4,946	4,646	4,346
Other current liabilities	1,940	1,977	2,017	2,067
LT debt	6,449	8,471	10,487	12,504
Other LT liabilities	976	976	976	976
Shareholders' equity	14,265	13,335	14,219	15,105
Minority interest	1,243	1,492	1,741	1,990
Total liabilities & equity	**31,738**	**34,622**	**37,099**	**39,828**

Cash Flow

Year to 30 Sep (RMm)	2025	2026F	2027F	2028F
Operating	**(306)**	**2,602**	**2,580**	**2,743**
Pre-tax profit	1,514	676	2,654	2,658
Tax	(540)	(574)	(637)	(638)
Deprec. & amort.	1,039	1,057	1,104	1,149
Working capital changes	(2,252)	188	(81)	35
Other operating cashflows	(67)	1,254	(461)	(461)
Investing	**(1,641)**	**(1,641)**	**(1,641)**	**(1,641)**
Capex (growth)	(1,641)	(1,641)	(1,641)	(1,641)
Financing	**1,308**	**933**	**833**	**832**
Dividend payments	(409)	(784)	(884)	(885)
Proceeds from borrowings	2,017	2,017	2,017	2,017
Loan repayment	(300)	(300)	(300)	(300)
Net cash inflow (outflow)	**(639)**	**1,893**	**1,771**	**1,933**
Beginning cash & cash equivalent	**2,381**	**1,742**	**3,636**	**5,408**
Ending cash & cash equivalent	**1,742**	**3,636**	**5,408**	**7,342**

Key Metric

Year to 30 Sep (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	12.4	10.6	11.3	11.8
Pre-tax margin	6.1	2.0	7.6	7.7
Net margin	3.3	(0.4)	5.0	5.1
ROA	2.6	(0.4)	4.8	4.4
ROE	7.2	11.4	12.8	12.1
Growth				
Turnover	12.3	36.9	2.4	(1.0)
EBITDA	8.2	16.9	9.8	3.1
Pre-tax profit	27.9	(55.4)	292.9	0.1
Net profit	38.4	N/M	N/M	0.2
Net profit (adj.)	11.6	56.2	12.7	0.2
Leverage				
Debt to total capital	43.0	47.5	48.7	49.6
Debt to equity	82.0	100.6	106.4	111.5
Net debt/(cash) to equity	64.5	73.3	68.4	62.9
Interest cover (x)	7.4	8.1	8.1	7.3

Petronas Dagangan (PETD MK)

2Q26: Commercial Profit Recovery Shines

Highlights

- **1H26 core profit is above expectations,** with annualised margin/litre of 8 sen superior to the 5 sen fixed under the APM. The commercial segment recorded substantial profit gains, benefitting from a steeper product price downtrend vs 2022 (substantial gain was recognised only in 4Q22). We also deduced that PETD temporarily gained some market share to compensate for loss volumes from peers, as the main goal is to safeguard the nation's fuel security. These more than offset weak commercial volumes. We observe no major cash flow risk, and continue to like PetDag's defensive proposition and its important role as the nation's domestic fuel anchor. Retain BUY with target price rolled over to RM24.20.

2Q26 Results

Year to 31 Dec (RMm)	2Q26	% chg	% chg	1H26	% chg	Comments
Revenue	**16,091.1**	**44.3**	**77.5**	**27,241.7**	**50.0**	**2Q26/1H26 volume growth yoy: +1%/+4%; qoq:0%**
-Retail	8,937.7	41.1	177.9	15,272.8	59.9	2Q26/1H26 volume growth yoy: +7%/+7%; qoq:+3%
-Commercial	7,088.4	49.1	90.2	11,841.7	39.7	2Q26/1H26 volume growth yoy: -6%/-1%; qoq:-4%
-Convenience	65.0	4.3	(2.0)	127.3	(1.0)	Opex:RM875m (1Q26/ 2Q25: RM818m/RM800m)
EBIT	**524.5**	**36.0**	**32.0**	**910.2**	**16.2**	EBITDA: RM598m (1Q26/ 2Q25: RM448m/RM466m)
-Retail	36.8	(88.7)	19.2	362.2	1.7	Brent price downtrend throughout a majority of 2Q26
-Commercial	454.3	-	35.3	478.7	32.9	Hence, gains related to the lag in contractual price for
-Convenience	33.4	(7.2)	8.6	69.4	4.0	Jet fuel may appear sharper and quicker vs 2022 case
Finance cost	(2.5)	(6.8)	(26.3)	(5.2)	(24.9)	A second interim DPS of RM0.25 was announced
Associates	9.1	47.4	518.9	15.3	126.2	2Q26 exceptional items (EI):
Pre-tax profit	531.1	36.4	42.1	920.4	17.5	- RM18.3m net loss on asset disposal
Income tax	(137.1)	40.0	35.8	(235.0)	12.4	- RM1m net forex loss
Net profit	**387.2**	**36.8**	**45.8**	**670.2**	**19.9**	**- RM2.7m inventory writebacks**
Core profit	**403.8**	**47.6**	**49.6**	**677.4**	**20.2**	**Annualised margin/litre at 8 sen vs 6 sen in 2025**

Source: PetDag

Analysis

- **1H26 profit above expectations,** comprising 61%/58% of our/consensus forecasts respectively, and the implied annualised margin of 8 sen/litre is far superior vs OilCo's margin of 5 sen as per Automatic Pricing Mechanism (APM). We earlier expected commercial earnings to mirror the trend during Russia-Ukraine crisis, when the jet fuel price downtrend extended throughout 2022 and Petronas Dagangan (PetDag) recognised a substantial profit gain in 4Q22. The jet fuel price downtrend from the US$200/bbl peak in Mar 26 was much steeper and occurred early in 2Q26 itself.
- **Price trends more than offset weaker volumes.** The 6% contraction in 2Q26 commercial volume was primarily due to jet fuel, in tandem with lower flight frequency. Fortunately, retail volumes were strong from diesel and Mogas, boosted by the successful integration of the BUDI95 subsidy with the Setel app. The app, which offers convenience to pay for fuel directly from the car seat, has seen its userbase expand by 31% from 8m in early-25 to 11m by end-25.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	37,951	38,269	38,740	40,746	42,865
EBITDA	1,920	1,847	2,149	2,218	2,288
Operating profit	1,394	1,357	1,604	1,641	1,678
Net profit (rep./act.)	950	925	1,196	1,224	1,251
Net profit (adj.)	950	925	1,196	1,224	1,251
EPS (x)	95.7	93.1	120.4	123.2	126.0
PE (x)	20.9	21.5	16.6	16.2	15.9
P/B (x)	3.3	3.3	3.3	3.2	3.1
EV/EBITDA (x)	11.1	10.2	10.0	9.7	9.4
Dividend yield (%)	4.8	4.9	5.3	5.4	5.5
Net margin (%)	2.5	2.4	3.1	3.0	2.9
Net debt/(cash) to equity (%)	-	-	-	-	-
Consensus net profit	-	-	1,152	1,178	1,185
UOBKH/Consensus (x)	-	-	1.04	1.04	1.05

Source: PetDag, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM20.00
Target Price	RM24.20
Upside	+21.0%
Previous TP	RM23.20

Stock Data

Sector	Energy
Bloomberg ticker	PETD MK
Shares issued (m)	993.5
Market cap (RMm)	19,869.0
Market cap (US$m)	4,918.0
3-mth avg daily t'over (US$m)	1.25

Price Performance (%

52-week high/low				RM23.50/RM17.12
1mth	**3mth**	**6mth**	**1yr**	**YTD**
3.5	10.1	(6.5)	(12.3)	0.2

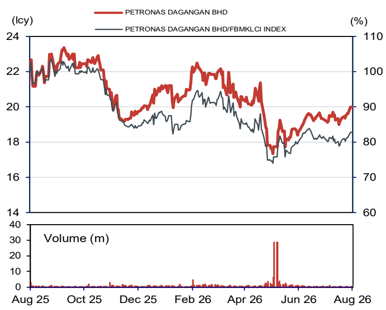
Major Shareholders (%)

Petronas	63.9
EPF	14.0

Balance Sheet Metrics

FY26 NAV/Share (RM)	RM6.15
FY26 Net Debt/Share (RM)	n.m.

Price Chart



Source: Bloomberg

Company Description

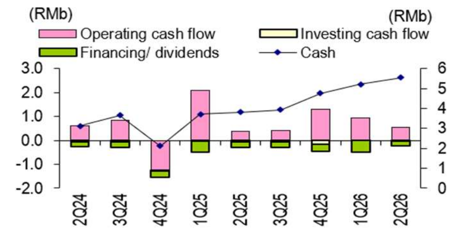
Petronas Dagangan is the principal domestic marketing arm of Petronas for downstream products, in retail, commercial, liquefied petroleum gas and lubricants. Retail fuel economics were largely driven by the Automatic Pricing Mechanism.

- **Addressing the 50% market share...** This was revealed in tandem with the government's announcements that PetDag had assured that national fuel security is secured until end-26. We highlight that this 50% refers to Malaysia's total domestic (retail and commercial) fuel requirement being accounted by Petronas through its marketing subsidiary PetDag. Also, if we use fuel station network as a gauge for retail-only segment, PetDag's market share may be under 30% against the nationwide fuel station network of 3,600.
- …**should take into account Petronas' superior supply chain network**. When analysing fuel volume data, taking into account PetDag's 2025 sales volume of 17.1b litres (2024: 16.8b) against Malaysia's 2025 domestic fuel demand of about 44b litres (based on 0.75m boepd), this implies approximate market share of 39%. Shell Malaysia's data was unknown, while Petron Malaysia Refining & Marketing Berhad (PMRMB) recorded total sales volume of 5.8b litres in 2025. However, we believe there are two rationales. Firstly, the context of "control" or having a superior, enterprise/ integrated local supply chain network is the key competitive advantage and is especially scalable for commercial business. We see Petronas continues to value this by absorbing full ownership of strategic facilities like PRefChem.
- **The second reason is likely a temporary "gain" in volumes over peers.** All fuel station operators have a joint cooperation to ensure the nation's fuel security, but Petronas is still the designated national anchor. PMRMB reported a 25% lower 1Q26 volume, as its Port Dickson refinery remains impaired since the critical product jetty was damaged by Cyclone Senyar in Nov 25. The refinery resumed partial operations in May 26, and will likely remain so until a replacement jetty gets commissioned in 1Q27. Petron had been tapping into fuel imports, but this alternative supply route is not always reliable. Based on these reasonings, we deduce Petronas can assist Petron on jet fuel supply to maintain its fuel security demand.

Valuation/Recommendation

- **Retain BUY with target price of RM24.20 (from RM23.20),** rolled over to a 2027 horizon. This implies 21x 2026F PE and dividend yield of 4.3% respectively. We believe PetDag offers a defensive position via its important role to safeguard national fuel security, and has a strong balance sheet that is well positioned to weather any uncertainties. There also appears to be no major cash flow risk despite nationwide concerns over the government's ballooning fuel subsidy burden, as subsidy receivables declined from RM1.3b in 1Q26 to RM0.7b currently. The long-term maturity of its non-fuel income (with future plans to include strategic hybrid super stations, and further retail penetration via Mesra and Petronas Concept Shops) should also provide more room to expand its profit margins/litre.

Cash Flow Movements, Quarterly



Source: PetDag

Fuel Retail Operator Analysis

Oil company	Stations	New	EV sites	Google Rating	Reviews	Positive
Petronas	>1,000	+10	>200	4.38	4,004	74%
Shell	>950	+20	>13	4.04	1,568	77%
Petron	>800	_+50	4	4.76	5,034	88%
Caltex	>450	Na	3	4.10	927	85$
BHP Petrol	>400	+30	8	4.22	2,693	76%

Source: Berkshire Media

Earnings Revision/ Risks

Upgrade 2026F-28F earnings by 8%/6%/6%

- We assume higher volumes across retail (assuming better penetration of BUDI69 customers), and jet fuel for commercial (a temporary short-term market share gain)
- Expect a weaker 2H26 vs 1H26. We note jet fuel prices have surged again to US$160/bbl since Jul 26 (crack spread widened to US$70/bbl vs Brent). Also, 2H26 oil price will likely trade range-bound, as consensus is now forecasting US$82/bbl for 2026

Source: UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental
• Green Energy for its fuel stations. Installing solar panels and collaborating with GreenTech to provide ChargeEV facilities. • Promoting green fuel and circular economy. Early adopter of B100 Biodiesel fuel. Fuel stations are being used as collection platforms to collect Used Cooking Oil (UCO) as feedstock for Sustainable Aviation Fuel (SAF).
Social
• Support enterprises as station dealers or Kedai Mesra suppliers.
Governance
• 6 out of 10 board members are independent.

Source: UOB Kay Hian

Jet Fuel Price Movements vs Dated Brent Crude Prices In US$/bbl

Source: International Air Transport Association (IATA)Jet Fuel Monitor

Profit & loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**38,269**	**38,740**	**40,746**	**42,865**
EBITDA	1,847	2,149	2,218	2,288
Deprec. & amort.	487	524	550	576
EBIT	1,360	1,625	1,668	1,712
Total other non-op. income	(5)	(5)	(5)	(5)
Associate contributions	13	13	13	13
Net interest income/(expense)	(16)	(34)	(40)	(47)
Pre-tax profit	**1,357**	**1,604**	**1,641**	**1,678**
Tax	(394	(401)	(410)	(420)
Minorities	(37)	(7)	(7	(7)
Net profit	**925**	**1,196**	**1,224**	**1,251**
Net profit (adj.)	925	1,196	1,224	1,251

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	4,117	5,025	5,148	5,244
Other LT assets	76	2	2	2
Cash/ST investment	4,755	2,601	2,678	2,746
Other current assets	2,023	3,582	3,204	2,824
Total assets	**11,084**	**11,299**	**11,177**	**11,018**
ST debt	74	50	50	50
Other current liabilities	4,639	4,088	3,796	3,463
LT debt	89	593	702	811
Other LT liabilities	49	49	49	49
Shareholders' equity	5,967	6,111	6,258	6,408
Minority interest	84	91	98	105
Total liabilities & equity	**11,084**	**11,299**	**11,177**	**11,018**

Cash flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**4,179**	**(558)**	**1,697**	**1,712**
Pre-tax profit	1,357	1,604	1,641	1,678
Tax	394	401	410	420
Other operating cashflows	487	524	550	576
Investing	**(297)**	**(493)**	**(493)**	**(493)**
Capex (growth)	(530)	(530)	(530)	(530)
Others	(14)	(14)	(14)	(14)
Financing	**(1,241)**	**(1,103)**	**(1,127)**	**(1,152)**
Others/interest paid	(1,103)	(1,053)	(1,077)	(1,101)
Net cash inflow (outflow)	**2,641**	**(2,154)**	**77**	**67**
Beginning cash & cash equivalent	**2,114**	**4,755**	**2,601**	**2,678**
Ending cash & cash equivalent	**4,755**	**2,601**	**2,678**	**2,746**

Key Metric

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	4.8	5.5	5.4	5.3
Pre-tax margin	3.6	4.2	4.1	4.0
Net margin	2.4	3.1	3.0	2.9
ROA	9.0	11.6	11.9	12.3
ROE	16.4	16.7	17.2	17.6
Growth (% yoy)				
Turnover	0.8	1.2	5.2	5.2
EBITDA	(3.8)	16.3	3.2	3.2
Pre-tax profit	30.5	(11.1)	2.2	2.2
Net profit	(2.6)	29.3	2.3	2.3
Net profit (adj.)	(2.6)	29.3	2.3	2.3
EPS	(2.6)	29.3	2.3	2.3
Leverage				
Debt to total capital	2.7	10.4	11.8	13.2
Debt to equity	2.7	10.5	12.0	13.4
Net debt/(cash) to equity	(23.5)	(47.3)	(48.8)	(50.2)
Interest cover (x)	116.3	64.1	55.3	48.9

Sunway Construction Group (SCGB MK)

2Q26: Stellar Quarter Matching Expectations

Highlights

- 1H26 earnings were within expectations, making up 50% and 51% of our and consensus full-year estimates, respectively. Yoy growth was mainly driven by a favourable project mix which lifted blended margins.
- Declared interim of 4 sen, bringing 1H26 dividend to 26.8 sen (1H25: 12.25sen) which implies a payout ratio of 163% and a yield of 3.3%
- Downgrade to HOLD despite a higher target price of RM8.44 (from RM7.88), which implies 21.6x 2027F PE (+1SD above five-year mean of 18x), following an impressive share price rally.

2Q26 Results

Year to 31 Dec (RMm)	2Q26	qoq % chg	yoy % chg	1H26	yoy % chg	Comments
Revenue	**1,017.7**	**(0.5)**	**(31.1)**	**2,040.4**	**(29.1)**	Lower progress billing yoy as 2Q25 had DC acceleration
- Construction	941.6	(0.9)	(34.3)	1,892.2	(32.5)	
- Precast Concrete	76.1	5.5	75.2	148.2	100.1	Higher contributions from ICPH and new projects
Operating profit	**111.3**	**(17.4)**	**(2.8)**	**246.0**	**9.8**	
- Construction	108.9	(16.6)	(5.4)	239.4	6.9	
- Precast Concrete	2.4	(40.6)	541.2	6.5	n.a.	
Pre-tax Profit	**131.3**	**(15.1)**	**7.1**	**286.0**	**21.3**	Higher construction margin and precast earnings
PATAMI	**103.6**	**(12.5)**	**23.5**	**222.0**	**39.1**	
Core PATAMI	**104.3**	**(8.8)**	**10.8**	**218.6**	**24.0**	
Margins	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**	
EBIT:	**10.9**	**-2.2**	**3.2**	**12.1**	**4.3**	
- Construction	11.6	-2.2	3.5	12.7	4.7	Higher DC margins
- Precast Concrete	3.2	-2.5	4.5	4.4	4.4	Improved contract replenishment
PBT	**12.9**	**-2.2**	**4.6**	**14.0**	**5.8**	
Core PATMI	**10.2**	**-0.9**	**3.9**	**10.7**	**4.6**	

Source: Suncon, UOB Kay Hian

Analysis

- **2Q26 results matching expectations.** Sunway Construction Group's (Suncon) 2Q26 core net profit came in at RM104.3m (-9% qoq, +11% yoy), despite a lower revenue of RM1.02b (-1% qoq, -31% yoy). 1H26 earnings made up 50% and 51% of our and consensus full-year estimates respectively.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	3,521.7	5,338.7	5,836.7	6,312.2	6,450.0
EBITDA	279.4	469.2	524.7	558.6	588.3
Operating profit	262.2	448.2	495.6	532.6	564.2
Net profit (rep./act.)	186.9	361.8	466.7	503.3	536.1
Net profit (adj.)	167.2	425.1	466.7	503.3	536.1
EPS	13.0	33.0	36.2	39.0	41.6
PE (x)	62.3	24.5	22.3	20.7	19.4
P/B (x)	11.9	9.6	10.8	10.9	11.0
EV/EBITDA (x)	36.4	18.7	16.9	15.6	14.7
Dividend yield (%)	1.0	6.2	5.7	4.9	5.2
Net margin (%)	5.3	6.8	8.0	8.0	8.3
Net debt/(cash) to equity (%)	(32.5)	(156.4)	(171.4)	(189.5)	(197.4)
ROE (%)	n.a	n.a	n.a	n.a	n.a
Consensus net profit	24.7	42.0	58.4	63.3	67.8
UOBKH/Consensus (x)	n.a	n.a	425.5	475.0	496.5

Source: Suncon, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Downgraded)

Share Price	RM8.08
Target Price	RM8.44
Upside	4.5%
Previous TP	RM7.88

Stock Data

Sector	Industrials
Bloomberg ticker	SCGB MK
Shares issued (m)	1,332.1
Market cap (RMm)	10,763.2
Market cap (US$m)	2,662.4
3-mth avg daily t'over (US$m)	5.3

Price Performance (%)

52-week high/low: RM8.40/RM5.33

1mth	3mth	6mth	1yr	YTD
5.6	7.9	28.7	32.7	42.8

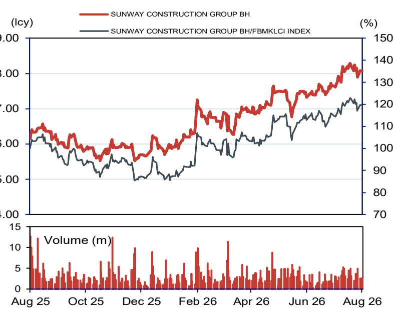
Major Shareholders (%)

Sunway Holdings Sdn Bhd	52.8
Sungei Way Corp Sdn Bhd	5.5
Employees Provident Fund Board	5.2

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.8
FY26 Net Debt/Share (RM)	(1.3)

Price Chart



Source: Bloomberg

Company Description

A leading construction company in Malaysia.

- **Declared second interim dividend of 4 sen.** Suncon declared a 4 sen interim dividend (2Q25: 7.25 sen). For 1H26, dividend of 26.8 sen declared is much higher than 1H25's 12.25 sen, and implies a payout ratio of 163% and a yield of 3.3%
- **Construction segment: Earnings improvement premised on meaningful margin uptick.** The construction division's profit before tax (PBT) improved to RM125m (+5% yoy) despite a significantly lower revenue of RM942m (-34% yoy) in 2Q26. Revenue declined yoy due to lower progress billing as 2Q25 saw accelerated progress of several data centre projects. Nevertheless, PBT margins have seen meaningful expansions (+4.8ppt yoy) due to a more favourable project mix and a higher proportion of Advanced Technology Facilities projects.
- **Precast segment: Recovering from low base.** In 2Q26, the precast segment delivered a higher yoy revenue of RM76.1m (+75% yoy) which presumably reflects improving contributions from Integrated Construction & Prefabrication Hub (ICPH) and newly secured projects. EBIT surged to RM2.4m (+541% yoy) with much better margins (+4.5ppt yoy). We anticipate a similarly strong quarter for the precast segment through 2H26, supported by an existing orderbook of about RM727m.
- **Orderbook replenishment target optimistically revised upwards.** Following recent contracts wins, Suncon has secured around RM6.9b in new jobs ytd. Management now targets to secure a RM7b-9b orderbook in 2026, raised from its initial target of RM6b. Suncon's current outstanding orderbook also stands tall at a record-high of RM10.5b (1.7x orderbook cover), with a tenderbook pipeline of over RM14.2b. We remain optimistic that the group's RM7b-9b orderbook replenishment target in 2026 is highly attainable, well supported by accelerating local infrastructure job flows and data centre (DC)-related contracts.
- **DC-powered growth narratives remain exciting.** Note that Suncon secured three DC contracts worth RM2.9b in 2025, and another approximately RM6.3b in DC contracts ytd. The group currently has three completed and 10 ongoing DC projects with a combined 330MW IT load, with DC works making up 70% of the total outstanding orderbook. Of the current tenderbook of about RM14.2b, above 80% are DC-related. Suncon is also still bidding for a few DC projects with a combined IT load of over 700MW (estimated value of RM11b-13b) that may be awarded within 2026-27. Overall, we assess that Suncon is in a good position to win several DC bids within 2026-27. This will lift the group's overall margins as a DC has a shorter construction period and better profit margins.
- **Valuations appear fair after ytd rally, well-supported by attractive yield and capital management upside.** Suncon is in a net cash position of about RM1.2b currently, reflecting an improving trend over the last two years following better earnings and improved cash flow conversion. Adjacent with the yoy earnings growth, we forecast a 100-125% dividend payout ratio in 2026-28, implying a lush prospective yield of 4.9-5.7%. We also do not rule out further special dividends as the group has sufficient room for better capital management.

Valuation/Recommendation

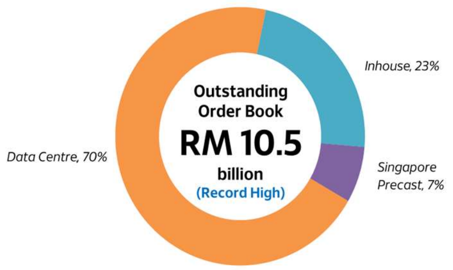
- **We raised our 2026-27 earnings forecasts by 7% and 9% respectively** to reflect higher orderbook replenishment, besides better-than-expected DC contracts' profitability margin.
- **Downgrade to HOLD despite a higher target price of RM8.44 (from RM7.88),** as the recent share price rally fairly reflected the group's fundamental value. Our target price is pegged to 21.6x 2027F PE (+1SD above the five-year mean of 18x).

Outstanding Orderbook As Of End-2Q26

Projects	(RMm)
JHB1X0 Data Centre	139
JHB01 Data Centre	1,346
K2 Phase 2 Data Centre	53
RTS Link Package 1B & 5	10
Daiso Warehouse	25
PSR -MNC	81
PSR – MNC - JB01	558
PSR – MNC - JB02	346
General DC Contractor Work - Shell 1 - MNC	788
General DC Contractor Work - Shell 2 - MNC	2,295
Serendah DC	1,750
India Highways	51
Total External (A)	**7,419**
RTS TOD	1,054
Sunway Square Superstructure+VO	124
SW Ipoh Mall	864
Sunmed PH3 fit-out	31
Sunway Medical Iskandar	400
Sunway Sanctuary Fit-out Works	20
Total Internal (B)	**2,369**
Precast Concrete (C)	**727**
Grand Total (A+B+C)	**10,515**

Source: Suncon

Orderbook



Source: Suncon

Segmental Forecasts

(RMm)	2025	2026F	2027F
Revenue	**5,339**	**5,837**	**6,312**
- Construction	5,132	5,513	6,141
- Precast Concrete	207	324	171
Operating profit	**448**	**496**	**533**
- Construction	446	460	514
- Precast Concrete	2	36	19
Orderbook replenishment assumptions			
- Construction	4,500	7,000	6,000
- Precast Concrete	300	300	300

Source: UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental
- Mitigate emissions, biodiversity impact, waste disposal and pollution.
Social
- Work with local authorities and communities to ensure projects' success.
Governance
- Independent directors (four out of seven) comprise the majority of the board.

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**5,339**	**5,837**	**6,312**	**6,450**
EBITDA	469	525	559	588
Deprec. & amort.	21	29	26	24
EBIT	448	496	533	564
Associate contributions	15	17	19	20
Net interest income/(expense)	62	95	104	113
Pre-tax profit	**526**	**607**	**655**	**698**
Tax	(123)	(134)	(144)	(154)
Minorities	(40)	(7)	(8)	(8)
Preferred dividends	362	467	503	536
Net profit	**425**	**467**	**503**	**536**
Net profit (adj.)	5,339	5,837	6,312	6,450

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	122	112	107	105
Other LT assets	656	759	778	797
Cash/ST investment	2,000	1,898	2,008	2,016
Other current assets	1,646	1,748	1,838	1,826
Total assets	**4,424**	**4,518**	**4,730**	**4,745**
ST debt	158	131	105	79
Other current liabilities	2,945	3,208	3,470	3,534
LT debt	143	119	95	71
Other LT liabilities	10	10	10	10
Shareholders' equity	1,087	961	954	946
Minority interest	81	89	96	104
Total liabilities & equity	**4,424**	**4,518**	**4,730**	**4,745**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**1,617**	**647**	**691**	**624**
Pre-tax profit	526	607	655	698
Tax	(107)	(134)	(144)	(154)
Deprec. & amort.	21	29	26	24
Associates	(15)	(17)	(19)	(20)
Working capital changes	1,133	160	173	76
Other operating cashflows	60	0	0	0
Investing	**(27)**	**(19)**	**(21)**	**(21)**
Capex (growth)	(44)	(19)	(21)	(21)
Investments	(164)	0	0	0
Proceeds from sale of assets	24	0	0	0
Others	(7)	0	0	0
Financing	**(608)**	**(642)**	**(561)**	**(594)**
Dividend payments	(305)	(592)	(511)	(544)
Proceeds from borrowings	(422)	(50)	(50)	(50)
Others/interest paid	119	0	0	0
Net cash inflow (outflow)	**982**	**(15)**	**109**	**9**
Beginning cash & cash equivalent	**936**	**1,914**	**1,898**	**2,008**
Changes due to forex impact	(5)	0	0	0
Ending cash & cash equivalent	**2,000**	**1,898**	**2,008**	**2,016**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.8	9.0	8.8	9.1
Pre-tax margin	9.8	10.4	10.4	10.8
Net margin	6.8	8.0	8.0	8.3
ROA	11.4	14.5	15.2	16.1
ROE	42.0	58.4	63.3	67.8
Growth				
Net profit (adj.)	154.2	9.8	7.8	6.5
EPS	154.2	9.8	7.8	6.5
Leverage				
Debt to total capital	25.7	23.8	19.1	14.3
Debt to equity	27.6	26.0	21.0	15.9
Net debt/(cash) to equity	(156.4)	(171.4)	(189.5)	(197.4)

Zetrix AI (ZETRIX MK)

2Q26: Within Expectations

Highlights

- 2Q26 results were within expectations, with 1H26 earnings making up 52% and 50% of our and consensus expectations.
- The blockchain segment contributed around RM277m revenue in 1Q26 (60% of total revenue), with the bulk of it arising from token sales (21%).
- Maintain BUY and target price of RM1.56. Key re-rating catalysts are still better cash flow conversion, and lower gearing following the spin-off of its web3 business as an SPV materialises.

2Q26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	**426.7**	**10.5**	**38.6**	**813.0**	**33.7**
EBITDA	382.1	11.4	62.7	725.0	57.3
EBIT	**304.1**	(0.7)	37.6	610.2	40.1
Interest Expense	(30.1)	15.1	70.7	(56.3)	59.7
Pre-tax Profit	**272.4**	**0.3**	**37.0**	**544.0**	**43.0**
Tax	(3.8)	824.2	706.0	(4.2)	742.9
Core Net Profit	**269.3**	**(4.0)**	**31.8**	**549.7**	**36.9**
Margin	%	+/- ppt	+/- ppt	%	+/- ppt
EBIT Margin	71.3	-8.0	-0.5	75.0	3.4
PBT Margin	63.8	-6.4	-0.7	66.9	4.3
Net Profit Margin	63.1	-9.5	-3.2	67.6	1.5

Source: Zetrix, UOB Kay Hian

Analysis

- **2Q26 results within expectations.** Zetrix AI's (Zetrix) 2Q26 core net profit came in at RM269m (-4% qoq, +32% yoy) on revenue of RM427m (+11% qoq, +39% yoy). 1H26 results were in line with expectations, accounting for 52% and 50% of our and consensus forecasts respectively.
- **Earnings growth continues to be driven by blockchain and AI segments.** 2Q26 revenue rose 39% yoy to RM427m on stronger performances from the blockchain and AI segments, while the immigration and road transport segment remained stable. We surmised that Zetrix's blockchain segment contributed around RM277m revenue in 2Q26 (65% of total revenue), with the bulk of it arising from token sales (21%) which includes part of the RM500m token sales to Bullish Aim. Overall, Zetrix's net profit surged significantly by 32% yoy, but margin declined 3.2ppt on higher amortisation of development cost.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	1,016.9	1,335.3	1,449.4	1,462.7	1,691.8
EBITDA	806.1	1,050.0	1,250.1	1,257.3	1,487.5
Operating profit	751.3	984.3	1,136.9	1,095.3	1,281.8
Net profit (rep./act.)	679.8	900.6	1,045.5	1,023.2	1,224.8
Net profit (adj.)	679.8	900.6	1,045.5	1,023.2	1,224.8
EPS	9.2	11.5	13.3	13.0	15.6
PE (x)	8.7	7.0	6.0	6.2	5.1
P/B (x)	2.1	1.7	1.4	1.2	1.0
EV/EBITDA (x)	8.4	6.7	5.4	5.0	4.0
Dividend yield (%)	3.4	3.9	3.7	4.1	4.9
Net margin (%)	66.8	67.4	72.1	70.0	72.4
Net debt/(cash) to equity (%)	31.2	30.6	17.2	7.4	0.0
ROE (%)	12.1	12.6	14.1	17.6	27.5
Consensus net profit	30.9	34.0	34.2	29.8	31.4
UOBKH/Consensus (x)	n.a	n.a	1,071.6	1,086.4	1,215.2

Source: Zetrix, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY

Share Price	RM0.655
Target Price	RM1.56
Upside	138%

Stock Data

Sector	Industrials
Bloomberg ticker	ZETRIX MK
Shares issued (m)	7,878.2
Market cap (RMm)	5,162.2
Market cap (US$m)	1,276.9
3-mth avg daily t'over (US$m)	16.4

Price Performance (%)

52-week high/low: RM0.91/RM0.63

1mth	3mth	6mth	1yr	YTD
(6.4)	(18.6)	(21.6)	(26.8)	(19.1)

Major Shareholders (%)

Wong Thean Soon	15.19
Asian Internet Holdings	14.30
Kumpulan Wang Persaraan Diperbadankan	4.95

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.58
FY26 Net Debt/Share (RM)	0.10

Company Description

Casino, resort and theme park operator.

- **Declared 0.25 sen interim DPS in 2Q26,** representing a 0.4% yield (2Q25: 0.25sen interim DPS).
- **Potential spin-off of web3 business as SPV for listing remains a key catalyst for 2026.** We understand that Zetrix intends to create a special purpose vehicle (SPV) which contains all Zetrix cross-border businesses on a Layer-1 blockchain such as Ztrade, Robotics, Nur AI and others, with the aim of listing them on Nasdaq via a special purpose acquisition company. In a recent round of pre-listing financing, the SPV is raising US$100m at estimated US$3b/RM12b valuations. Following completion of this exercise (in 4Q26), the group may pare down its debt and unlock value for existing shareholders, and allow for better cash flow as capex may be largely reduced from the current RM800m-1b/year run-rate to RM400m-500m.
- **Launched "Avatar", a new agentic AI ecosystem with CAICT's Astron.** Last April, Zetrix launched "Avatar" with the China Academy of Information and Communications Technology (CAICT). "Avatar" is a new AI platform which allows any individual to train a Personal Knowledge Model (PKM) to represent them digitally. Key features include a trust protocol by CAICT to verify the credentials and security of AI agents. We understand that Zetrix can monetise from a subscription fee of US$49/month, alongside PKM creation, percentage sharing of commercial interactions, deceased-person Avatar management and white label licensing.
- **Setting up a global data exchange.** Separately, Zetrix is also partnering with Shenzhen Data Exchange to set up a global data exchange which enables trading of private data. Being the founding member and lead ASEAN representative of the World Data Organisation (WDO), Zetrix aims to deepen international cooperation regarding data and improving global data governance. While sale of data is a huge addressable market (RMB50b data transacted within China in 2025), Zetrix will be able to monetise through facilitating companies to anonymise their database and earn a commission from each data transaction on the platform.

Valuation/Recommendation

- **No changes to our earnings forecast.**
- **Maintain BUY and target price of RM1.56,** pegged to 11.7x 2026F PE (-1SD below mean). Overall, we think that Zetrix may be re-rated if several catalysts such as better cash flow conversion, lower gearing following the spin-off of its web3 business as an SPV and growing dividend yields following record earnings, can materialise.

Environment, Social, Governance (ESG) Updates

Environmental

- Zetrix's carbon footprint is limited to energy consumed in office environment and does not impact biodiversity or climate change in any significant way.

Social

- Subscribed to the United Nations International Bill of Human Rights.
- Spent RM2.5m in community investment to support >50 charity groups in 2021.

Governance

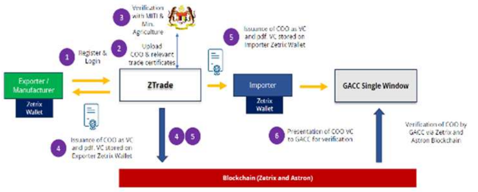
- Comprehended and applied Malaysian Code on Corporate Governance (MCCG).
- Spent RM2.5m in community investment to support >50 charity groups in 2021.

PBT By Segment

	FY26F	FY27F	FY28F
Core PBT Breakdown	**1,048.06**	**1,023.93**	**1,227.75**
Foreign Worker	185.18	196.24	201.06
Accommodation	2.95	3.02	3.09
Road Transportation	158.72	166.66	174.99
Others	15.23	15.38	15.53
Zetrix & World ID	685.98	642.64	833.08

Source: UOB Kay Hian

Ztrade's Process Flow



Source: Zetrix, UOB Kay Hian

Zetrix's Product Roadmap

2Q22	- Launch of ZTX mainnet - Build and test the proof of concept iteratively with NFT marketplace and Covinsure dapps. - Developer SDK published - Develop operating models and governance
3Q22	- Achieve interoperability with other chains, ie Xinghuo, Ethereum, Polygon. - Launch of crosschain BID/VC with Xinghuo - Launch of ZTX token sale - Marketing of BID registration in all market excluding China
4Q22	- Launch of crosschain NFT transfers with Xinghuo - Launch of Web 3 Domain Name Registry - Launch of Self Sovereign Identity usecase for both product and individual
1Q23	- Pilot of Cross border deep tier supply chain financing and traceability
2Q23	- Announced co-research of AI development with CAICT as part of initial inter-government blockchain research
4Q23	- IEO of Zetrix coins
3Q24	- Official rollout of cross-border blockchain trade facilitation services with China
2025	- Rollout of NurAI - Rollout of Miss Universe Voting App - Rollout of My Digital ID Super App (JV with MIMOS)
2026	- Secured US$40m investment from Worldbank's IFC - Launch of "Avatar" agentic AI platform with CAICT - Signing of MOU agreement with Shenzhen Data Exchange for setting up of a global data exchange in 2Q26 - SPAC listing of blockchain SPV on Nasdaq expected to be completed in 4Q26

Source: Zetrix, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**1,335**	**1,449**	**1,463**	**1,692**
EBITDA	1,050	1,250	1,257	1,487
Deprec. & amort.	66	113	162	206
EBIT	984	1,137	1,095	1,282
Net interest income/(expense)	(83)	(89)	(71)	(54)
Pre-tax profit	**901**	**1,048**	**1,024**	**1,228**
Tax	(2)	(2)	(2)	(3)
Minorities	1	(0)	1	(0)
Net profit	**901**	**1,045**	**1,023**	**1,225**
Net profit (adj.)	901	1,045	1,023	1,225

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	333	1,019	1,457	1,852
Other LT assets	3,482	3,467	3,469	3,471
Cash/ST investment	533	595	686	780
Other current assets	1,223	1,037	1,043	1,145
Total assets	**5,571**	**6,140**	**6,676**	**7,266**
ST debt	117	117	117	117
Other current liabilities	124	194	264	235
LT debt	1,564	1,264	964	664
Other LT liabilities	26	9	9	9
Shareholders' equity	3,746	4,561	5,329	6,247
Minority interest	(5)	(5)	(7)	(6)
Total liabilities & equity	**5,571**	**6,140**	**6,676**	**7,266**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**926**	**1,393**	**1,249**	**1,302**
Pre-tax profit	901	1,048	1,024	1,228
Tax	(2)	(2)	(2)	(3)
Deprec. & amort.	66	113	162	206
Associates	0	0	0	0
Working capital changes	(52)	233	63	(132)
Other operating cashflows	0	0	0	0
Investing	**(1,188)**	**(800)**	**(600)**	**(600)**
Capex (growth)	(1,046)	(800)	(600)	(600)
Investments	49	34	35	36
Proceeds from sale of assets	0	0	0	0
Others	(192)	(34)	(35)	(36)
Financing	**431**	**(532)**	**(557)**	**(608)**
Dividend payments	(212)	(230)	(256)	(306)
Issue of shares	0	0	0	0
Proceeds from borrowings	569	0	0	0
Loan repayment	(125)	(302)	(302)	(302)
Others/interest paid	199	0	0	0
Net cash inflow (outflow)	**169**	**62**	**91**	**94**
Beginning cash & cash equivalent	**374**	**533**	**595**	**686**
Changes due to forex impact	(10)	0	0	0
Ending cash & cash equivalent	**533**	**595**	**686**	**780**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	78.6	86.3	86.0	87.9
Pre-tax margin	67.5	72.3	70.0	72.6
Net margin	67.4	72.1	70.0	72.4
ROA	18.3	17.9	16.0	17.6
ROE	27.3	25.2	20.7	21.2
Growth				
Turnover	31.3	8.5	0.9	15.7
EBITDA	30.3	19.1	0.6	18.3
Pre-tax profit	31.6	16.3	(2.3)	19.9
Net profit	32.5	16.1	(2.1)	19.7
Net profit (adj.)	32.5	16.1	(2.1)	19.7
EPS	24.9	16.1	(2.1)	19.7
Leverage				
Debt to total capital	31.0	23.3	16.9	11.1
Debt to equity	44.9	30.3	20.3	12.5
Net debt/(cash) to equity	30.6	17.2	7.4	0.0
Interest cover	12.6	14.1	17.6	27.5

ITMAX System
(ITMAX MK/BUY/RM4.40/Target: RM6.10)

1H26: Within Expectations; Anticipating Stronger Quarters Ahead

Highlights

- **Within expectations.** ITMAX System (ITMAX) reported a 2Q26 core net profit of RM29.8m (+20% qoq, +31% yoy) on revenue of RM75.0m (+14% qoq, +28% yoy). This brought 1H26 core net profit to RM54.6m, making up 46%/44% of our and consensus expectations respectively, broadly in line with expectations. We expect earnings momentum to strengthen in the subsequent quarters, supported by higher contributions from the smart parking contract in Johor Bahru and full delivery of the DBKL project.
- **1H26 revenue rose 29% yoy to RM140.8m,** led by a 45% yoy increase in the Digital Infrastructure Solutions (DIS) segment, underpinned by revenue recognition from its KL CCTV contracts, alongside higher parking collections from smart parking deployments in both Johor and Selangor. Core net profit grew 26% yoy with the stronger DIS segment mix which typically carries better gross margin. On a qoq basis, earnings improved by 20% on a 14% increase in revenue, largely due to higher contribution supply and installation projects (+68% qoq), alongside a modest 4% qoq uptick in DIS contributions.
- **Strong expansion runway across Kuala Lumpur and Johor.** Following the delivery of its 10,000-unit DBKL CCTV contract, we expect further awards of at least 5,000 units, potentially scaling to 10,000 units, in line with the government's target of 20,000 CCTVs by 2028. Management estimates Kuala Lumpur ultimately needs at least 50,000 units to fully support traffic, safety and city management functions, suggesting substantial headroom versus Singapore (~109,000 units) and Bangkok (~78,000 units).
- Meanwhile, the addition of 2,000 new CCTV units in Johor Bahru could serve as a benchmark for further rollouts across other local councils such as Iskandar Puteri, Kulai and other municipalities. The single-system policy adopted across all 16 councils, integrating traffic management, video surveillance and smart parking into one ecosystem, should further support ITMAX's efforts to achieve broader coverage across the state. Beyond volume growth, we expect ITMAX to achieve higher ASPs per unit as value-added modules such as Digital Twin, Super App and AI-enabled features are layered in, creating a dual growth engine of volume and value across both markets.
- **Strengthens ITMAX's AI credentials.** Recall that ITMAX secured a RM186.8m PERKESO contract from to develop a new AI-powered employment portal, replacing the existing MyFutureJobs platform. Beyond RM77.4m net profit earnings accretive, we believe the project is strategically important as it demonstrates that ITMAX's AI and digital-platform capabilities extend well beyond smart-city applications. A successful deployment of the PERKESO platform could serve as a strong reference case for ITMAX to pursue similar AI-enabled digital transformation projects across other government agencies and industries, reinforcing our view that its technology platform is scalable across multiple verticals and providing an additional avenue for growth beyond its traditional smart-city business.

Earnings Revision/Risk

- No change in earnings.

Valuation/Recommendation

- **Maintain BUY with an unchanged DCF-based target price of RM6.10 (WACC: 7%; LTG: 3%)**, which implies 40x 2027F PE. ITMAX continues to offer enormous potential across both East and West Malaysia, underpinned by a solid orderbook. Beyond that, the company leverages AI technologies and its unique database as key competitive advantages to continue delivering superior solutions.

1H26 Results

Year to 31 Dec	2Q26 (RMm)	qoq % chg	yoy % chg	1H26 (RMm)	yoy % chg
Revenue	75.0	13.9	28.3	140.9	29.0
EBITDA	55.2	20.0	36.2	101.1	31.5
EBIT	49.0	19.7	37.8	89.9	34.0
Pre-tax Profit	42.9	18.3	38.5	79.2	35.8
Net Profit	30.0	20.0	30.1	55.0	27.3
Core Net Profit	29.8	20.3	30.5	54.6	26.2
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
EBITDA	73.5	3.8	9.0	71.8	62.8
EBIT	65.3	3.2	8.1	63.9	55.8
Pre-tax Profit	57.2	2.2	6.7	56.2	49.5
Core Net Profit	39.7	2.1	6.1	38.7	32.6

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	220.2	247.0	264.2	339.8	384.8
EBITDA	120.0	149.3	171.7	229.4	259.7
Operating profit	104.1	130.4	152.9	201.2	227.8
Net profit (rep./act.)	80.4	93.5	118.5	155.2	175.9
Net profit (adj.)	80.5	93.1	118.5	155.2	175.9
EPS	7.8	9.1	11.5	15.1	17.1
PE (x)	56.8	49.1	38.6	29.5	26.0
P/B (x)	11.4	9.1	7.7	6.5	5.4
EV/EBITDA (x)	55.6	44.9	39.0	29.3	25.9
Dividend yield (%)	0.4	0.5	0.6	0.8	1.0
Net margin (%)	36.5	37.7	44.8	45.7	45.7
Net debt/(cash) to equity (%)	(38.6)	(27.8)	(24.1)	(28.8)	(35.3)
Interest cover (x)	33.7	85.8	50.9	67.9	61.8
ROE (%)	20.0	18.5	20.0	21.9	20.9
Consensus Net Profit	-	-	123.7	152.0	172.3
UOBKH/Consensus (x)	-	-	0.96	1.02	1.02

Source: ITMAX, Bloomberg, UOB Kay Hian

Analyst

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Matrix Concepts Holdings
(MCH MK/BUY/RM1.19/Target: RM1.72)

1QFY27 Results: In Line; Declares Dividend Of 1.4 Sen

Highlights

- **In line.** Matrix Concepts Holdings (Matrix) recorded a 1QFY27 core PATAMI of RM60m (+73% qoq; -5% yoy) on the back of revenue of RM316m (+2% qoq; +11% yoy). The results arrived within and at the lower end of our earlier expectations of RM60m-65m, accounting for 23% and 24% of our and consensus full-year estimates respectively. During the quarter, core PATAMI margin was at 19.1% (vs 1QFY26/4QFY26: 22.2%/11.3%).
- **The group declared a dividend of 1.4 sen per share** (+12% qoq; -20% yoy), representing a 43.7% payout ratio for 1QFY27. While 1QFY27 DPS represented 20% of our 7.0 sen full year forecast, we expect DPS to catch up in the remaining quarters with a payout assumption of 50%.
- **Sales were on track.** 1QFY27 sales came in RM417m (+18% qoq; +9% yoy) and accounting for 23% of our RM1.8b full year sales target. Unbilled sales came in at RM1,478m as of end-Jun 26, vs RM1,506m as of end-Mar 26. The take-up rate for the overall portfolio and its ongoing Sendayan projects stand at 76.5% and 72.3% respectively, vs 76.9% and 74.4% as of end-Mar 26. Overall, 1QFY27 sales were within our expectation, as disruption from implementation of electronic sale and purchase agreement (e-SPA) has largely normalised. Sales should pick up in 2HFY27, as it launches the first block of Levia Residence @ Puchong that has a GDV of RM356m.
- **The property development segment revenue grew to RM296m** (+2% qoq; +10% yoy) in 1QFY27, as the decline in Sendayan development (-22% yoy to RM177m) was largely offset by growth in Klang Valley (+98% yoy to RM53m), Bandar Seri Impian (+43% yoy to RM22m), and industrial revenue from MVV at RM21m (-54% qoq).

Earnings Revision/Risk

- No changes to earnings forecast.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM1.72,** based on a 25% discount to our RNAV/share of RM2.30. Our target price implies 1.3x FY27F P/B and 12.4x FY27F PE, which we consider fair against 20% earnings growth in FY27 and 14.3% three-year CAGR over FY26-29F. At current levels, the stock offers a decent yield of 5.9% for FY27.We continue to like Matrix for its above-industry margins and ROE, strong earnings visibility and generous dividend payouts.

1QFY27 Results

Year to 31 Mar	1QFY27 (RMm)	4QFY26 (RMm)	1QFY26 (RMm)	qoq % chg	yoy % chg
Revenue	315.6	308.9	284.3	2.2	11.0
Gross Profit	128.5	114.6	133.6	12.2	(3.8)
EBIT	83.1	55.2	86.2	50.5	(3.5)
PBT	80.8	53.7	83.0	50.5	(2.6)
PATAMI	60.2	38.7	63.1	55.5	(4.6)
Core PATAMI	60.2	34.9	63.1	72.7	(4.6)
Margins	%	%	%	+/- ppt	+/- ppt
GP	40.7	37.1	47.0	3.6	(6.3)
EBIT	26.3	17.9	30.3	8.5	(4.0)
PBT	25.6	17.4	29.2	8.2	(3.6)
Core PATAMI	19.1	11.3	22.2	7.8	(3.1)

Key Financials

Year to 31 Mar (RMm)	2025	2026	2027F	2028F	2029F
Net Turnover	1,150.7	1,359.6	1,571.0	1,740.1	1,847.4
EBIT	290.4	312.3	360.2	416.1	442.6
Net Profit (Reported)	214.0	219.3	259.5	301.9	322.1
Net Profit (Adjusted)	202.9	215.5	259.5	301.9	322.1
EPS (sen)	10.8	11.5	13.8	16.1	17.2
PE (x)	11.7	10.4	8.6	7.4	6.9
P/B (x)	1.1	1.0	0.9	0.9	0.8
EV/EBITDA (x)	7.6	8.7	7.8	6.7	6.2
Dividend Yield (%)	4.9	5.1	5.9	6.8	7.3
Net Margin (%)	17.6	15.8	16.5	17.4	17.4
Net Gearing (%)	16.0	36.9	35.9	30.7	24.6
ROE (%)	9.1	9.3	10.6	11.6	11.7
Consensus Net Profit	-	-	252.7	275.9	291.0
UOBKH/Consensus (x)	-	-	1.0	1.1	1.1

Source: Matrix, Bloomberg, UOB Kay Hian

Analyst

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Northeast Group

(NE MK/BUY/RM1.12/Target: RM1.42)

9MFY26: Above House Expectation; Still Ample Runway For Growth

Highlights

- **Above expectations.** Northeast Group (NE) delivered another record quarter, posting 3QFY26 core net profit of RM9.1m (+2% qoq; +20% yoy), bringing 9MFY26 core net profit to RM25.3m (+63% yoy). This accounted for 86%/71% of our and consensus full-year estimates respectively. The positive variance was mainly driven by stronger-than-expected margins, underpinned by robust loadings from both semiconductor and photonics customers. Core earnings was adjusted for scrap income of RM4.1m, a net gain on impairment on trade receivables of RM1.1m, and unrealised forex losses of RM1.3m.
- **9MFY26 revenue surged 42% yoy,** attributable to stronger loadings from its semiconductor and photonics customers, coupled with enhanced manpower productivity. Meanwhile, core net profit grew 63% yoy, reflecting a more favourable product mix and stronger operating leverage on the back of robust top-line growth. Qoq, revenue inched up 11%, while core net profit grew at a modest 2% due to a higher effective tax rate of 23% (vs 2QFY26: 13.0%) as well as a softer EBITDA margin (-7.6ppts), reflecting margin normalisation following the exceptionally strong 2QFY26. Looking ahead, we expect NE to continue delivering stellar earnings ahead, following a two-year period involving: a) the restructuring of its major customer business structure, b) inventory adjustments, and c) product portfolio diversification.
- **Riding the AI upcycle; translating into earnings visibility.** NE is increasingly monetising its indirect AI exposure, having progressed from first-article qualification to mass production of precision-engineered components embedded in AI infrastructure. This is spearheaded by its positioning within the supply chain of a contract manufacturer, serving a key US optical solutions provider to the world's leading GPU player. With optical demand accelerating and the customer relationship deepening, order momentum is building, providing visibility for a multi-year growth runway potentially extending through 2027. While related revenue contribution remains sub-20% at this juncture, this segment is poised to emerge as the primary driver of its photonics division. Meanwhile, its outstanding orderbook surged by another 26% to RM82m from April's quantum of RM65m.
- **Upping the ante to capture the next wave of growth.** NE is stepping beyond its traditional role as a precision component manufacturer, with ambitions to become an integrated engineering solutions provider at the sub-modular level. To drive this strategic shift, the group has unveiled ambitious expansion plans, including the construction of a new factory (expected to boost production capacity by 50% and targeted for completion by 2H29 which will be outfitted with state-of-the-art Computer Numerical Control machinery, alongside the development of a dedicated warehouse facility. On the segment front, the group is positioning itself to seize emerging opportunities in the 6G wireless network, advanced cooling systems for data centres, and entry into new product markets.

Earnings Revision/Risk

- Post earnings adjustment, we raise our FY26-28F earnings forecasts by 18-23% mainly to account for stronger sales assumption for the semiconductor and photonics segments alongside improved margin expectations on better operational efficiency.

Valuation/Recommendation

- **Maintain BUY with a higher target price of RM1.42 (from RM1.20)** based on an unchanged 25.0x FY27F PE (which is at -25% discount to SPE's seven-year mean PE). We expect FY26 net profit to rise 57% on the back of cyclical recovery and growing relevance in its customers' technological advancement. This is notwithstanding the expansion pipelines in the next three years which could double its capacity and floorspace.

9MFY26 Results

Year to 30 Sep	3QFY26 (RMm)	qoq % chg	yoy % chg	9MFY26 (RMm)	yoy % chg
Revenue	**42.9**	**11**	**35**	**118.1**	**42**
EBITDA	15.2	(9)	50	43.4	83
EBIT	12.9	(10)	60	36.4	107
Pre-tax Profit	**12.7**	**(10)**	**61**	**35.9**	**113**
Net Profit	9.9	(20)	39	29.4	119
Core Net Profit	**9.1**	**2**	**20**	**25.3**	**63**
Margins	%	+/- ppt	+/- ppt	%	+/- ppt
EBITDA	35.6	(7.6)	3.5	36.7	8.3
EBIT	30.0	(7.1)	4.6	30.8	9.7
Pre-tax Profit	29.7	(7.0)	4.7	30.4	10.1
Core Net Profit	21.3	(1.9)	(2.7)	21.4	2.7

Key Financials

Year to 30 Sep (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	90.1	119.6	156.9	185.6	213.5
EBITDA	28.6	35.7	56.2	65.9	75.5
Operating profit	20.6	27.4	46.3	53.7	60.8
Net profit (rep./act.)	13.7	20.5	36.0	42.0	47.6
Net profit (adj.)	16.5	23.0	36.0	42.0	47.6
EPS (sen)	2.2	3.1	4.9	5.7	6.4
PE (x)	50.2	36.0	23.0	19.8	17.4
P/B (x)	5.3	3.2	2.8	2.5	2.2
EV/EBITDA (x)	26.2	19.3	11.5	8.8	6.7
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Net margin (%)	18.3	19.2	22.9	22.6	22.3
Net debt/(cash) to equity (%)	(32.9)	(54.3)	(62.1)	(73.6)	(83.4)
Interest cover (x)	n.m.	n.m.	n.m.	n.m.	n.m.
ROE (%)	10.5	8.9	12.2	12.4	12.4
Consensus net profit			35.8	40.4	42.5
UOBKH/Consensus (x)			1.01	1.04	1.12

Source: NE, Bloomberg, UOB Kay Hian

Analyst

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Market Spotlight

Market News

The FBMKLCI continued to slide by 0.15pt to close at 1,736.33 on Monday amid persistent selling pressure in index-linked counters. Meanwhile, Asian stocks fell sharply on Monday, with technology shares bearing the brunt of a broader risk-off move as Samsung Electronics and Alibaba slumped, while investors looked ahead to Nvidia's earnings and fresh US trade and monetary-policy signals. The FBMKLCI's top gainers were MISC (+4.3%), IOI Corporation (+2.3%) and Petronas Dagangan (+1.9%), while the top losers were YTL Corporation (-2.8%), IOI Properties Group (-1.8%) and IHH Healthcare (-1.6%). In the broader market, losers outpaced gainers 714 to 482 with 540 counters unchanged. Turnover was 3.61b shares valued at RM3.04b.

US stocks were higher after the close on Tuesday, as gains in the technology, basic materials and healthcare sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average added 0.30%, while the S&P 500 Index gained 0.32%, and the NASDAQ Composite Index climbed 0.66%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,527 to 1,172 and 104 ended unchanged; on the Nasdaq Stock Exchange, 2,036 rose and 1,380 declined, while 179 ended unchanged. (Sources: Investing.com)

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

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FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI	
Last close:	1,736.33
Expected moving range:	1,720-1,750

Technical View:

Based on the daily candlestick analysis, the FBMKLCI did not start the week on a positive note on Monday. The index slipped below the BBI lines on Monday, suggesting the short-term trend remains vulnerable to further corrections. For now, the FBMKLCI will stay above the trendline but a further slip may change the overall bullish outlook to a much more neutral bias. Going forward, there would be more downward pressure on the index if it closes below the immediate support. 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 +3.1% potential return

Trading BUY range:	RM4,900-5,020
Last price:	RM4,946
Target price:	RM5,039, RM5,099
Support:	RM4,875
Stop-loss:	RM4,874

BUY with a target price of RM5,099 and stop-loss at RM4,874. Based on the chart, FCPO continued the bullish movement and closed higher at RM4,946 on Monday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We peg our targets at RM5,039 and RM5,099 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 1.0% potential return

Trading BUY range:	1,730-1,750
Last price:	1,739.5
Target price:	1,747, 1,757
Support:	1,734
Stop-loss:	1,733

BUY with a target price of 1,757 and stop-loss at 1,733. Based on the chart, FKLI continued the bullish movement and closed higher at 1,739.5 on Monday. This bullish movement is supported by an uptick in the RSI and bullish crossovers in the MACD. We maintained our targets at 1,747 and 1,757 in the near term.

Expected timeframe: One day to three days

Traders' Corner

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Source: UOBKH ChartGenie

Aumas Resources
AUMAS MK

Technical BUY on breakout with +31.3% potential return

Trading BUY range:	RM0.415-0.42
Last price:	RM0.405
Target price:	RM0.505, RM0.545
Support:	RM0.455
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, AUMAS tried to penetrate the breakout level at RM0.415 and managed to close above the BBI line on Monday. Aggressive traders can buy at breakout level at RM0.415 and set the short-term target at RM0.505. Currently, the DMI shows buying momentum has overcome selling momentum. This is supported by an uptick in the RSI, indicating positive momentum would strengthen in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Kim Loong Resources
KIML MK

Technical BUY with +8.6% potential return

Trading BUY range:	RM2.75-2.80
Last price:	RM2.80
Target price:	RM2.99, RM3.04
Support:	RM2.68
Stop-loss:	RM2.67

BUY with a target price of RM3.04 and stop-loss at RM2.67. The stock closed above the BBI line, indicating upward potential in the near term on Monday. This is supported by the 7-day EMA which is on the verge of making a golden cross with the 21-day EMA, indicating a bullish signal. 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 RM2.99 and RM3.04 in the near term

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

MSM Malaysia Holdings
MSM MK

Technical BUY with +34.5% potential return

Trading BUY range:	RM0.70-0.74
Last price:	RM0.74
Target price:	RM0.895, RM0.995
Support:	RM0.625
Stop-loss:	RM0.62

BUY with a target price of RM0.995 and stop-loss at RM0.62. MSM has just passed the consolidation phase and tried to break out of the downtrend. The uptick in the DMI and the higher trading volumes suggest buying momentum is set to continue in the near term. We expect the stock to continue trending up towards the psychological resistance of RM1.00 in the current upleg. We peg our targets at RM0.895 and RM0.995 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading