UOBKayHian

Country Daily | Malaysia

Friday, 18 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,778.0	0.6	(0.5)	(3.1)	7.7
S&P 500	7,637.8	1.1	0.6	(1.4)	11.6
FTSE 100	10,816.1	1.2	2.0	0.9	8.9
AS30	8,910.9	0.4	(1.1)	(3.9)	(1.2)
CSI 300	4,460.2	(0.4)	(1.9)	(5.6)	(3.7)
FSSTI	5,660.5	0.4	(0.5)	(0.7)	21.8
HSCEI	8,175.4	(0.4)	(1.2)	(3.3)	(8.3)
HSI	24,604.3	(0.4)	(1.4)	(3.3)	(4.0)
JCI	6,462.4	0.4	(1.9)	0.2	(25.3)
KLCI	1,674.7	(0.3)	(2.3)	(3.4)	(0.3)
KOSPI	6,715.4	(0.0)	(4.5)	(2.2)	59.4
Nikkei 225	64,136.3	0.3	(1.7)	(4.9)	27.4
SET	1,583.3	1.3	(2.0)	(2.4)	25.7
TWSE	46,288.0	1.0	(1.4)	2.2	59.8
BDI	3,336	0.3	(5.3)	15.9	77.7
CPO (RM/mt)	4,642	0.7	(0.9)	2.6	18.0
Brent Crude (US$/bbl)	105	(1.0)	(2.6)	15.4	72.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep
New Economy Conference at The Ritz Carlton Hotel	Malaysia	07 Oct	07 Oct
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

Company Results | Binastra Corporation (BNASTRA MK/**BUY**/RM2.49/Target: RM3.05) Page 2 →

- Binastra delivered record high earnings in 2QFY27, supported by better construction progress billing and subsidiary LF Lansen's higher contributions. 2QFY27 results made up about 53% of our FY27 expectations, and are deemed above expectations. We expect 2HFY27 earnings to improve further, backed by the group's resilient orderbook pipeline and margin accretion from DC projects. Overall, Binastra is poised to chart record-high earnings in FY27-29, besides offering a commendable prospective yield of 3.4-4.2%. Maintain BUY and target price of RM3.05.

Company Update | Tenaga Nasional (TNB MK/**BUY**/RM13.32/Target: RM16.30) Page 5 →

- The government is protecting domestic users from tariff shocks by exempting household usage of up to 800kWh from the AFA surcharge until Dec 26. This is neutral to TNB's earnings as the government will compensate TNB for the exemption via the KWIE fund. The recent share price weakness may be due to rising regulatory receivables. In the past decade, the IBR framework has been upheld. We maintain BUY with a DCF-based target price of RM16.30.

Market Spotlight

Page 8 →

- The FBMKLCI extended its decline for a second day to close at 1,674.74 (-4.47pt) yesterday.
- US stocks were higher after the close on Thursday, as gains in the technology, utilities and basic materials sectors led shares higher.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 9 →

Traders' Corner Page 11 →

Elsa | ELSA MK Page 11 →

- Trading Buy Range: RM0.20-0.22

Hextar Retail | HEXRTL MK Page 11 →

- Trading Buy Range: RM0.435-0.44

MHC Plantations | MHC MK Page 12 →

- Trading Buy Range: RM1.85-1.86

Binastra Corporation (BNASTRA MK)

2QFY27: Yielding Impressively

Highlights

- **Above expectations** (53% of our and consensus expectations), as we anticipate a stronger earnings momentum for 2HFY27. 2QFY27 revenue grew 66% yoy and core profit rose 78% yoy.
- **Maintain BUY with a higher target price of RM3.05 (from RM2.68),** rolled over to FY28 valuations. Binastra offers a resilient dividend yield of 3.4-4.2% in FY27-29 (based on 50% payout ratio assumptions).

2QFY27 Results

Year to 31 Jan	2QFY27 (RMm)	qoq % chg	yoy % chg	1HFY27 (RMm)	yoy % chg
Revenue	**658.4**	**8.7**	**65.9**	**1,264.0**	**93.4**
Operating expenses	(582.9)	(5.8)	(63.8)	(1,133.9)	(96.5)
EBIT	**71.6**	**40.1**	**88.7**	**130.0**	**69.8**
Finance costs	(0.9)	(25.6)	(14.1)	(1.5)	(74.5)
PBT	**71.3**	**40.5**	**89.7**	**122.1**	**73.0**
Taxation	(17.3)	(43.2)	(88.8)	(29.5)	(73.0)
PATAMI	**50.6**	**43.5**	**78.1**	**92.7**	**73.0**
Core PATAMI	**50.6**	**44.0**	**78.2**	**92.5**	**73.0**
Margin	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**
EBIT	10.9	2.4	1.3	10.3	(1.4)
PBT	10.8	2.4	1.4	9.7	(1.1)
Core PATAMI	7.7	1.9	0.5	7.3	(0.9)

Source: Binastra, UOB Kay Hian

Analysis

- **Results above expectations.** Binastra Corporation (Binastra) reported an impressive 2QFY27 core net profit of RM50.6m (+44% qoq, +78% yoy) on record-high revenue of RM658.4m (+9% qoq, +666% yoy). 2QFY27 earnings improved 44% qoq in tandem with top-line growth, mainly reflecting better margins from selective solar installation and data centre fit-out projects, besides higher LF Lansen contributions. 1HFY27 results are deemed above expectations, making up 53% of our and consensus full-year estimates. We expect an improving earnings momentum through 2HFY27, anchored on better progress billings from the secured orderbook.

Key Financials

Year to 31 Jan (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	947	1,502	2,251	2,575	2,846
EBITDA	134	207	261	295	326
Operating profit	125	194	261	295	326
Net profit (rep./act.)	90	133	183	208	230
Net profit (adj.)	90	133	183	208	230
EPS	8.3	8.3	12.2	16.8	19.1
PE	30.1	20.3	14.8	13.0	11.8
P/B	9.6	7.7	9.1	6.3	4.7
EV/EBITDA	10.0	6.7	5.0	4.2	3.5
Dividend yield	1.2	2.6	3.4	3.8	4.2
Net margin	9.5	8.9	8.1	8.1	8.1
Net debt/(cash) to equity	(25.9)	(13.8)	(18.2)	(29.1)	(37.5)
Interest cover	230.5	n.a.	69.5	88.9	120.5
ROE	62.0	42.1	63.4	58.2	53.3
Consensus net profit	-	-	175.1	206.7	226.4
UOBKH/Consensus (x)	-	-	1.05	1.01	1.02

Source: Binastra, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM2.49
Target Price	RM3.05
Upside	+22.5%
Previous TP	RM2.68

Stock Data

GICS sector	Industrials
Bloomberg ticker	BNASTRA MK
Shares issued (m)	1,094.4
Market cap (RMm)	2,725.0
Market cap (US$m)	664.8
3-mth avg daily t'over (US$m)	0.3

Price Performance (%)

52-week high/low: RM2.5/RM1.88

1mth	3mth	6mth	1yr	YTD
6.4	27.0	21.5	26.4	15.8

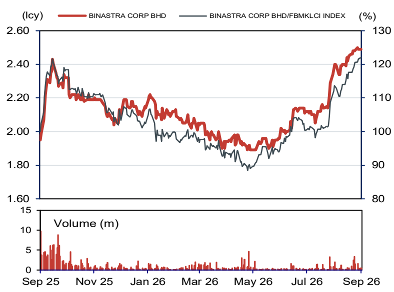
Major Shareholders (%)

JT Conglomerate Sdn Bhd	41.1
Lee Yong Seng	11.9
Tan Kak Seng	11.5

Balance Sheet Metrics

FY27 NAV/Share (RM)	0.3
FY27 Net Debt/Share (RM)	0.0

Price Chart



Source: Bloomberg

Company Description

Binastra Corporation Group specialises in residential, commercial and industrial construction projects in Malaysia.

- **Robust orderbook pipeline supporting earnings growth.** Binastra secured RM1.3b in new jobs ytd, clinching three new contracts amounting to RM1.31b (comprising of a RM491m data centre (DC) project in Cheras from EXSIM, a RM503m DC project from Exsim, and a RM316.5m residential project from HCK Capital). We remain confident that Binastra is well on track to achieve our FY27 orderbook replenishment target of RM3b (mainly comprising mixed development buildings and DC infrastructures from key customers). With a record-high outstanding orderbook of RM6.7b (>3x revenue cover), Binastra is well positioned for record-high earnings levels throughout FY27-29.
- **Secured two new clients; diversifying earnings streams.** Binastra has secured two new customers since FY26, which are CPI Land for the Tuan Heritag3 project (Aug 25) and HCK Capital for the Subang Sentral project (Mar 26). These two new customers expanded Binastra's residential projects' client base in addition to its initial three key customers, namely Platinum Victory (PV), EXSIM Development (EXSIM) and Maxim Global (MAXIM) which have relationships spanning many years (PV: 21 years; EXSIM: 14; Maxim: 7). We anticipate a visible increase in orderbook moving forward from these new customers, leveraging on their other developments.
- **DC exposure strengthening, …** Following another RM491m DC contract from Exsim Sri Permai secured in Jul 26, Binastra has secured about RM2.4b in DC wins across seven contracts. This makes up about 20% of the group's existing orderbook. Such exposure reiterates the group's technical capability for taking on different projects in its portfolio. Given the rising demand for Malaysia's DC infrastructures, Binastra is well positioned to secure more DC contracts in the future, leveraging on its existing track records. This will lift the group's overall margins, given DCs' shorter construction period and better profit margins.
- **…complemented by strategic acquisition of LF Lansen stakes.** Binastra acquired a 51% stake in LF Lansen, a CIDB Grade G7-certified contractor specialising in thermal energy storage systems for district cooling plants and buffer tanks for DCs in Malaysia, Singapore, Vietnam and the Philippines. This strategic acquisition strengthened Binastra's engineering, procurement, construction and commissioning capabilities and the provision of energy-efficient engineering solutions, benefitting the group's DC bids. LF Lansen is also earnings-accretive to Binastra, supported by a RM149.6m outstanding orderbook (as of end-Apr 26) and several contracts under negotiations.

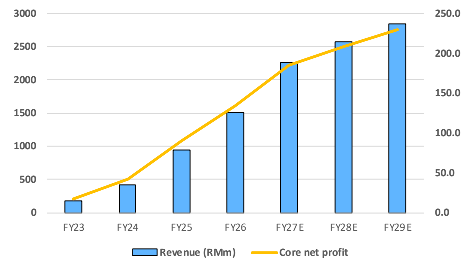
Valuation/Recommendation

- **We raise our FY27 earnings forecast by 5%** to factor in higher progress billing and margins from DC projects.
- **Maintain BUY with a higher target price of RM3.05 (from RM2.68),** as we roll over our valuations to FY28. Our target price implies 16x FY28F PE (three-year mean). We continue to like Binastra for its discounted valuations of 13x FY28F PE, well below the sector average of 18x.
- **Following an earlier revision of the dividend payout ratio to 50% for FY27-29,** Binastra offers a prospective dividend yield of 3.4-4.2% in FY27-29 (with room for capital management upside).

Earnings Revision/Risk

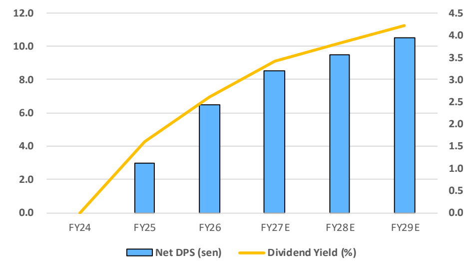
- **Earnings revision:** None.

Revenue And Net Profit Trend (RMm)



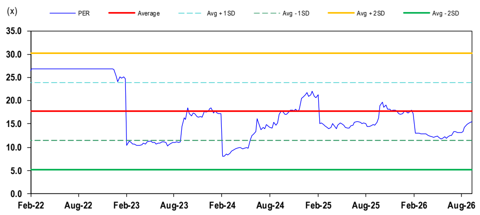
Source: Binastra, UOB Kay Hian

Dividend And Yield (%)



Source: Binastra, UOB Kay Hian

Three-year PE Band



Source: Bloomberg, UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental
- Embarked on measuring Scope 1, 2 and 3 emissions in FY25. This marks its first emissions report and serves as a basis for establishing its future emission reduction targets.

Social
- Made contributions of more than RM170,000 through 10 social initiatives, impacting more than 10,000 beneficiaries.

Governance
- Implemented integrated management systems which comply with Environmental Quality Act 1974, Occupational Safety and Health (Amendment) Act 2022, Construction Industry Development Board Act 1994 and all relevant laws and regulations.

Source: Binastra, UOB Kay Hian

Profit & Loss

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Net turnover	**1,502**	**2,252**	**2,575**	**2,9846**
EBITDA	207	261	295	326
Deprec. & amort.	13	16	18	21
EBIT	194	245	277	305
Associate contributions	0	0	0	0
Net interest income/(expense)	0	(4)	(4)	(3)
Pre-tax profit	**181**	**2241**	**274**	**302**
Tax	(44)	(58)	(66)	(73)
Minorities	(3)	0	0	0
Net profit	**133**	**184**	**208**	**230**
Net profit (adj.)	133	184	208	230

Balance Sheet

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Fixed assets	51	85	117	147
Other LT assets	28	28	28	28
Cash/ST investment	115	120	192	284
Other current assets	1,111	1,120	1,353	1,540
Total assets	**1,304**	**1,353**	**1,690**	**1,998**
ST debt	62	62	62	62
Other current liabilities	857	962	1,162	1,322
LT debt	4	4	4	4
Other LT liabilities	10	10	10	10
Shareholders' equity	352	297	433	581
Minority interest	20	20	20	20
Total liabilities & equity	**1,304**	**1,353**	**1,690**	**1,998**

Cash Flow

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Operating	**88**	**124**	**175**	**208**
Pre-tax profit	181	229	274	311
Tax	(44)	(55)	(66)	(75)
Deprec. & amort.	13	16	18	21
Associates	0	0	0	0
Working capital changes	(76)	(60)	(46)	(45)
Other operating cashflows	14	(5)	(5)	(4)
Investing	**(39)**	**(44)**	**(44)**	**(43)**
Capex (growth)	(12)	(50)	(50)	(50)
Proceeds from sale of assets	0	0	0	0
Others	(33)	0	0	1
Financing	**(37)**	**(42)**	**(59)**	**(73)**
Dividend payments	(65)	(71)	(87)	(103)
Issue of shares	0	0	0	0
Proceeds from borrowings	(1)	(1)	(1)	(1)
Others/interest paid	(1)	0	0	2
Net cash inflow (outflow)	**11**	**38**	**72**	**92**
Beginning cash & cash equivalent	**104**	**82**	**120**	**192**
Changes due to forex impact	0	0	0	1
Ending cash & cash equivalent	**115**	**120**	**192**	**285**

Key Metric

Year to 31 Jan (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	13.8	12.3	12.2	12.2
Pre-tax margin	12.0	10.7	10.6	10.6
Net margin	8.9	8.1	8.1	8.1
ROA	13.1	17.0	17.1	17.1
ROE	42.1	63.4	58.2	53.3
Growth				
Turnover	58.7	49.9	14.4	10.5
EBITDA	54.6	33.6	13.3	10.6
Pre-tax profit	45.2	33.5	13.3	10.5
Net profit	47.8	37.4	13.3	10.5
Net profit (adj.)	48.0	37.4	13.3	10.5
EPS	48.0	37.4	13.3	10.5
Leverage				
Debt to total capital	15.1	17.3	12.7	9.9
Debt to equity	18.7	22.2	15.2	11.4
Net debt/(cash) to equity	(13.8)	(18.2)	(29.1)	(37.5)
Interest cover	n.a.	69.5	88.9	120.5

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Company Update | Malaysia

Friday, 18 September 2026

Tenaga Nasional (TNB MK)

Government Shelters Citizens From Higher Tariffs, IBR Shelters TNB's Earnings

Highlights

- The government is protecting domestic users from tariff shock by exempting household usage of up to 800kWh (from 600kWh) from the AFA surcharge from Sep to Dec 26.
- Since May 26, the government has been covering the AFA surcharge for domestic users consuming up to 600kWh. This amounted to RM380m of compensation to TNB (May-Jul 26), and the government has been progressively paying TNB using the KWIE fund drawdown. We expect TNB's earning to remain neutral as the government protects the Rakyat from fuel price shocks.
- We believe the recent share price weakness is due to potential rising regulatory receivables from the government. In the past decade, the IBR framework has been upheld. We maintain BUY with a DCF-based target price of RM16.30.

Analysis

- **Households using up to 800kWh to be exempted from Automatic Fuel Adjustment (AFA)...** Amid the haze and rising temperatures, the government has expanded electricity bill protection for domestic users to now cover those consuming 800kWh per month (from 600 kWh previously) from September to 31 Dec 26. This was announced by Prime Minister Datuk Seri Anwar Ibrahim in a Facebook post yesterday, following a meeting with the Energy Transition and Water Transformation Ministry (PETRA), the regulator Energy Commision, and Tenaga Nasional (TNB).
- **...amid higher household electrIcity consumption.** The government deems the measure as an immediate step to ease the cost-of-living pressures faced by households, particularly as the haze and hotter weather have driven up electricity consumption in some homes.
- **Rising AFA due to the Middle East crisis.** Based on Tenaga Nasional's (TNB) forecast, the AFA has been rising since May 26 and is expected to continue rising to a peak surcharge of 5.48 sen/kwh in Dec 26. This is a result of higher gas and coal prices globally.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	56,737	67,723	69,555	71,480	73,306
EBITDA	19,953	20,518	22,854	23,652	24,323
Operating profit	8,720	8,532	10,202	11,027	11,666
Net profit (rep./act.)	3,978	4,768	4,927	5,078	5,164
Net profit (adj.)	4,126	4,767	4,927	5,078	5,164
EPS	72.6	81.8	84.5	87.1	88.6
PE (x)	19.7	17.5	16.9	16.4	16.1
P/B (x)	1.6	1.6	1.6	1.5	1.5
EV/EBITDA (x)	5.9	6.3	5.9	5.8	5.8
Dividend yield (%)	3.6	3.7	4.0	4.3	4.6
Net margin (%)	6.2	5.8	7.1	7.1	0.0
Net debt/(cash) to equity (%)	75.0	90.7	97.0	99.6	102.6
Interest cover (x)	4.2	4.4	4.6	4.4	4.3
ROE (%)	7.6	9.5	9.5	9.6	9.5
Consensus net profit			4,860	5,149	5,457
UOBKH/Consensus (x)			1.01	0.99	0.95

Source: TNB, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM13.32
Target Price	RM16.30
Upside	+22.3%

Stock Data

Sector	Utilities
Bloomberg ticker	TNB MK
Shares issued (m)	5,829.1
Market cap (RMm)	77,644.2
Market cap (US$m)	19,037.4
3-mth avg daily t'over (US$m)	20.8

Price Performance (%)

52-week high/low: RM14.90/RM12.50

1mth	3mth	6mth	1yr	YTD
(8.0)	(8.5)	(6.2)	(0.9)	(2.9)

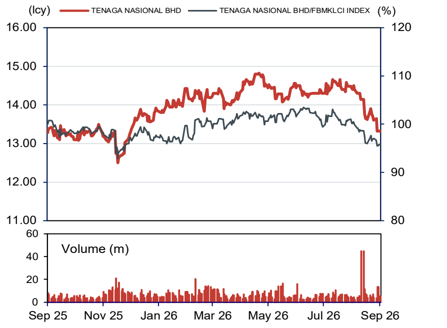
Major Shareholders (%)

Employee Provident Fund	24.9
Khazanah Nasional	16.3
Amanah Saham Nasional	11.2

Balance Sheet Metrics

FY26F NAV/Share (RM)	9.0
FY26F Net Debt/Share (RM)	8.7

Price Chart



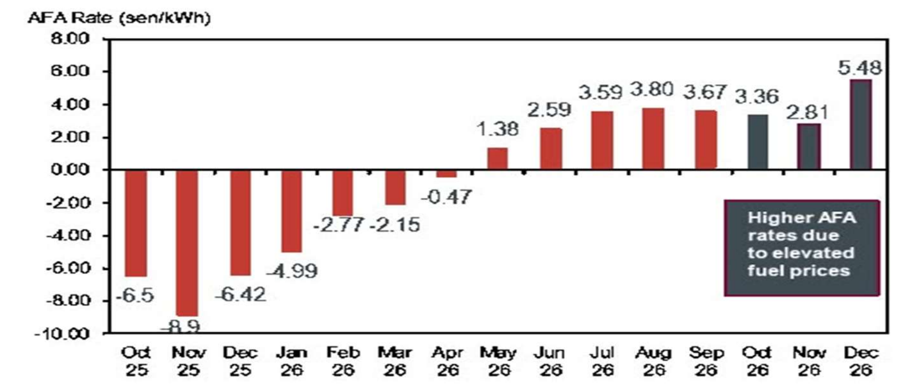
Source: Bloomberg

Company Description

Generates and distributes electricity in Peninsular Malaysia and Sabah.

- **Neutral impact on TNB's earnings; government to utilise KWIE fund.** The government started utilising the KWIE fund in May 26 to shield domestic users from higher electricity tariffs. For May to Jul 26, total government compensation amounted to RM380m, of which the government has paid TNB for the months of May and June.
- **Going forward, TNB guided that the compensation will be paid on a monthly basis.** We note that trade receivables from the government have eased from RM1.9b (Dec 25) to RM0.9b (Jun 25).As such, we expect the government to continue utilising the KWIE fund to protect domestic users consuming up to 800kWh for the period of Sep to Dec 26. This will be neutral to TNB's earnings while trade receivables may fluctuate with the timing of government's compensation.

Rising Electricity Tariffs Due to Middle East Tensions



Source: TNB, UOB Kay Hian

Valuation/Recommendation

- **Maintain BUY with a DCF-based target price of RM16.30** (discount rate: 8%, growth rate: 1%). Our equity risk premium of 7.8% on the stock reflects TNB's tariff autonomy and the gradual decoupling of tariffs from the government's purview. At our target price, the stock trades at 18.7x 2026F EPS, +2SD above five-year mean PE.

Earnings Revision/Risk

- No changes to earnings.
- **Key risks** include: a) lumpy and unprofitable overseas renewable energy (RE) projects, and b) forex risk to operating cashflow.

Share Price Catalyst/Risk

- **Key re-rating catalysts** include: a) recognition of contingent capex in the 2026-27 earnings window, b) listing of a profitable genco and/or RE division, and c) benefitting from the ASEAN Power Grid rollout.

Environment, Social, Governance (ESG) Updates

Environmental

- Besides targeting 8,300MW in RE generation capacity by 2025 (1.5x from 3,398MW in Dec 20), TNB has also made new pledges to reduce emission intensity by 2035 and being coal-free by 2050.

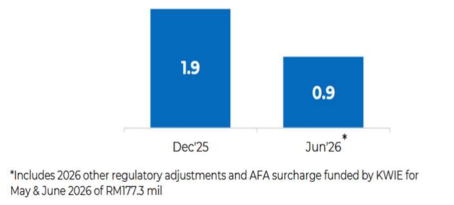
Social

- TNB contributed RM101.3m towards education, economic social, environment and sports, benefitting 713,748 individuals nationwide.

Governance

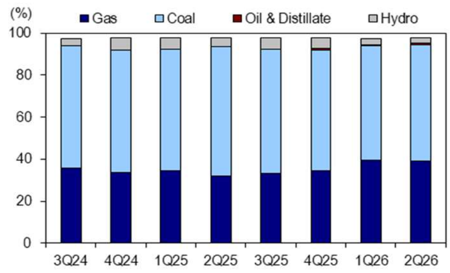
- The board comprises 11 members consisting of six Independent Directors and four Non-Independent Non-Executive Directors. Meanwhile, women comprise 36% (four directors) of the board.

Regulatory Trade Receivables (RMb)



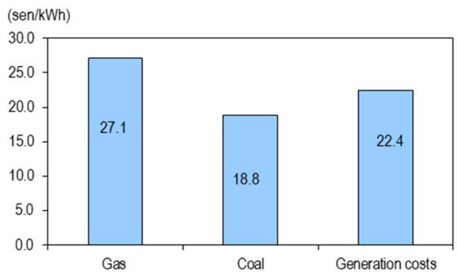
Source: TNB

Generation Mix



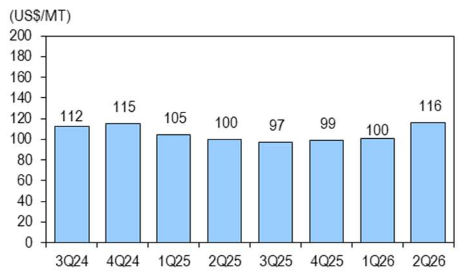
Source: TNB, UOB Kay Hian

Generation Unit Cost (2Q26)



Source: TNB, UOB Kay Hian

Quarterly Coal Prices



Source: TNB, UOB Kay Hian

TNB's RE Portfolio (Capacity, MW)

Source: TNB

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**67,723**	**69,555**	**71,480**	**73,306**
EBITDA	20,518	22,854	23,652	24,323
Deprec. & amort.	11,986	12,653	12,625	12,657
EBIT	24,277	23,810	24,908	25,825
Associate contributions	88	92	97	102
Net interest income/(expense)	(3,363)	(3,976)	(4,612)	(5,145)
Pre-tax profit	**6,177**	**6,318**	**6,512**	**6,623**
Tax	(1,407)	(1,390)	(1,433)	(1,457)
Minorities	(2)	(2)	(2)	(2)
Net profit	**4,768**	**4,927**	**5,078**	**5,164**
Net profit (adj.)	4,767	4,927	5,078	5,164

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	132,885	137,099	141,340	145,550
Other LT assets	36,953	37,045	37,142	37,244
Cash/ST investment	12,867	7,908	4,893	1,734
Other current assets	15,650	18,255	18,518	18,767
Total assets	**198,355**	**200,307**	**201,893**	**203,295**
ST debt	11,952	11,852	11,752	11,652
Other current liabilities	24,636	25,186	25,474	25,770
LT debt	47,134	47,034	46,934	46,834
Other LT liabilities	61,659	61,659	61,659	61,659
Shareholders' equity	50,790	52,391	53,887	55,192
Minority interest	2,185	2,186	2,188	2,190
Total liabilities & equity	**198,355**	**200,307**	**201,893**	**203,295**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**15,570**	**21,764**	**22,245**	**22,912**
Pre-tax profit	6,177	6,318	6,512	6,623
Tax	(1,407)	(1,390)	(1,433)	(1,457)
Deprec. & amort.	11,986	12,653	12,625	12,657
Associates	(88)	(92)	(97)	(102)
Working capital changes	945	300	25	46
Non-cash items	0	0	0	0
Investing	**(13,192)**	**(16,366)**	**(16,463)**	**(16,618)**
Capex (growth)	(16,246)	(16,867)	(16,867)	(16,867)
Investments	7	0	0	0
Others	3,047	500	404	249
Financing	**(6,994)**	**(8,002)**	**(8,798)**	**(9,453)**
Dividend payments	(3,089)	(3,326)	(3,582)	(3,859)
Issue of shares	110	0	0	0
Proceeds from borrowings	1,679	(200)	(200)	(200)
Others/interest paid	(5,693)	(4,476)	(5,016)	(5,394)
Net cash inflow (outflow)	**(4,616)**	**(2,604)**	**(3,015)**	**(3,159)**
Beginning cash & cash equivalent	**15,213**	**10,512**	**7,908**	**4,893**
Changes due to forex impact	(85)	0	0	0
Ending cash & cash equivalent	**10,512**	**7,908**	**4,893**	**1,734**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	30.3	32.9	33.1	33.2
Pre-tax margin	9.1	9.1	9.1	9.0
Net margin	6.2	5.8	7.1	7.1
ROA	2.4	2.5	2.5	2.5
ROE	9.5	9.5	9.6	9.5
Growth				
Turnover	19.4	2.7	5.5	8.2
EBITDA	2.8	11.4	3.5	2.8
Pre-tax profit	6.2	2.3	3.1	1.7
Net profit	19.9	3.3	3.1	1.7
Net profit (adj.)	15.5	3.3	3.1	1.7
EPS	15.5	3.3	3.1	1.7
Leverage				
Debt to total capital	0.4	0.4	0.4	0.4
Debt to equity	1.2	1.1	1.1	1.1
Net debt/(cash) to equity	0.9	1.0	1.0	1.0
Interest cover	4.4	4.6	4.4	4.3

Market Spotlight

Market News

The FBMKLCI extended its decline for a second day to close at 1,674.74 (-4.47pt) yesterday. Meanwhile, Asian stocks edged higher on Thursday after the Federal Reserve delivered its first interest-rate hike since 2023, with Chair Kevin Warsh's focus on inflation helping calm a recent bond-market selloff. The FBMKLCI's top gainers were YTL Corporation (+3.6%), YTL Power International (+2.7%) and IOI Properties Group (+2.2%), while the top losers were Petronas Chemicals Group (-6.5%), CelcomDigi (-1.9%) and Axiata Group (-1.7%). In the broader market, losers outpaced gainers 673 to 465 with 548 counters unchanged. Turnover was 3.60b shares valued at RM3.25b.

US stocks were higher after the close on Thursday, as gains in the technology, utilities and basic materials sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average rose 0.62%, while the S&P 500 Index climbed 1.14%, and the NASDAQ Composite Index added 1.69%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,768 to 956 and 85 ended unchanged; on the Nasdaq Stock Exchange, 2,131 rose and 1,269 declined, while 233 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:	1,674.74
Expected moving range:	1,665-1,700

Technical View:

The FBMKLCI continued its pullback as the index slid lower yesterday. The index penetrated the previous immediate support of 1,677 and closed lower at 1,674.74 yesterday. The correction looks set to continue as selling pressure grows as reflected by the negative reading in the RSI. Weaker regional sentiments as well as an absence of domestic catalysts may drag the index lower in the near-term. The support and resistance levels are revised as follows:

Support: 1,665, 1,652

Resistance: 1,720, 1,755

FCPO

Source: TradingView

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

Technical BUY with +3.7% potential return

Trading BUY range:	RM4,900-5,020
Last price:	RM4,917
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 hit our first target at RM5,029 before formed a pullback to the current level This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We peg our targets at RM5,029 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 2.5% potential return

Trading BUY range:	1,650-1,670
Last price:	1,659.5
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 1,659.5 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

Elsa
ELSA MK

Technical BUY with +34.1% potential return

Trading BUY range:	RM0.20-0.22
Last price:	RM0.20
Target price:	RM0.28, RM0.295
Support:	RM0.19
Stop-loss:	RM0.185

BUY with a target price of RM0.395 and stop-loss at RM0.265. Following a correction from the recent high, ELSA has established strong support at the RM0.19 level in the past few weeks. Yesterday's gain to close above the 7- and 21-day EMA lines signals the end of the recent consolidation. This is consistent with the renewed buying interest as indicated by an uptick in the RSI. We peg our targets at RM0.28 and RM0.295 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Hextar Retail
HEXRTL MK

Technical BUY on breakout with +25.3% potential return

Trading BUY range:	RM0.435-0.44
Last price:	RM0.425
Target price:	RM0.495, RM0.545
Support:	RM0.39
Stop-loss:	RM0.385

BUY on breakout with a target price of RM0.545 and stop-loss at RM0.385. We expect a positive follow-through to validate a new up-leg if HEXRTL penetrates above the breakout level of RM0.435. This is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. Moving forward, we expect HEXTRL will continue the bullish movement toward the previous high of RM0.55 once it penetrates above the breakout level of RM0.435.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

MHC Plantations
MHC MK

Technical BUY with +9.7% potential return

Trading BUY range:	RM1.85-1.86
Last price:	RM1.84
Target price:	RM1.99, RM2.04
Support:	RM1.75
Stop-loss:	RM1.74

BUY with a target price of 2.04 and stop-loss at RM1.74. Based on the daily chart, MHC formed a series of higher highs and higher lows that indicates an uptrend pattern. Yesterday, MHC formed a bullish candlestick and closed higher at RM1.86. Positive readings in both the RSI and the MACD should translate into stronger momentum for share price. We peg our targets at RM1.99 and RM2.04 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading