UOBKayHian

Country Daily | Malaysia

Tuesday, 8 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53,414.3	(0.5)	(0.3)	(1.2)	11.1
S&P 500	7,718.6	(0.4)	0.1	(0.5)	12.8
FTSE 100	10,822.1	(0.1)	(0.0)	(0.7)	9.0
AS30	9,200.6	0.1	(0.8)	(2.6)	2.0
CSI 300	4,575.0	0.6	(1.1)	(2.5)	(1.2)
FSSTI	5,792.3	(0.2)	0.6	1.6	24.7
HSCEI	8,429.7	(1.5)	(1.0)	(1.2)	(5.4)
HSI	25,413.1	(0.9)	(0.6)	(1.0)	(0.8)
JCI	6,619.7	(0.3)	1.4	3.3	(23.4)
KLCI	1,714.8	0.4	(0.6)	(1.2)	2.1
KOSPI	6,995.4	4.6	2.6	11.8	66.0
Nikkei 225	66,399.8	2.1	0.1	1.2	31.9
SET	1,618.8	1.5	1.5	0.4	28.5
TWSE	47,326.3	1.7	2.6	7.0	63.4
BDI	3,628.0	4.0	13.9	17.4	93.3
CPO (RM/mt)	4,580.0	(1.8)	(0.6)	1.4	16.5
Brent Crude (US$/bbl)	97.0	0.7	7.2	16.1	59.4

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
Industrial Production	Malaysia	09 Sep
Manufacturing Sales	Malaysia	09 Sep

Top Stories

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- Developers generally maintained their full-year sales targets despite having to push back several launches. Meanwhile, commercial and industrial products were a bright spot during the quarter. We remain positive on industrial and DC demand, particularly for established developers with strong execution capabilities and strategically located landbanks. Maintain OVERWEIGHT on the sector's palatable valuations at 0.85x 12-month forward P/B (+0.5SD above mean). Our top picks are EcoWorld and Mah Sing Group.

Market Spotlight

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- The FBMKLCI added 6.69pt to close at 1,714.79 yesterday amid profit-taking across the board.
- US market closed for public holiday.

Technical Analysis

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- Trading Buy Range: RM1.41-1.42

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- Trading Buy Range: RM0.345-0.35

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- Trading Buy Range: RM2.75-2.80

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.

Property

2Q26 Results Wrap-up

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Highlights

- Developers generally maintained their full-year sales targets despite several launches being pushed back. Meanwhile, commercial and industrial products were a bright spot during the quarter.
- We remain positive on industrial and DC demand, particularly for established developers with strong execution capabilities and strategically located landbanks.
- Maintain OVERWEIGHT on the sector's palatable valuations at 0.85x 12-month forward P/B (+0.5SD above mean). Our top picks are: a) EcoWorld, supported by strong industrial exposure; and b) Mah Sing, with its recent progress into DC and attractive valuation.

Analysis

- **2Q26 results wrap.** The sector's 2Q26 results were broadly within expectations, with Mah Sing Group (Mah Sing), Sunway Bhd and Matrix Concepts Holdings (Matrix Concepts) coming in in line, while SP Setia fell below expectations on weaker residential revenue recognition. Overall, the sector's 2Q26 core net profit grew by around 40% yoy to RM860.4m, due to: a) IOI Properties Group's (IOIPG) recognition of Jalan Ampang land sales and higher occupancy at IOI Central Boulevard Tower, and b) new contribution from Sunway MCL.
- **Sales targets broadly intact despite few delayed launches.** Developers generally maintained their full-year sales targets despite several launches being pushed back. 1H26 property sales progress was generally healthy, with Lagenda Properties, Mah Sing, Sunway Bhd achieving 46%, 48% and 55% of their respective full-year targets in 1H26, while Matrix Concepts' 1QFY27 sales tracked at 23% of our full-year assumption. SP Setia's 1H26 sales were relatively softer at 31% of its 2026 target, reflecting softer residential demand outside its stronger locations. IOIPG's core Malaysia property sales came in at RM2.1b for FY26, broadly in line with its guidance of around RM2b per annum.
- **Commercial products emerged as a strong support pillar.** Management's commentaries on construction costs were broadly unchanged from our earlier checks, with the impact from higher input costs remaining manageable. Residential demand, however, was more selective with location a key consideration for buyers. Commercial products emerged as another resilient pocket of demand, particularly in established townships. IOIPG's Cube Plus commercial units, with gross development value of around RM738m and pricing from around RM8m per block, were fully taken up, while SP Setia highlighted strong demand for Setia Alam shoplots and plans to accelerate commercial launches to compensate weakness in residential sales.

OVERWEIGHT (Maintained)

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Eco World Development	ECW MK	BUY	1.95	2.70
Mah Sing	MSGB MK	BUY	1.12	1.42

Source: Bloomberg, UOB Kay Hian

2Q26 Results Summary

	2Q26 (RMm)	qoq % chg	yoy % chg	Results
IOI Properties*	277.9	6.6	163.2	-
Lagenda Properties	56.6	28.1	24.7	-
Mah Sing Group	67.4	(0.9)	0.2	In Line
Matrix Concepts*	60.2	72.7	(4.6)	In Line
SP Setia	67.0	44.3	(40.4)	Below
Sunway Bhd	331.4	53.5	43.0	In Line
Total	**860.4**	**28.4**	**37.6**	-

** Reflects calendar year quarterly net profit*
Source: Respective companies, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Share Price 7 Sep 26 (RM)	Target Price (RM)	Upside To TP (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap (RM)	PB 2026F (x)
Eco World Development Group	ECW MK	BUY	1.95	2.70	38.5	Oct-25	15.0	11.7	10.3	4.2	8.3	6,302	1.0
Mah Sing Group	MSGB MK	BUY	1.12	1.42	26.8	Dec-25	11.7	10.0	9.2	4.9	6.6	2,867	0.7
Matrix Concepts Holdings*	MCH MK	BUY	1.20	1.72	43.3	Mar-26	10.5	8.7	7.4	5.1	11.0	2,252	0.9
SP Setia	SPSB MK	BUY	0.83	1.06	27.4	Dec-25	6.0	10.7	8.3	1.7	3.2	4,193	0.3
Sunway Bhd	SWB MK	HOLD	4.96	5.61	13.2	Dec-25	29.0	26.3	22.9	1.2	7.5	33,532	2.0

** 2025/2026F/2027F refers to FY26/FY27F/FY28F*
Source: Bloomberg, UOB Kay Hian

- **Industrial sales are becoming an increasingly meaningful contributor.** Industrial sales are already becoming meaningful for selected developers, with offerings spanning land plots, cluster factories and ready-built factories. Notably, industrial sales accounted for 35% of EcoWorld's 7MFY26 sales, around 30% of Matrix Concepts's FY26 sales, and less than 30% of IOIPG's FY26 sales, while Mah Sing aims to increase its industrial sales mix from around 10% in 2026 to 20-30% in the coming years.
- **Companies are still actively positioning for DC opportunities.** Recent management discussions suggest developers are still actively positioning suitable industrial land for data centre (DC) demand. Recently, Mah Sing has identified around 200 acres at MS Industrial Park @ Kulai for potential DC land sales, while SP Setia has earmarked 85 acres at Setia Fontaines for DC plots and is planning its own water treatment plant to support DC users. IOIPG also continued to see enquiries from DC players for its remaining Banting land following its earlier DC transaction.
- **Sizeable unbilled sales support earnings visibility.** Aggregate unbilled sales across the six developers remained broadly stable qoq at RM21.6b as of end-2Q26 (1Q26: RM21.9b). Higher unbilled sales at IOIPG, Mah Sing, and Lagenda Properties broadly offset declines at Sunway Bhd, SP Setia and Matrix Concepts. We expect the sizeable unbilled sales base to continue supporting progressive revenue recognition in 2H26 and 2027.

Valuation/Recommendation

- **Maintain OVERWEIGHT** due to: a) sustained industrial momentum, b) resilient residential sales as developers backloaded launches towards 2H26, and c) cost impact remaining manageable so far. Our top picks are: a) EcoWorld, supported by strong industrial exposure; and b) Mah Sing, with its recent progress into DC and attractive valuation.

Sector Catalyst/Risk

- **Key sector risks:** a) Unsuccessful execution of infrastructure- or property-related developments and negative newsflow, b) slower-than-expected take-up rates caused by macroeconomic uncertainty, c) spikes in building material costs, and d) impairments on receivables and completed inventories.

Sector One-Year Forward P/B At 0.85x

Source: UOB Kay Hian

Unbilled Sales As Of End-2Q26

	1Q26 (RMm)	2Q26 (RMm)	qoq % chg	yoy % chg
IOI Properties*	2.1	2.5	20	195
Lagenda Properties	1.7	1.8	5	67
Mah Sing	3.3	3.6	7	23
Matrix Concepts*	1.5	1.5	(2)	(1)
SP Setia	4.3	4.0	(6)	2
Sunway Bhd	9.0	8.3	(8)	124
Total	**21.9**	**21.6**	**(1)**	**55**

** Reflects calendar year quarterly net profit*
Source: Respective companies, UOB Kay Hian

Market Spotlight

Market News

The FBMKLCI added 6.69pt to close at 1,714.79 yesterday amid profit-taking across the board. Meanwhile, Asian stocks climbed on Monday, led by a sharp rebound in chipmakers as renewed optimism around artificial intelligence lifted technology shares, while higher oil prices and stronger-than-expected US jobs data kept rate-hike concerns in view. The FBMKLCI's top gainers were Petronas Dagangan (+2.6%), CelcomDigi (+2.2%) and Tenaga Nasional (+1.6%), while the top losers were YTL Corporate (-1.2%), Nestle (M) (-0.99%) and Petronas Dagangan (-0.89%). In the broader market, losers outpaced gainers 610 to 488 with 582 counters unchanged. Turnover was 3.60b shares valued at RM2.46b.

US market closed for public holiday.

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

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FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,714.79
Expected moving range:	1,677-1,720

Technical View:

From a technical perspective, despite closing in positive territory, the FBMKLCI formed a "high wave" candlestick pattern yesterday, implying the indecisive nature of the current movement. Given the gain in the last few days, profit-taking activity could kick in and leave the index vulnerable to a minor pullback. However, the overall trend remains on the upside, thus we expect a retest of the immediate resistance of 1,753 as soon as selling pressure eases. 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 +1.7% potential return

Trading BUY range:	RM4,900-5,020
Last price:	RM5,014
Target price:	RM5,029, RM5,099
Support:	RM4,795
Stop-loss:	RM4,794

BUY with a target price of RM5,099 and stop-loss at RM4,794. Based on the chart, FCPO continued the bullish movement and closed higher at RM5,014 yesterday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We still maintained our targets at RM5,029 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 1.4% potential return

Trading BUY range:	1,650-1,670
Last price:	1,686
Target price:	1,699, 1,713
Support:	1,650
Stop-loss:	1,649

BUY with a target price of 1,713 and stop-loss at 1,649. Based on the chart, FKLI continued the bullish movement and closed higher at 1,686 yesterday. This bullish movement is supported by an uptick in the RSI and bullish crossovers in the MACD. We still maintained our targets at 1,699 and 1,713 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Analyst(s)

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Pecca Group
PECCA MK

Technical BUY on breakout with +12.8% potential return

Trading BUY range:	RM1.41-1.42
Last price:	RM1.34
Target price:	RM1.54, RM1.59
Support:	RM1.29
Stop-loss:	RM1.28

Source: UOBKH ChartGenie

BUY on breakout with a target price of RM1.59 and stop-loss at RM1.28. Based on the daily chart, PECCA has started to form a series of higher highs and higher lows after a few weeks in consolidation mode. The positive reading from the MACD suggests the overall bullish bias is intact. The DMI shows that the buying momentum has overcome the selling momentum at the moment. A positive closing above RM1.41 should constitute a breakout and could catapult PECCA to our targets of RM1.54 and RM1.59 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

SKP Resources
SKP MK

Technical BUY on breakout with +43.5% potential return

Trading BUY range:	RM0.345-0.35
Last price:	RM0.32
Target price:	RM0.445, RM0.495
Support:	RM0.28
Stop-loss:	RM0.275

Source: UOBKH ChartGenie

BUY on breakout with a target price of RM0.495 and stop-loss at RM0.275. SKP's chart shows that the upside movement would be intact if the price can penetrate the RM0.345 level. This is supported by an uptick in RSI. Currently, both indicators such as the MACD and DMI are showing a positive signal to support the upward momentum. We peg our targets at RM0.445 and RM0.495 in near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Dufu Technology Corporation
DUFU MK

Technical BUY with +18.8% potential return

Trading BUY range:	RM2.75-2.80
Last price:	RM2.77
Target price:	RM2.99, RM3.29
Support:	RM2.53
Stop-loss:	RM2.52

BUY with a target price of RM3.29 and stop-loss at RM2.52. Based on the daily chart, the share price has gradually recovered to close above both the 7-day and 21-day EMA lines, which signifies a potential upward trend ahead. This was supported by both the DMI's bullish crossover as well as an uptick in RSI that suggests stronger buying momentum ahead. Currently, MACD is on the verge of making a golden cross to the positive signal. We peg our targets at RM2.99 and RM3.29 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading