UOBKayHian

Country Daily | Malaysia

Friday, 11 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,064.1	(0.6)	(1.9)	(3.5)	8.3
S&P 500	7,591.7	(0.6)	(1.0)	(2.1)	10.9
FTSE 100	10,608.9	(0.6)	(2.1)	(2.2)	6.8
AS30	9,008.3	(1.0)	(2.1)	(4.6)	(0.1)
CSI 300	4,548.4	(0.5)	(0.1)	(2.5)	(1.8)
FSSTI	5,689.8	(0.7)	(1.0)	(1.1)	22.5
HSCEI	8,274.8	(1.1)	(1.3)	(3.0)	(7.2)
HSI	24,954.5	(1.3)	(1.0)	(3.8)	(2.6)
JCI	6,589.3	(1.3)	(1.2)	5.1	(23.8)
KLCI	1,705.5	(0.5)	(0.6)	(1.5)	1.5
KOSPI	7,033.9	(0.3)	5.2	10.8	66.9
Nikkei 225	65,271.0	0.2	1.6	(2.5)	29.7
SET	1,615.1	(0.2)	2.4	0.2	28.2
TWSE	46,940.5	(0.5)	2.4	4.0	62.1
BDI	3,620	1.0	3.8	17.4	92.9
CPO (RM/mt)	4,659	(0.5)	(0.0)	3.3	18.4
Brent Crude (US$/bbl)	108	6.3	12.7	22.7	76.9

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 →

- MPOB's Aug 26 data showed palm oil inventories rising for the fifth consecutive month to an August record of 2.82m tonnes, with the pace of the build rising to 7.5% mom as a 7.5% mom decline in exports outweighed a modest 1.4% rise in production. The stock/usage ratio deteriorated to 1.69x, reversing two months of improvement. Maintain OVERWEIGHT on the sector, underpinned by structural demand growth from the expansion of regional biofuel mandates.

Company Results | Bermaz Auto (BAUTO MK/**BUY**/RM0.93/Target: RM1.30) Page 4 →

- Bermaz delivered another strong set of results, with 1QFY27 core net profit of RM41.8m exceeding our expectations, driven by sustained healthy margin and higher vehicle sales. Despite a modest decline in backlog orders, we expect Mazda sales to remain resilient supported by the upcoming launch of new CX-5. Maintain BUY with a higher target price of RM1.30 (RM1.14 previously).

Market Spotlight

Page 7 →

- The FBMKLCI declined 8.82pt to close at 1,705.52 yesterday, weighed down by selling pressure in selected heavyweights and index-linked counters.
- US stocks were lower after the close on Thursday, as losses in the basic materials, utilities and industrials sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 8 →

Traders' Corner Page 10 →

D&O Green Technologies | DOGT MK Page 10 →

- Trading Buy Range: RM0.455-0.46

Malaysia Marine & Heavy Engineering Holdings | MMHE MK Page 10 →

- Trading Buy Range: RM0.395-0.40

Malaysia Smelting Corporation | SMELT MK Page 11 →

- Trading Buy Range: RM1.81-1.82

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

Fifth Straight Build As Exports Retreat

Highlights

- MPOB's Aug 26 data showed a 7.5% rise in Malaysia's palm oil stockpiles to 2.82m tonnes, the highest for any August on record. Production (1.82m tonnes) printed above our own survey, while exports (1.29m tonnes) fell far less than cargo surveyors implied.
- Stocks should keep building into the September-October seasonal production peak and we maintain our expectation for inventories to test 3m tonnes by end-September.
- Maintain OVERWEIGHT, underpinned by structural demand growth from the regional biofuel mandate expansion. Sector picks: SD Guthrie (BUY/Target: RM7.25) and Kuala Lumpur Kepong (BUY/Target: RM24.65).

Analysis

- **MPOB's Aug 26 data.** Palm oil inventory rose to 2.82m tonnes (+7.5% mom), a fifth straight build, the highest August reading on record and the highest level since Dec 25. The build re-accelerated after two months of deceleration (+4.8% in June, +3.3% in July, +7.5% in August). The stock/usage ratio deteriorated to 1.69x from 1.49x, reversing two months of improvement, as absorption stopped keeping pace with the seasonal growth in supply.
- **Production rose 1.4% mom to 1.82m tonnes,** the highest monthly output in eight months, though 2.0% below that of Aug 25, and above our own survey, which had pointed to a 2-6% mom decline. Peninsular Malaysia (+2.5% mom) and Sarawak (+4.7% mom) drove the increase, while Sabah fell 5.6% mom, a second straight decline we continue to attribute to its earlier rainfall deficit. 8M26 output of 12.63m tonnes is flat yoy.
- **Exports fell 7.5% mom to 1.29m tonnes,** giving back most of July's 15.1% recovery, though the decline was far shallower than cargo surveyors implied with ITS estimating a 14.9% mom decline in full-month shipments. Indian buying normalised after July's festival restocking. Oleochemical shipments fell 12.7% mom to 233,545 tonnes and biodiesel rose 22.6% mom to 35,240 tonnes. 8M26 exports of 10.44m tonnes indicate an 8.7% yoy rise.
- **Imports were flat at 49,524 tonnes** (-0.1% mom), a second month at depressed levels after June's surge, when Indonesian sellers moved cargo ahead of Jakarta's B50 implementation. Implied domestic disappearance rose 4.8% mom to 375,769 tonnes but remains 24.7% below Aug 25.
- **Outlook.** Production should peak in September-October and we maintain our call for stocks to test 3m tonnes by end-September. August rainfall of 152mm/month was the lowest of 2026, with West Peninsular (108mm) and Sarawak (136mm) in deficit. More immediately, this build is export-led rather than supply-led; 8M26 production is flat yoy while exports are 8.7% higher.

Analyst(s)

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OVERWEIGHT (Maintained)

Segmental Rating

Segment	Rating
Malaysia	OVERWEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Kuala Lumpur Kepong	KLK MK	BUY	22.74	24.65
SD Guthrie	SDG MK	BUY	6.20	7.65

Source: Bloomberg, UOB Kay Hian

CPO Price Assumptions (RM/Tonne)

	CPO Price (RM/tonne)
2021	4,408
2022	5,088
2023	3,810
2024	4,180
2025	4,306
Our Forecast:	
2026F	4,500
CPO Price:	
MPOB @ 9 Sep 26	4,659
BMD 3rd Month Contract	4,966

Source: MPOB, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Share Price 10 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	2.63	2.70	2.7	Dec-26	16.9	10.9	10.5	4.2	5.9	2,096	0.9
Genting Plantations	GENP MK	HOLD	6.02	6.10	1.3	Dec-26	15.3	12.9	12.9	4.5	6.9	5,420	1.1
IOI Corporation	IOI MK	BUY	4.79	5.15	7.5	Jun-27	19.9	17.5	16.8	2.7	12.7	30,172	2.2
Kuala Lumpur Kepong	KLK MK	BUY	22.74	24.65	8.4	Sep-26	15.8	14.1	14.0	2.6	5.8	25,561	2.0
SD Guthrie	SDG MK	BUY	6.20	7.65	23.4	Dec-26	21.8	15.7	16.0	3.2	12.2	42,460	2.3

Source: Bloomberg, UOB Kay Hian

MPOB'S Aug 26 Statistics

(m tonne)	Aug 25	Jul 26	Aug 26	mom % chg	yoy % chg	8M25	8M26
CPO Production	1.85	1.79	1.82	1.4	(2.0)	12.63	12.63
Palm Oil Domestic Use	0.50	0.36	0.38	4.8	(24.7)	3.13	2.92
Palm Oil Exports	1.33	1.40	1.29	(7.5)	(2.3)	9.60	10.44
Oleochemical	0.23	0.27	0.23	(12.7)	1.1	1.78	1.96
Biodiesel	0.03	0.03	0.04	22.6	14.3	0.23	0.20
Palm Oil Imports	0.06	0.05	0.05	(0.1)	(15.4)	0.59	0.50
Palm Oil Stocks	2.20	2.63	2.82	7.5	28.2	2.20	2.82

Source: MPOB, UOB Kay Hian

Aug 26 CPO Production By Region And State

(m tonne)	Aug 25	Jul 26	Aug 26	mom % chg	yoy % chg	8M25	8M26
Johor	0.30	0.29	0.29	(1.5)	(3.5)	1.98	1.99
Pahang	0.35	0.27	0.30	12.5	(14.8)	2.14	1.91
Perak	0.19	0.22	0.20	(6.7)	4.8	1.36	1.34
Negeri Sembilan	0.07	0.06	0.07	11.2	(5.8)	0.46	0.42
Selangor	0.05	0.06	0.06	(3.7)	7.2	0.38	0.37
Terengganu	0.05	0.05	0.05	14.1	5.3	0.28	0.31
Kelantan	0.04	0.03	0.03	11.3	(26.8)	0.25	0.22
Kedah	0.03	0.02	0.02	(6.5)	(14.3)	0.20	0.17
Other States	0.02	0.02	0.02	(6.9)	(5.4)	0.15	0.14
Peninisular Malaysia	**1.11**	**1.01**	**1.04**	**2.5**	**(6.1)**	**7.21**	**6.88**
Sabah	0.36	0.36	0.34	(5.6)	(6.0)	2.72	2.82
Sarawak	0.39	0.42	0.44	4.7	13.4	2.71	2.93
East Malaysia	**0.75**	**0.78**	**0.78**	**(0.1)**	**4.0**	**5.42**	**5.75**

Source: MPOB, UOB Kay Hian

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; MPOB's August average was RM4,548.50/tonne.
- **Top picks.** We like SD Guthrie as it is a liquid big-cap play on the CPO backdrop, supported by its renewable energy and industrial park pivot. Kuala Lumpur Kepong is our laggard pick on a progressive downstream earnings recovery.

Sector Catalyst/Risk

- **Indonesian exports normalise steeply.** Danantara Sumberdaya Indonesia (DSI) is expected to closely monitor commodity exports starting 1 Jan 27, giving exporters reason to frontload their shipments in 4Q26. DSI's price verification may also lift levy capture per tonne even where volumes do not recover.
- **A steep decline in crude oil prices.** POGO exceeding US$70-85/tonne levels would leave levy collections short of the subsidy funding requirement.
- **B50 offtake undershoots.** A full-year B50 mandate implies a run-rate closer to 1.55m tonnes a month, so 2H26 offtake still needs to rise about 37% from GAPKI's reported June level of 1.13m tonnes.

Malaysia Palm Oil Production

Source: MPOB, UOB Kay Hian

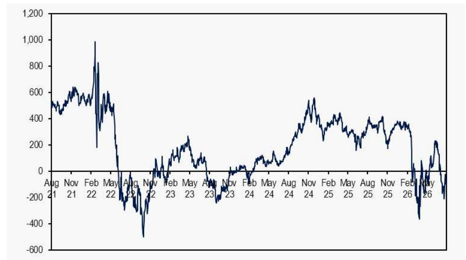
Rainfall By Region, Jan-Aug 26 (MM/Month)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
North Pen.	30	122	72	257	337	226	162	175
East Pen.	90	139	66	134	288	233	247	189
West Pen.	64	200	163	250	211	204	214	108
Sabah	281	482	207	127	224	219	212	176
Sarawak	432	424	219	276	365	281	167	136
MALAYSIA	256	330	170	214	300	240	196	152

Colour: mm/mth vs optimum <100 100-150 150-200 200-300 >300

Note: Colour shows monthly rainfall against the 150-200mm/month optimum for oil palm. Source: CHIRPS, UOB Kay Hian

Palm Oil – Gasoil Spread (US$/Tonne)



Source: Bloomberg, UOB Kay Hian

CPO Price Sensitivity (Per RM100/Tonne)

Company	Net Profit Impact (%)
Hap Seng Plantations	8-9
Genting Plantations	7-8
IOI Corporation	4-5
Kuala Lumpur Kepong	4-5
SD Guthrie	7-8

Source: UOB Kay Hian

Bermaz Auto (BAUTO MK)

1QFY27: Above Expectations; New CX-5 To Support Sales Momentum

Highlights

- Bermaz posted above-expectations results, with core net profit of RM41.8m in 1QFY27, driven by sustained healthy margin and higher vehicles sales.
- We expect Mazda's sales to remain resilient, with the upcoming 3rd-gen CX-5 launch to support volumes despite normalising sales of Mazda 3.
- Raise our earnings forecasts by 15%/10% for FY27/28 respectively to account for a sustained recovery in margins.
- Maintain BUY with a higher target price of RM1.30, based on 10.5x FY27F PE.

1QFY27 Results

Year to 30 Apr	1QFY26 (RMm)	4QFY26 (RMm)	qoq % chg	yoy % chg
Revenue	555.4	544.7	2.0	13.1
EBIT	54.8	64.8	(15.3)	90.3
Associates	1.1	2.3	(54.6)	111.4
PBT	55.9	67.4	(17.1)	195.0
Core PATMI	41.8	44.0	(5.0)	404.7
Margins	%	%	+/- ppt	+/- ppt
EBIT	9.9	11.9	(2.0)	4.0
Core PATMI	7.5	8.1	(0.6)	5.8
Sales volume (units)	3,696	3,507	5.4	40.1
- Mazda Malaysia	3,024	2,838	6.6	39.1
- Philippines	263	370	(28.9)	(43.3)
- Xpeng	409	278	47.1	6.2

Source: Bermaz, UOB Kay Hian

Analysis

- **Above expectations.** Bermaz Auto's (Bermaz) 1QFY27 core net profit of RM41.8m came in above our expectation, accounting for 32%/33% of our and consensus full-year forecasts. The outperformance was driven by stronger-than-expected margin and an improved contribution from Kia Malaysia (associate), which turned profitable this quarter compared with a RM2.0m loss in 4QFY26.
- Bermaz declared a first dividend interim dividend of 2 sen (1QFY26: 0.75 sen), on track to meet our FY27 DPS forecast of 8 sen.

Key Financials

Year to 30 Apr (RMm)	FY25	FY26	FY27F	FY28F	FY29F
Net turnover	2,622.3	2,274.3	2,373.1	2,454.9	2,563.9
EBITDA	249.0	235.1	226.6	241.0	247.2
Operating profit	222.0	209.7	197.9	208.9	211.8
Net profit (rep./act.)	163.4	115.5	144.6	148.8	152.6
Net profit (adj.)	163.4	115.5	144.6	148.8	152.6
EPS	13.9	9.9	12.3	12.7	13.0
PE (x)	6.7	9.4	7.5	7.3	7.1
P/B (x)	1.7	1.5	1.4	1.3	1.3
EV/EBITDA (x)	3.8	3.9	4.0	3.5	3.3
Dividend yield (%)	18.0	7.8	8.6	8.9	9.1
Net margin (%)	6.2	5.1	6.1	6.1	6.0
Net debt/(cash) to equity (%)	(32.4)	(30.8)	(32.9)	(37.9)	(42.2)
Interest cover (x)	n.a.	22.6	19.6	27.7	37.5
ROE (%)	23.2	15.6	18.9	18.8	18.7
Consensus net profit	-	70.0	127.0	145.0	157.0
UOBKH/Consensus (x)	-	1.6	1.1	1.0	1.0

Source: Bermaz, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM0.93
Target Price	RM1.30
Upside	39.8%
Previous TP	RM1.14

Stock Data

Sector	Consumer Discretionary
Bloomberg ticker	BAUTO MK
Shares issued (m)	1,172,18
Market cap (RMm)	1,090.1
Market cap (US$m)	268.1
3-mth avg daily t'over (US$m)	0.5

Price Performance (%)

52-week high/low				RM1.12/RM0.50
1mth	3mth	6mth	1yr	YTD
(3.1)	2.2	6.9	34.8	31.0

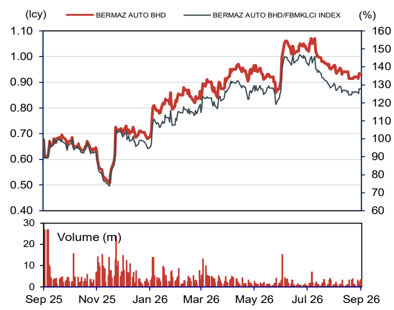
Major Shareholders (%)

Dynamic Milestone Sdn Bhd	16.53

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.6
FY26 Net Debt/Share (RM)	(0.3)

Price Chart



Source: Bloomberg

Company Description

Bermaz Auto is involved in the distribution, retailing and also the provision of after sales service of Mazda vehicles in Malaysia and the Philippines as well as Xpeng models in Malaysia.

- **Slight qoq margin moderation, but remains healthy.** Earnings fell 5% qoq despite a higher revenue of RM555.4m (+2% qoq), mainly due to a slightly lower margin amid higher promotional activities for Xpeng and weaker associates' contribution. Nonetheless, EBIT margin remained healthy, supported by reduced discounting activities and a favourable sales mix.
- **Xpeng offset softer Philippines operation.** Sales of Mazda Malaysia rose 5.4% qoq to 3,024 units, driven by robust demand for Mazda 3, with CBU volume increasing to 66% of total sales (4QFY26: 57%). Xpeng sales also grew 47% qoq to 409 units, supported by higher promotional activities. This helped offset a weaker performance from the Philippines operation, which remained affected by softer market conditions amid elevated fuel prices.
- **Demand outlook remains resilient.** While Mazda 3 sales may have peaked in the recent quarter, we expect monthly sales to remain at a healthy run rate of around 400 units and continue to be a key volume contributor. The upcoming launch of the 3rd-gen CX-5 in Oct 26 should help fill the gap as Mazda 3 sales normalise, with the flagship model projected to contribute around 200 units per month. Despite a modest decline in backlog orders to 2,150 units (May 26: 2,360 units), we foresee Mazda sales remaining resilient at around 1,000 units per month. We therefore maintain our conservative FY27 sales assumption of 14,500 units, below management's target of 16,000 units.
- **Xpeng offers another growth leg.** Xpeng continues to refresh its line-up, with the recent facelift of the X9 (Jun 26) and the planned launch of the Mona L03 (Apr 27). We expect the latter to be positioned as Xpeng's entry level model to broaden the brand's customer base and drive volumes. Xpeng's localisation efforts, with local production of the G6 commencing in Sep 26, should also position the brand to benefit from stricter EV import rules.

Valuation/Recommendation

- **Maintain BUY with a higher target price of RM1.30 (RM1.14 previously),** pegged to 10.5x PE (five-year average mean) of our revised FY27 earnings forecast. We continue to like Bermaz for its improving earnings trajectory, margin recovery, and stronger growth visibility over the next two years, underpinned by Mazda's refreshed line-up. The stock currently trades at an attractive valuation of 7.5x FY27F PE (below -1SD) and offers a yield of 8.6%.

Earnings Revision/Risk

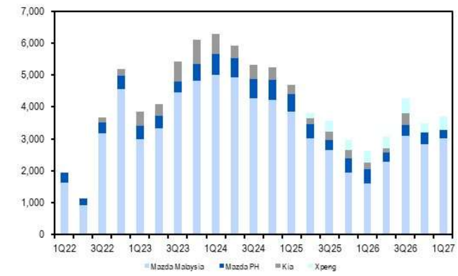
- **We raise our earnings forecasts by 15%/10% for FY27/28 respectively,** after incorporating higher margin assumptions. This reflects the sustained recovery in operating margins, which were previously impacted by heavy discounting on Mazda's ageing CKD models.
- **Forex benefit may moderate.** Bermaz's higher CBU mix has benefitted from a weaker yen over the past year, although recent yen appreciation could partially offset this benefit. Based on our sensitivity analysis, we estimate that every 5% strengthening of the Japanese yen against the ringgit would reduce group net profit by 3%.

Sales Volume Assumptions

Financial Year	Malaysia (units)	Philippines (units)
2023	19,688	1,682
2024	21,192	1,682
2025	13,687	1,779
2026	11,997	1,473
2027F	13,300	1,200
2028F	13,500	1,300
2028F	14,000	1,400

Source: Bermaz, UOB Kay Hian

Sales Volume By Brand



Source: Bermaz, UOB Kay Hian

Environmental, Social and Governance (ESG)

Environmental
- Bermaz supports the Republic Act 11285 (Energy Efficiency and Conservation Act), which institutionalises energy efficiency and conservation as a national way of life.

Social
- Mazda Medicare Fund dialysis programme channelled 100% of funds to charity.

Governance
- Complies with Malaysian code on Corporate Governance which requires independent directors (4 out of 7) to comprise the majority of the board.

Source: Bermaz, UOB Kay Hian

Profit & Loss

Year to 30 Apr (RMm)	FY26	FY27F	FY28F	FY29F
Net turnover	**2,274.3**	**2,373.1**	**2,454.9**	**2,563.9**
EBITDA	235.1	226.6	241.0	247.2
Deprec. & amort.	25.4	28.8	32.1	35.4
EBIT	209.7	197.9	208.9	211.8
Associate contributions	(25.0)	5.0	6.0	8.0
Net interest income/(expense)	0.3	(0.9)	2.1	4.0
Pre-tax profit	**185.0**	**201.9**	**217.0**	**223.9**
Tax	(57.3)	(50.5)	(54.3)	(56.0)
Minorities	(12.3)	(6.8)	(13.9)	(15.2)
Net profit	**115.5**	**144.6**	**148.8**	**152.7**
Net profit (adj.)	115.5	144.6	148.8	152.7

Balance Sheet

Year to 30 Apr (RMm)	FY26	FY27F	FY28F	FY29F
Fixed assets	167.9	159.1	147.0	131.7
Other LT assets	388.5	440.2	446.2	454.2
Cash/ST investment	423.9	433.9	425.5	486.0
Other current assets	706.9	734.4	759.7	793.4
Total assets	**1,687.3**	**1,767.6**	**1,778.4**	**1,865.3**
ST debt	74.8	80.0	60.0	60.0
Other current liabilities	406.4	449.6	460.3	475.8
LT debt	129.7	100.0	50.0	50.0
Other LT liabilities	290.0	291.0	292.0	292.0
Shareholders' equity	712.9	766.7	821.9	878.1
Minority interest	73.4	80.3	94.2	109.4
Total liabilities & equity	**1,687.3**	**1,767.6**	**1,778.4**	**1,865.3**

Cash Flow

Year to 30 Apr (RMm)	FY26	FY27F	FY28F	FY29F
Operating	**179.2**	**145.3**	**171.1**	**171.0**
Pre-tax profit	185.0	201.9	217.0	223.9
Tax	(34.9)	(50.5)	(54.3)	(56.0)
Deprec. & amort.	25.4	29.8	33.1	36.4
Working capital changes	37.4	(31.8)	(16.6)	(21.3)
Other operating cashflows	(58.7)	0.9	(2.1)	(4.0)
Investing	**(19.2)**	**(8.4)**	**(7.2)**	**(7.4)**
Capex (maintenance)	(9.9)	(20.0)	(20.0)	(20.0)
Investments	0.0	1.0	2.0	2.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	(9.3)	10.6	10.8	10.6
Financing	**(131.1)**	**(126.9)**	**(172.3)**	**(103.1)**
Dividend payments	(60.5)	(90.8)	(93.6)	(96.5)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(21.1)	(24.5)	(70.0)	0.0
Others/interest paid	(49.5)	(11.5)	(8.7)	(6.6)
Net cash inflow (outflow)	**28.9**	**10.1**	**(8.4)**	**60.5**
Beginning cash & cash equivalent	**433.7**	**423.9**	**433.9**	**425.5**
Changes due to forex impact	(38.7)	0.0	0.0	0.0
Ending cash & cash equivalent	**423.9**	**433.9**	**425.5**	**486.0**

Key Metric

Year to 30 Apr (%)	FY26	FY27F	FY28F	FY29F
Profitability				
EBITDA margin	10.3	9.5	9.8	9.6
Pre-tax margin	8.1	8.5	8.8	8.7
Net margin	5.1	6.1	6.1	6.0
ROA	6.7	8.3	8.5	8.5
ROE	15.6	18.9	18.8	18.6
Growth				
Turnover	(13.3)	4.3	3.4	4.4
EBITDA	(5.6)	(3.6)	6.3	2.6
Pre-tax profit	(20.0)	9.1	7.5	3.1
Net profit	(29.3)	25.2	2.9	2.6
Net profit (adj.)	(29.3)	25.2	2.9	2.6
EPS	(29.3)	25.2	2.9	2.6
Leverage				
Debt to total capital	26.0	21.3	12.0	11.1
Debt to equity	28.7	23.5	13.4	12.5
Net debt/(cash) to equity	(30.8)	(33.1)	(38.4)	(42.8)
Interest cover	22.6	19.6	27.7	37.5

Market Spotlight

Market News

The FBMKLCI declined 8.82pt to close at 1,705.52 yesterday, weighed down by selling pressure in selected heavyweights and index-linked counters. Meanwhile, Asian stocks fell broadly on Thursday with technology shares leading losses, as investors remained nervous about oil prices above $100 a barrel and rising bond yields ahead of key US inflation data. The FBMKLCI's top gainers were Petronas Chemicals Group (+5.9%), Petronas Dagangan (+1.8%) and CelcomDigi (+1.5%), while the top losers were Mr D.I.Y. Group (M) (-5.2%), 99 Speed Mart Retail Holdings (-2.3%) and Telekom Malaysia (-2.2%). In the broader market, losers outpaced gainers 656 to 534 with 514 counters unchanged. Turnover was 3.99b shares valued at RM3.12b.

US stocks were lower after the close on Thursday, as losses in the basic materials, utilities and industrials sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average declined 0.60% to hit a new 1-month low, while the S&P 500 Index fell 0.58%, and the NASDAQ Composite Index lost 0.65%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,976 to 752 and 79 ended unchanged; on the Nasdaq Stock Exchange, 2,202 fell and 1,220 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:	1,705.52
Expected moving range:	1,677-1,720

Technical View:

The FBMKLCI continued to form lower highs and lower lows on yesterday's movement, given the lack of domestic catalysts to bring the index back to its prior trend. This is further reinforced by the downtick in the RSI, which suggests that buying momentum would continue to ease over the next few days. As such, we expect the index to resume its uptrend once the current consolidation phase ends. We still maintain 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 +3.2% potential return

Trading BUY range:	RM4,900-5,020
Last price:	RM4,939
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 RM4,939 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:	1,683.5
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 1,683.5 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

D&O Green Technologies DOGT MK

Technical BUY on breakout with +41.8% potential return

Trading BUY range:	RM0.455-0.46
Last price:	RM0.42
Target price:	RM0.595, RM0.645
Support:	RM0.375
Stop-loss:	RM0.37

BUY on breakout with a target price of RM0.645 and stop-loss at RM0.37. We expect a positive follow-through to validate a new up-leg if DOGT penetrates above the breakout level of RM0.455. The rising momentum as shown by a bullish crossover in the 7- and 21-day EMAs along with an uptick in both the +DI and ADX lines suggest upward continuation from here. This is also supported by an uptick in the RSI and bullish crossover in the MACD. We peg our targets at RM0.595 and RM0.645 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Malaysia Marine & Heavy Engineering MMHE MK

Technical BUY on breakout with +19.0% potential return

Trading BUY range:	RM0.395-0.40
Last price:	RM0.375
Target price:	RM0.43, RM0.47
Support:	RM0.36
Stop-loss:	RM0.355

BUY on breakout with a target price of RM0.47 and stop-loss at RM0.355. An Ascending Triangle was spotted on the daily chart that indicates the bullish continuation pattern. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We peg our targets at RM0.43 and RM0.47 once it manages to penetrate above the breakout level of RM0.395.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Malaysia Smelting Corporation SMELT MK

Technical BUY on breakout with +17.2% potential return

Trading BUY range:	RM1.81-1.82
Last price:	RM1.74
Target price:	RM1.96, RM2.04
Support:	RM1.65
Stop-loss:	RM1.64

BUY on breakout with a target price of RM2.04 and stop-loss at RM1.64. SMELT has just passed the consolidation phase and tried to break the downtrend line to move higher. The uptick in the MACD and the increase in trading volumes suggest buying momentum is set to continue in the near term. We peg our targets at RM1.96 and RM2.04 if the stock penetrates above the breakout level of RM1.81.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading