UOBKayHian

Country Daily | Malaysia

Thursday, 10 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,380.7	(0.8)	(0.7)	(3.1)	9.0
S&P 500	7,636.4	(0.5)	0.1	(1.6)	11.6
FTSE 100	10,670.1	(1.3)	(0.8)	(2.1)	7.4
AS30	9,102.9	(0.1)	(0.6)	(3.4)	0.9
CSI 300	4,572.6	0.3	0.5	(2.8)	(1.2)
FSSTI	5,729.6	(0.7)	(0.3)	0.5	23.3
HSCEI	8,369.1	(0.3)	(1.0)	(2.9)	(6.1)
HSI	25,275.0	(0.2)	(0.1)	(1.5)	(1.4)
JCI	6,678.2	(0.1)	1.2	4.9	(22.8)
KLCI	1,714.3	(0.0)	0.3	(1.2)	2.0
KOSPI	7,051.6	1.4	7.4	11.9	67.3
Nikkei 225	65,142.8	(0.2)	1.3	(2.7)	29.4
SET	1,617.9	(0.2)	2.7	(0.4)	28.4
TWSE	47,183.4	0.2	2.2	5.0	62.9
BDI	3,584.0	0.3	7.6	16.0	90.9
CPO (RM/mt)	4,681.5	0.5	0.2	3.8	19.0
Brent Crude (US$/bbl)	101.2	3.4	5.8	21.1	66.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
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
NDR with Food Empire Holdings Ltd (FEH SP)	Malaysia	08 Oct	08 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
CPI	Malaysia	18 Sep
Trade Balance	Malaysia	18 Sep
Foreign Reserves	Malaysia	23 Sep

Top Stories

Sector Update | Plantation Page 2 →

- The EUDR applies from 30 Dec 26; the 4 May 26 review left the dates intact and a 13 Jul 26 delegated act pulls palm derivatives in from Dec 27 onwards. EU palm oil imports keep shrinking on biofuel policy, not EUDR, leaving a smaller food-and-oleochemical pool where verified traceability earns market share. Maintain OVERWEIGHT.

Company Update | VSTECS (VST MK/**BUY**/RM1.63/Target: RM2.26) Page 4 →

- We remain positive on VSTECS, supported by resilient ICT distribution demand and stronger enterprise systems orders, particularly from the public sector. AI/DC infrastructure provides further upside, with a growing pipeline of GPU and server enquiries. While elevated hardware prices, component shortages and longer lead times may cause near-term volatility, structural demand for digitalisation, AI and cloud remains intact. The ISATEC disposal also enables capital recycling into higher-growth opportunities. Maintain BUY with an unchanged target price of RM2.26.

Market Spotlight

Page 7 →

- The FBMKLCI closed flat (-0.06pt) at 1,714.34 yesterday.
- US stocks were lower after the close on Wednesday, as losses in the telecommunications, consumer services and industrials sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 8 →

Traders' Corner Page 10 →

Betamek | BETA MK Page 10 →

- Trading Buy Range: RM0.70-0.735

PBA Holdings | PBAH MK Page 10 →

- Trading Buy Range: RM2.20-2.21

Redtone Digital | RIB MK Page 11 →

- Trading Buy Range: RM0.365-0.37

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.

Plantation

EUDR Update: Key Facts Before December Implementation

Highlights

- The EUDR applies to large and medium operators from 30 Dec 26 and to micro and small enterprises from 30 Jun 27.
- With MSPO being the only national scheme recognised by the EU, Malaysian plantation companies are poised to benefit from a higher share of exports to the EU.
- Maintain OVERWEIGHT. EU palm oil imports keep shrinking on biofuel policy, not EUDR, leaving a smaller food-and-oleochemical pool where verified traceability earns market share. SD Guthrie and Kuala Lumpur Kepong remain our top picks.

Analysis

- **The EUDR applies to large and medium operators from 30 Dec 26** and to micro and small enterprises from 30 Jun 27. The mandated simplification review, delivered 4 May 26, declined to reopen the text or move the dates.
- **Malaysia is rated as standard risk.** To recap, Malaysia is classified as a standard risk country under the European Union Deforestation Regulation (EUDR), alongside other major vegoils producers including Indonesia, Argentina and Brazil, which will be subject to 3% annual compliance checks, compared with 1% for low risk countries. Malaysia continues to pursue low-risk status with traceability across supply chain as the key focus area particularly among small independent holders. The National Traceability System (SKN), which integrates e-MSPO, GeoSAWIT and SIMS into a unified platform, enables EUDR-relevant information, such as certification data, geolocation coordinates and verified transactions, to be centrally accessed and shared with EU partners.
- **A delegated act adopted on 13 Jul 26 adds palm oil derivatives to Annex I,** including fatty alcohols, glycerol, oleic, linoleic and linolenic acids, amines and soaps, effective 30 Dec 27. Malaysian Sustainable Palm Oil (MSPO) has been recognised by the EU since 5 Sep 25, the only national scheme with such a status.
- **EU palm oil imports fell to about 2.85m tonnes in 2025/26,** down just over 5% yoy, as member states exclude palm-based biofuel from national quota obligations. The decline has slowed from -21% to -5% as a result, with the balance represented by food, feed and oleochemical demand, which is contract-based and is more tightly monitored under EUDR.
- **EU's origin mix is turning towards Malaysia.** Over Jul 25 to early-Mar 26, Malaysian shipments rose about 4% to 484,000 tonnes while Indonesia fell about 8% to 597,400 tonnes. The Netherlands' +9% reflects Rotterdam and Amsterdam as transit hubs while Italy's -12% represents the cleaner read on consumption.

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OVERWEIGHT (Maintained)

Sector Top Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
SD Guthrie	SDG MK	BUY	6.14	7.65
Kuala Lumpur Kepong	KLK MK	BUY	22.90	24.65

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Share Price 9 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 (RMm)	Price/ NAV ps (x)
Hap Seng Plantations	HAPL MK	HOLD	2.62	2.70	3.1	Dec-26	16.9	10.9	10.5	4.2	5.9	2,096	0.9
Genting Plantations	GENP MK	HOLD	6.04	6.10	1.0	Dec-26	15.3	12.9	12.9	4.5	6.9	5,420	1.1
IOI Corporation	IOI MK	BUY	4.80	5.15	7.3	Jun-27	19.9	17.5	16.8	2.7	12.7	30,172	2.2
Kuala Lumpur Kepong	KLK MK	BUY	22.90	24.65	7.6	Sep-26	15.8	14.1	14.0	2.6	5.8	25,561	2.0
SD Guthrie	SDG MK	BUY	6.14	7.65	24.6	Dec-26	21.8	15.7	16.0	3.2	12.2	42,460	2.3

Source: Bloomberg, UOB Kay Hian

EUDR Readiness Scorecard

Company	TTM (%)	TTP Own Mills (%)	TTP Third-Party (%)	RSPO Area (%)	SPOTT Scores (%)
SD Guthrie	97.9	100	71.1	98.3	97.5
United Plantations	100	100	92.8	84	97.1
Johor Plantations	n.a.	100	Own mills only	100	95.1
Wilmar International	98.5	100	91.0	82.1	92.4
Hap Seng Plantations	n.a.	100	Own mills only	81.3	91.2
IOI Corporation	100	100	97.9	95.8	85.1
Kuala Lumpur Kepong	100	100	93.0	83.2	85.0
Bumitama Agri	n.a.	92.5	Own mills only	48.1	84.5
Golden Agri Resources	100	100	Own mills only	57.2	82.7
First Resources	100	100	100	37.4	81.0
Genting Plantations	91.5	99.8	77.5	48.3	79.8

TTM = traceable to mill; TTP = traceable to plantation; RSPO = Roundtable on Sustainable Palm Oil.
Source: Company sustainability and annual reports; ZSL SPOTT October 2025 assessment; UOB Kay Hian.

- **At 2.85m tonnes, the EU takes about 4% of globally traded palm oil, so EUDR positioning should not materially shift global trade.** However, the same verification standard is being adopted by Japanese, Korean and Chinese buyers, and compliant cargo should command a premium as smallholder-dependent supply is squeezed out.
- **Malaysian-listed planters are relatively well positioned on EUDR readiness.** SD Guthrie is a standout with 98.3% of its planted area being RSPO-certified and its track record of shipping EUDR-compliant cargoes to Europe since its 2024 pilot. SD Guthrie also ranked first in SPOTT’s 2025 palm oil assessment, highlighting its strong sustainability credentials despite its sizeable landbank. IOI Corporation and Kuala Lumpur Kepong have 100% traceability to mills and plantations across their own mills, and are expected to gain the most from the broadened scope of EUDR-covered derivatives. Overall, we believe the larger, more integrated Malaysian planters are better placed to absorb compliance requirements and preserve EU market access.

Valuation/Recommendation

- **Maintain OVERWEIGHT.** We remain constructive on the sector, underpinned by structural demand growth from regional biofuel mandates, including Indonesia's B50 policy. We keep our CPO price forecasts at RM4,500/4,400 per tonne for 2026/27 respectively.
- **Top picks:** We like SD Guthrie (BUY; Target: RM7.65) as a liquid big-cap play on the CPO backdrop, supported by its renewable energy and industrial park pivot. Kuala Lumpur Kepong (BUY; Target: RM24.65) is our laggard pick which offers a healthy production growth profile and earnings recovery after Synthomer-impairment alongside a gradual improvement in its oleochemical business.

Sector Catalyst/Risk

- **Indonesian land legality remains a risk.** Agrinas Palma Nusantara controlled about 3m ha as at 31 Aug 26, of which roughly 800,000 ha is planted oil palm, after transferring 1m ha to Perhutani from the 4.12m ha handed over by May 26. There is still no visibility on how legal origin will be documented.
- **Scrutiny of the Annex I delegated act closes on 13 Sep 26.** The European Parliament and Council may veto but not amend. A veto would reopen the derivative-scope question for IOI Corporation and Kuala Lumpur Kepong.
- **Whether Malaysia secures “low risk” status before December.** A “low risk” status would cut the inspection rate to 1% from 3%. Completion of the SKN and the GeoSAWIT system upgrade would be key determinants.

EUDR Implementation Timeline

Date	Milestone
31 Dec 20	Deforestation cut-off date
22 May 25	Malaysia and Indonesia rated as “standard risk”
5 Sep 25	EU formally recognises MSPO
13 Jul 26	Annex I delegated act adopted
13 Sep 26	Scrutiny period on Annex I ends
30 Dec 26	**EUDR applies to large/medium operators**
30 Jun 27	EUDR applies to micro/small enterprises
30 Dec 27	EUDR applies to palm derivatives

Source: European Commission, UOB Kay Hian

EU Palm Oil Imports By Origin

Origin	Volume (approx.)	Change (yoy)
Indonesia	597,400 tonnes	-8%
Malaysia	484,000 tonnes	+4%
Guatemala	282,000 tonnes	+5%

Source: UFOP via Biofuels International. Jul 25 to early-Mar 26

VSTECS (VST MK)

AI Infrastructure Demand Broadens; Momentum Building Into 2H26

Highlights

- We expect the growth momentum to extend into 2H26, underpinned by resilient demand in the ICT distribution segment alongside continued public sector spending despite longer project delivery timelines.
- We are positive about the ISATEC disposal which allows VSTECS to redeploy the proceeds into higher-growth AI, data centre and digitalisation opportunities.
- Maintain BUY with an unchanged target price of RM2.26, pegged to 20x 2027F PE.

Analysis

- **Expect a stronger 2H26.** To recap, VSTECS reported a 1H26 core net profit of RM46.3m (+22% yoy), supported by the strong enterprise system segment (+59% yoy), which was mainly driven by higher public sector project deliveries. We expect earnings momentum to strengthen further in 2H26, supported by: a) continued momentum in ICT distribution mainly buoyed by new smartphone launches, including iPhone 18, Pixel smartphones and growing adoption of AI PC; b) increasing cloud adoption and recurring ICT services revenue; and c) further acceleration of public sector projects. While we expect sequential improvement in 3Q26, we anticipate a stronger 4Q26, in line with its seasonal peak in consumer and enterprise spending.
- **ISATEC disposal supports capital recycling.** Recall that VSTECS is monetising its 40% stake in ISATEC for RM48.8m cash, representing a 159% premium to its original RM18.8m investment cost and generating a RM22.0m one-off gain upon completion in 1Q27. While ISATEC expects to contribute about 5% of 2026 PAT, around 94% (RM45.9m) of the proceeds will be redeployed into working capital to support larger AI, DC, cloud and digitalisation projects. Beyond supporting organic growth, the stronger balance sheet provides VSTECS with greater flexibility to pursue strategic opportunities that could complement its existing capabilities and deepen its participation in the broader AI ecosystem. This could broaden VSTECS' capabilities beyond hardware into AI platforms, services and applications.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	2,901.7	3,608.2	4,094.0	4,761.7	5,548.0
EBITDA	91.0	136.4	139.0	153.1	182.4
Operating profit	87.6	132.0	143.4	161.2	191.8
Net profit (rep./act.)	70.6	98.5	106.6	120.3	143.4
Net profit (adj.)	70.3	98.4	106.6	120.3	143.4
EPS	6.6	9.2	10.0	11.2	13.4
PE	24.8	17.7	16.4	14.5	12.2
P/B	3.5	3.0	2.7	2.4	2.1
EV/EBITDA	5.2	3.8	3.2	2.9	2.4
Dividend yield	1.3	1.6	2.1	2.4	2.9
Net margin	2.4	2.7	2.6	2.5	2.6
Net debt/(cash) to equity	(21.1)	(11.8)	(20.7)	(19.0)	(17.7)
Interest cover	226.4	259.9	143.4	161.2	191.8
ROE	14.0	17.2	16.6	16.7	17.6
Consensus Net Profit			114.8	131.3	152.7
UOBKH/Consensus (x)			0.93	0.92	0.94

Source: VSTECS, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	RM1.63
Target Price	RM2.26
Upside	38.7%

Stock Data

Sector	ICT Distributor
Bloomberg ticker	VST MK
Shares issued (m)	1,069.7
Market cap (RMm)	1,743.6
Market cap (US$m)	428.7
3-mth avg daily t'over (US$m)	0.6

Price Performance (%)

52-week high/low				RM2.18/RM1.21
1mth	3mth	6mth	1yr	YTD
(3.6)	(10.9)	4.4	33.9	21.7

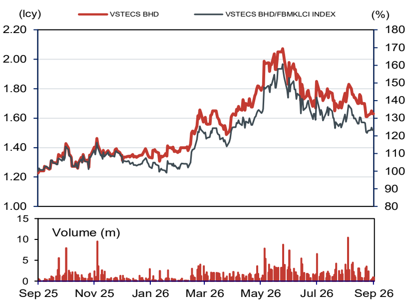
Major Shareholders (%)

VSTECS Holdings Ltd	45.6
Sengin Sdn Bhd	12.2
CGS International Securities	5.3

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.60
FY26 Net Debt/Share (RM)	(0.12)

Price Chart



Source: Bloomberg

Company Description

VSTECS is the leading distributor of ICT products to consumers and enterprises in Malaysia. Founded in 1985, the group distributes a wide range of ICT products to both consumer and enterprise and provides IT services in the form of pre-sales, integration, and post-sales in support of the brands represented.

- **ICT distribution remains resilient despite 30-35% price increases.** ICT distribution revenue grew around 20% yoy, largely driven by higher ASPs as volumes remained broadly stable despite significant price increases. Notebook/PCs remained the largest contributor at 63% of segment revenue, followed by tablets/smartphones at 26%. Retail partners have been stocking up ahead of further price increases. VSTECS is also seeing strong orders ahead of Google Pixel's launch and is preparing for the iPhone 18 cycle, including the potential foldable model. Beyond smartphones, management sees AI-enabled PCs and GPU-based notebooks as a new growth avenue, as users increasingly seek to run AI models and agents locally.
- **Enterprise systems as key growth engine, with AI infrastructure providing further upside.** Public sector demand remains robust, accounting for 60% of segment revenue vs 50% previously, with sizeable projects fulfilled in 2Q26. 2H26 order is expected to outperform 1H26 as enterprise customers utilise their budgets towards year-end while public sector spending remains resilient. Meanwhile, VSTECS is seeing a growing pipeline of AI/DC enquiries for GPUs and servers, although some projects remain at the discussion stage. Management is actively working with customers to identify suitable data centre capacity to house AI infrastructure.
- **Temporary blip, but structural AI demand intact.** The global ICT industry continues to grapple with CPU and memory chip shortages, driving higher component costs and vendor price volatility. This has prompted a wait-and-see stance among some customers, particularly in the enterprise segment, where elevated server and storage prices have led private sector customers to defer procurement pending potential price normalisation, creating near-term volatility in order flows and revenue recognition. Nevertheless, ICT distribution demand remains resilient, while enterprise softness should be partly cushioned by public sector spending and project rollouts.
- **More importantly, we view these headwinds as transitory rather than structural,** with critical investments in digital transformation, AI, cybersecurity and data centre infrastructure unlikely to be materially deferred. Meanwhile, the ICT services segment provides earnings stability through recurring cloud subscription revenue and growing value-added services, further strengthening earnings quality as cloud migration and IT modernisation accelerate. Overall, the expanding AI/DC infrastructure pipeline and structural digitalisation trend should underpin a compelling medium- to long-term growth outlook.

Earnings Revision/Risk

- No earnings revision.

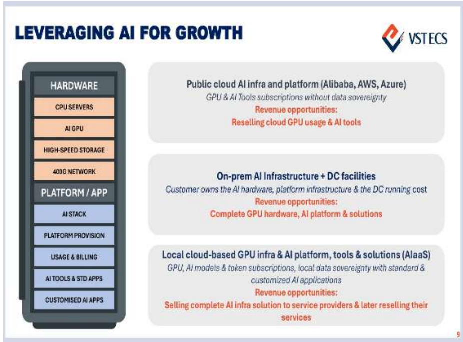
Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM2.26,** based on 20x 2027F PE which is derived using a 1.0x PEG based on its three-year net profit CAGR of 20%. We believe the group has entered a strong growth phase of high earnings delivery by capturing the total addressable market of Malaysia's colocation data centre segment.

Key Principal Relationships

Source: VSTECS

New AI Opportunities



Source: UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental
- Electricity withdrawal from main grid reduced by 20% yoy in 2023.
- Solar power constituted 41% of total electricity consumed in 2023.
- A reduction of about 26% in paper consumption.

Social
- Maintaining a 50% male-female composition among total employees.
- The group recorded zero work fatalities over the past nine years.
- 100% local employees.

Governance
- Zero confirmed corruption or harassment cases reported.
- Zero fines or penalties from regulatory authorities.

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**3,608.2**	**4,094.0**	**4,761.7**	**5,548.0**
EBITDA	136.4	139.0	153.1	182.4
Deprec. & amort.	(4.4)	(4.4)	(8.0)	(9.5)
EBIT	132.0	143.4	161.2	191.8
Associates	6.8	3.3	4.3	4.3
Net interest income/(expense)	(0.5)	(1.0)	(1.0)	(1.0)
Pre-tax profit	**129.2**	**139.8**	**157.8**	**188.1**
Tax	(30.7)	(33.2)	(37.4)	(44.6)
Minorities	0.0	0.0	0.0	0.0
Net profit	**98.5**	**106.6**	**120.3**	**143.4**
Net profit (adj.)	98.4	106.6	120.3	143.4

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	8.3	11.9	11.9	10.4
Other LT assets	55.5	55.5	57.0	57.0
Cash/ST investment	89.0	154.0	158.2	165.1
Other current assets	936.1	905.0	1,050.8	1,221.6
Total assets	**1,088.9**	**1,126.4**	**1,277.9**	**1,454.1**
ST debt	2.1	2.1	2.1	2.1
Other current liabilities	480.2	451.7	523.9	607.6
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	0.4	6.3	4.8	3.3
Shareholders' equity	573.5	642.8	721.0	814.2
Minority interest	0.0	0.0	1.0	1.0
Total liabilities & equity	**1,088.9**	**1,126.4**	**1,277.3**	**1,452.7**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**(15.2)**	**108.3**	**52.3**	**63.0**
Pre-tax profit	129.2	139.8	157.8	188.1
Tax	31.9	(33.2)	(37.4)	(44.6)
Deprec. & amort.	0.5	4.4	8.0	9.5
Working Capital Changes	(117.0)	(0.0)	(73.6)	(87.1)
Other operating cashflows	4.3	1.8	5.7	6.7
Investing	**4.8**	**(8.0)**	**(8.0)**	**(8.0)**
Capex (growth)	(6.3)	(8.0)	(8.0)	(8.0)
Investments	0.0	0.0	0.0	0.0
Proceeds from Sale of Assets	0.1	0.0	0.0	0.0
Others	11.0	0.0	0.0	0.0
Financing	(7.0)	(35.3)	(40.1)	(48.2)
Dividend payments	(27.5)	(37.3)	(42.1)	(50.2)
Proceed from Borrowings	(0.5)	(1.0)	(1.0)	(1.0)
Loan repayment	(0.5)	0.0	0.0	0.0
Others/interest paid	1.7	2.0	2.0	2.0
Net cash inflow (outflow)	**(17.4)**	**65.0**	**4.2**	**6.8**
Beginning cash & cash equivalent	**106.4**	**89.0**	**154.0**	**158.2**
Changes due to forex impact	(0.0)	0.0	0.0	0.0
Ending cash & cash equivalent	**89.0**	**154.0**	**158.2**	**165.1**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	3.8	3.4	3.2	3.3
Pre-tax margin	3.6	3.4	3.3	3.4
Net margin	2.7	2.6	2.5	2.6
ROA	9.0	9.5	9.4	9.9
ROE	17.2	16.6	16.7	17.6
Growth				
Turnover	24.3	13.5	16.3	16.5
EBITDA	49.8	1.9	10.1	19.1
Pre-tax profit	38.7	8.2	12.9	19.2
Net profit	39.6	8.2	12.9	19.2
Net profit (adj.)	39.9	8.3	12.9	19.2
EPS	39.9	8.3	12.9	19.2
Leverage				
Debt to total capital	1.9	1.9	1.6	1.4
Debt to equity	3.7	3.3	2.9	2.6
Net debt/(cash) to equity	(11.8)	(20.7)	(19.0)	(17.7)
Interest cover	259.9	143.4	161.2	191.8

Market Spotlight

Market News

The FBMKLCI closed flat (-0.06pt) at 1,714.34 yesterday. Meanwhile, Asian stocks traded mixed on Wednesday as chipmakers extended gains on sustained optimism around artificial intelligence, while crude prices moved closer to $100 a barrel and escalating Middle East tensions revived inflation and interest-rate concerns. The FBMKLCI's top gainers were Telekom Malaysia (+3.7%), Gamuda (+2.5%) and MISC (+2.3%), while the top losers were MR D.I.Y Group (M) (-2.2%), Sunway Bhd (-2.0%) and RHB Bank (-1.6%). In the broader market, gainers outpaced losers 551 to 531 with 591 counters unchanged. Turnover was 3.67b shares valued at RM3.47b.

US stocks were lower after the close on Wednesday, as losses in the telecommunications, consumer services and industrials sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average fell 0.77% to hit a new 1-month low, while the S&P 500 Index fell 0.48%, and the NASDAQ Composite Index declined 0.64%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 2,010 to 694 and 100 ended unchanged; on the Nasdaq Stock Exchange, 2,484 fell and 935 advanced, while 186 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:	1,714.34
Expected moving range:	1,677-1,720

Technical View:

From the technical perspective, the FBMKLCI was unable to continue the bullish momentum yesterday. Despite the RSI line sitting above the threshold level of 50, it flashed a flattish signal, indicating temporary sideways movement. We expect the index to gradually recover once the selling pressure eased. We still maintained our support and resistance levels 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 +3.5% potential return

Trading BUY range:	RM4,900-5,020
Last price:	RM4,928
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 RM4,928 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:	1,689.5
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 1,689.5 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

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Source: UOBKH ChartGenie

Betamek
BETA MK

Technical BUY with +17.0% potential return

Trading BUY range:	RM0.70-0.735
Last price:	RM0.735
Target price:	RM0.845, RM0.895
Support:	RM0.66
Stop-loss:	RM0.655

BUY with a target price of RM0.895 and stop-loss at RM0.655. The stock has closed above the bullish crossover of the 7-day and 21-day EMAs lines yesterday on much higher trading volume, suggesting renewed interest that may spur an upward move from hereon. This is consistent with the rising momentum, while an uptick in the +DI indicates a stronger uptrend ahead. As such, we expect BETA to resume its long-term uptrend toward our targets at RM0.845 and RM0.895 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

PBA Holdings
PBAH MK

Technical BUY with +12.7% potential return

Trading BUY range:	RM2.20-2.21
Last price:	RM2.21
Target price:	RM2.33, RM2.49
Support:	RM2.12
Stop-loss:	RM2.11

BUY with a target price of RM2.49 and stop-loss at RM2.11. Yesterday's gain was also accompanied by high trading volume as well as rising DMI and RSI indicators, which indicate that the positive momentum would strengthen further in the near term. Currently, MACD is on the verge of making a golden cross to the positive signal. We peg our targets at RM2.33 and RM2.49 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Redtone Digital
RIB MK

Technical BUY on breakout with +28.7% potential return

Trading BUY range:	RM0.365-0.37
Last price:	RM0.35
Target price:	RM0.445, RM0.47
Support:	RM0.30
Stop-loss:	RM0.295

BUY on breakout with a target price of RM0.47 and stop-loss at RM0.295. The breakout above the RM0.365 level coupled with a positive close above the MACD shows further upside ahead. This is supported by positive DMI readings which indicate increasing buying momentum. With the immediate resistance target set at RM0.45, the stock is expected to resume its ascent towards the resistance level of RM0.475 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading