UOBKayHian

Country Daily | Malaysia

Friday, 25 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,350.0	(0.3)	(0.8)	(3.9)	6.8
S&P 500	7,704.1	(0.0)	0.9	0.7	12.5
FTSE 100	10,680.0	(0.2)	(1.3)	(1.6)	7.5
AS30	8,897.0	(0.7)	(0.2)	(5.1)	(1.4)
CSI 300	4,439.2	(1.7)	(0.5)	(3.7)	(4.1)
FSSTI	5,683.4	(0.5)	0.4	(0.9)	22.3
HSCEI	8,266.0	(0.1)	1.1	(2.1)	(7.3)
HSI	24,761.1	(0.3)	0.6	(3.0)	(3.4)
JCI	6,298.6	(1.2)	(2.5)	(3.1)	(27.2)
KLCI	1,672.3	(0.2)	(0.1)	(3.7)	(0.5)
KOSPI	7,080.9	0.9	5.4	4.3	68.0
Nikkei 225	65,514.0	0.8	3.2	(0.5)	30.1
SET	1,602.6	(0.5)	1.2	0.4	27.2
TWSE	48,024.6	(0.3)	3.8	3.7	65.8
BDI	3,473	1.3	4.1	20.5	85.0
CPO (RM/mt)	4,569	(1.0)	(1.6)	(2.5)	16.2
Brent Crude (US$/bbl)	107	3.4	1.7	15.7	75.2

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
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
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Malaysia PMI Manufacturing	Malaysia	01 Oct

Top Stories

Company Results | Eco World Development (ECW MK/**BUY**/RM1.94/Target: RM2.70) Page 2 →

- 3QFY26 results were in line. We expect ECW to post sequentially higher 4QFY26 earnings due to the recognition of relatively high-margin DC land sales. ECW is poised to surpass our full-year sales target of RM4.8b with the land sale to TERA DC, while the strong ytd sales momentum allows it to pace its launches. Maintain BUY. Our target price of RM2.70 implies an FY26F-27F PE of 13x-16x. At the current price, it offers a decent yield of more than 5%.

Market Spotlight

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- The FBMKLCI lost 4.12pt (-0.25%) to close at 1,672.31 yesterday.
- US stocks were mixed after the close on Thursday, as gains in the telecoms, healthcare and oil & gas sectors led shares higher while losses in the utilities, basic materials and industrials sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 6 →

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Ajiya Berhad | AJY MK Page 8 →

- Trading Buy Range: RM1.00-1.02

QES Group | QES MK Page 8 →

- Trading Buy Range: RM0.58-0.59

PW Corporation | PW MK Page 9 →

- Trading Buy Range: RM0.73-0.75

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.

Eco World Development Group (ECW MK)

3QFY26: In Line; Poised To Achieve Record Sales

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Highlights

- 3QFY26 results were in line. We expect ECW to post sequentially higher 4QFY26 earnings on the recognition of relatively high-margin DC land sales.
- ECW is well poised to surpass our full-year sales target of RM4.8b with the land sale to TERA DC, while the strong ytd sales momentum allows ECW to spread out its launches.
- Maintain BUY with a target price of RM2.70, implying an FY26F-27F PE of 13x-16x. At the current price, it offers a decent yield of more than 5%.

3QFY26 Results

Year to 31 Oct (RMm)	3QFY26	qoq%	yoy%	9MFY26	yoy%
Revenue	971.5	21.8	27.5	3,122.5	43.3
Gross Profit	264.0	5.8	19.4	860.4	34.6
Opex	(96.7)	14.1	19.9	(304.3)	40.5
EBIT	202.4	(0.2)	21.8	662.3	33.7
Net Interest	(40.5)	31.6	9.5	(103.7)	21.5
Shares of JV & Associates	1.9	(74.9)	(82.7)	8.6	(73.7)
PBT	163.8	(8.7)	17.0	567.3	28.1
Taxation	(43.0)	3.8	10.5	(143.0)	8.7
PATAMI	112.2	(13.2)	10.9	397.7	27.7
Core PATAMI	111.3	(13.4)	10.7	396.5	35.1
Margins (%)	**%**	**ppt**	**ppt**	**%**	**ppt**
EBIT	20.8	(4.6)	(1.0)	21.2	(1.5)
Core PATAMI	11.5	(4.7)	(1.7)	12.7	(0.8)

Source: SP Setia, UOB Kay Hian

Analysis

- **In line.** Eco World Development Group (ECW) reported a 3QFY26 core PATAMI of RM111m (-13.4% qoq; +10.7% yoy) on a revenue of RM972m (+21.8% qoq; +27.5% yoy). This brings 9MFY26 core PATAMI to RM397m, representing 74% and 73% of our and consensus full-year earnings estimates respectively, which we deem in line. Unbilled sales stood at RM5.0b (vs RM5.4b as of end-Apr 26). Net gearing remained flat at 0.21x (vs 0.22x as of end-Apr 26).
- **ECW has declared a dividend of 2 sen for 3QFY26** (vs 2QFY26/3QFY25: 2 sen/2 sen).

Key Financials

Year to 31 Oct (RMm)	FY24	FY25	FY26F	FY27F	FY28F
Net turnover	2,258	2,931	3,550	3,954	4,017
EBITDA	490	799	891	975	993
Operating profit	468	771	852	925	924
Net profit (rep./act.)	304	438	534	655	786
Net profit (adj.)	354	418	534	655	786
EPS (sen)	11.5	13.0	16.6	20.4	24.5
PE (x)	16.9	14.9	11.7	9.5	7.9
P/B (x)	1.2	0.9	1.0	0.9	0.9
EV/EBITDA (x)	6.9	5.3	5.2	5.3	5.8
Dividend yield (%)	3.1	3.6	4.2	5.2	6.2
Net margin (%)	15.7	14.3	15.0	16.6	19.6
Net debt/(cash) to equity (%)	18.4	28.1	33.2	38.7	44.6
Interest cover (x)	4.2	6.0	4.7	4.8	4.6
ROE (%)	6.6	8.3	9.9	11.8	13.6
Consensus net profit	-	-	548	541	611
UOBKH/Consensus (x)	-	-	1.0	1.2	1.3

Source: ECW, Bloomberg, UOB Kay Hian

BUY (Maintained)

Share Price	RM1.94
Target Price	RM2.70
Upside	39.2%

Stock Data

Sector	Real Estate
Bloomberg ticker	ECW MK
Shares issued (m)	3,237.3
Market cap (RMm)	6,280.5
Market cap (US$m)	1,537.1
3-mth avg daily t'over (US$m)	1.0

Price Performance (%)

52-week high/low RM2.3 /RM1.87

1mth	3mth	6mth	1yr	YTD
(6.3)	(11.8)	(7.2)	(13.4)	(7.2)

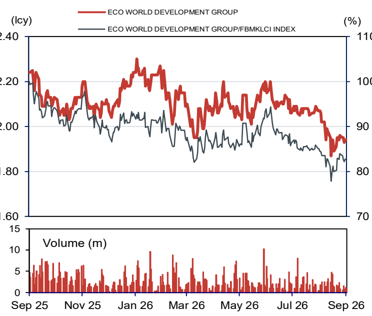
Major Shareholders (%)

Sinarmas Harta Sdn Bhd	30.1
Tan Sri Dato' Sri Liew Kee Sin	9.3
Liew Tian Xiong	7.0

Balance Sheet Metrics

FY26 NAV/Share (RM)	3.43
FY26 Net Debt/Share (RM)	0.67

Price Chart



Source: Bloomberg

Company Description

Property developer with exposure in the Klang Valley, Iskandar Malaysia and Penang.

- **Well poised to surpass our full-year sales target of RM4.8b with land sale to TERA DC.** ECW recorded RM4.05b in sales in 10MFY26 (+5.4% yoy), which accounts for 84% of our full-year sales forecast of RM4.8b. Together with the recent data centre (DC) land sale to TERA in Sep 26 (RM1.01b), the total sales of RM5.06b puts ECW on track for a record year and is 5% above our full-year forecast. We also take this opportunity to raise our FY26 sales forecast to RM5.6b. Excluding DC land sales, its landed, high-rise and industrial segments grew 15%/1%/273% yoy to RM1.6b/RM0.7b/RM1b respectively in 10MFY26. This is supported by strong take-up at EBP VII, Eco Botanic 3 and the Chateau II luxury landed launch (Jun 26), as well as four new duduk launches in FY26 (Terra @ Eco Ardence, Sa.Young 3 @ Eco Botanic 2, Santai 3 @ Eco Spring and Irama @ Eco Sun).
- **Residential demand remains strong.** In our view, the strong sales momentum achieved to date allows ECW to pace its launches into FY27, including Eco Radiance (landed homes priced at around RM650,000, to be launched by end-26 or early-27), EBP8 in Kulai (early-27), Versione WKND in Larkin (2Q27) and Versione LIVN in Sydney (FY27). Management noted that residential demand remains resilient across its diversified locations, with no apparent ceiling on pricing in the luxury segment as long as the product is right. We think this bodes well for its upcoming premium Versione series, such as Versione WKND in Larkin, with indicative ASPs of RM1,100-1,400 psf. The duduk series continues to perform well, with Eco Rise sales expected to hold steady at RM700m-1b a year. Construction costs have eased from their 1H26 peak and have stabilised, though management remains conservative in releasing cost savings.
- **Singapore venture is opportunistic.** ECW's maiden Singapore project at Lorong Puntong/Sin Ming Avenue is targeted for launch in 2028, with GDV and ASP yet to be finalised. ECW is undertaking the project on a 100% basis rather than through a JV, backed by a lean but established three-person team in Singapore and leveraging its long-standing marketing presence there. Management will consider further Singapore acquisitions opportunistically, while Malaysia remains the priority for landbanking.
- **Net margin to recover in 4QFY26.** Core net margin fell to 11.5% in 3QFY26 (2QFY26: 16.1%; 3QFY25: 13.2%), due to a lower gross profit margin of 27.2% from product mix difference and cost savings recognised in 3QFY25. We expect net margin to improve in 4QFY26, supported by the recognition of remaining RM300m-400m of DC land sale proceeds (excluding KNBDC). That said, management guided that normalised gross profit margin is likely to settle at 20-25%, as higher-margin DC contributions increasingly shift to equity-accounted JVs (e.g. EBP7).

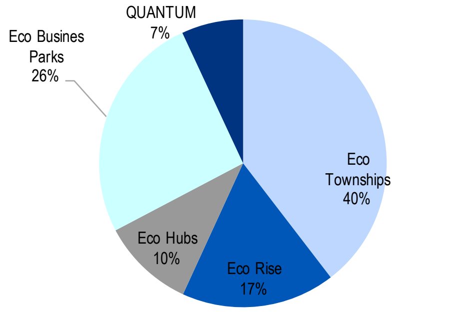
Valuation/Recommendation

- **Maintain BUY with unchanged target price of RM2.70.** Our target price is based on a discount to RNAV of 25% and implies 1.3x FY26F-27F P/B (+2SD to 10-year mean: 0.7x) and 16.2x FY26F PE and 13.2x FY27F PE. This is supported by strong earnings three-year CAGR of 24% over FY25-28 and an improvement in earnings quality from the inclusion of recurring DC rental income. We like ECW for its solid earnings visibility and fast landbank turnover, particularly in the industrial segment.

Earnings Revision/Risk

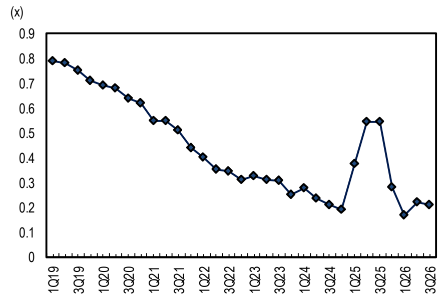
- We increase our FY27/28 earnings forecasts by 8% and 12% respectively after raising our sales forecast and incorporating the DC land sales recognition.

10MFY26 (Nov 25-Aug 26) Sales Contribution By Revenue Pillars



Source: ECW, UOB Kay Hian

Net Gearing Level



Source: ECW, UOB Kay Hian

12-Month Forward P/B Band

Source: ECW, UOB Kay Hian

Environment, Social, Governance (ESG) Updates

Environmental
- 36% reduction in Scope 2 GHG emissions (market electricity) from FY19 to FY24.
Social
- 100% of ECW's suppliers for building materials and main contractors are local.
Governance
- Good company transparency along with an Anti-Bribery and Anti-Corruption Policy.

Profit & loss

Year to 31 Oct (RMm)	FY25	FY26F	FY27F	FY28F
Net turnover	**2,931**	**3,550**	**3,954**	**4,017**
EBITDA	799	891	975	993
Deprec. & amort.	28	39	50	69
EBIT	771	852	925	924
Associate contributions	45	81	162	349
Net interest income/(expense)	(132)	(191)	(203)	(214)
Pre-tax profit	**616**	**742**	**884**	**1,059**
Tax	(171)	(200)	(221)	(265)
Minorities	-	-	-	-
Net profit	**438**	**534**	**655**	**786**
Net profit (adj.)	418	534	655	786

Balance Sheet

Year to 31 Oct (RMm)	FY25	FY26F	FY27F	FY28F
Fixed assets	161	512	660	792
Other LT assets	7,622	8,203	8,865	9,714
Cash/ST investment	2,283	2,125	1,896	1,572
Other current assets	3,409	3,638	3,787	3,811
Total assets	**13,475**	**14,478**	**15,208**	**15,889**
ST debt	497	397	297	197
Other current liabilities	2,582	3,079	3,241	3,287
LT debt	3,537	3,887	4,237	4,587
Other LT liabilities	3,698	4,095	4,157	4,103
Shareholders' equity	6,240	6,496	6,814	7,199
Minority interest	-	-	-	-
Total liabilities & equity	**13,475**	**14,478**	**15,208**	**15,889**

Cash flow

Year to 31 Oct (RMm)	FY25	FY26F	FY27F	FY28F
Operating	**932**	**723**	**742**	**726**
Pre-tax profit	616	742	884	1,059
Tax	(200)	(200)	(221)	(265)
Deprec. & amort.	28	39	50	69
Associates	(45)	(81)	(162)	(349)
Working capital changes	749	33	(11)	(2)
Other operating cashflows	(215)	191	203	214
Investing	**(2,290)**	**(757)**	**(761)**	**(751)**
Capex (growth)	(1,088)	(500)	(500)	(500)
Capex (maintenance)	(270)	(177)	(198)	(201)
Investments	(99)	(79)	(63)	(51)
Proceeds from sale of assets	-	-	-	-
Others	(833)	-	-	-
Financing	**1,453**	**(124)**	**(210)**	**(299)**
Dividend payments	(212)	(261)	(321)	(385)
Issue of shares	292	-	-	-
Proceeds from borrowings	1,776	250	250	250
Others/interest paid	(402)	(112)	(140)	(164)
Net cash inflow (outflow)	**96**	**(158)**	**(229)**	**(324)**
Beginning cash & cash equivalent	**1,357**	**2,283**	**2,125**	**1,896**
Changes due to forex impact	830	-	-	-
Ending cash & cash equivalent	**2,283**	**2,125**	**1,896**	**1,572**

Key Metric

Year to 31 Oct (%)	FY25	FY26F	FY27F	FY28F
Profitability				
EBITDA margin	27.3	25.1	24.6	24.7
Pre-tax margin	21.0	20.9	22.3	26.4
Net margin	14.9	15.0	16.6	19.6
ROA	3.6	4.2	5.1	5.9
ROE	8.3	9.9	11.8	13.6
Growth				
Turnover	29.8	21.1	11.4	1.6
EBITDA	63.0	11.5	9.4	1.9
Pre-tax profit	51.4	20.5	19.1	19.8
Net profit	44.3	21.8	22.7	20.1
Net profit (adj.)	17.9	27.8	22.7	20.1
EPU	13.4	27.8	22.7	20.1
Leverage				
Debt to total capital	64.7	66.0	66.6	66.5
Debt to equity	64.7	66.0	66.6	66.5
Net debt/(cash) to equity	28.1	33.2	38.7	44.6
Interest cover (x)	6.0	4.7	4.8	4.6

Market Spotlight

Market News

The FBMKLCI lost 4.12pt (-0.25%) to close at 1,672.31 yesterday. Meanwhile, most Asian stocks fell on Thursday as a sharp rise in global bond yields pressured risk assets, while investors eyed a key summit between US President Donald Trump and Chinese President Xi Jinping. The FBMKLCI's top gainers were Nestle (M) (+2.2%), Petronas Chemicals Group (+2.0%) and MISC (+1.9%), while the top losers were YTL Corporation (-3.7%), Sunway Healthcare Holdings (-2.8%) and 99 Speed Mart Retail Holdings (-2.1%). In the broader market, losers outpaced gainers 677 to 436 with 542 counters unchanged. Turnover was 3.32b shares valued at RM2.75b.

US stocks were mixed after the close on Thursday, as gains in the telecoms, healthcare and oil & gas sectors led shares higher while losses in the utilities, basic materials and industrials sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average fell 0.31% to hit a new 3-months low, while the S&P 500 Index lost 0.02%, and the NASDAQ Composite Index added 0.01%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,769 to 961 and 81 ended unchanged; on the Nasdaq Stock Exchange, 1,914 fell and 1,474 advanced, while 224 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:	1,672.31
Expected moving range:	1,665-1,700

Technical View:

The FBMKLCI continued its pullback as the index slid lower yesterday. The correction looked set to continue as selling pressure grew, as reflected by the negative readings in the RSI and MACD. Weaker regional sentiments as well as an absence of domestic catalysts may drag the index lower in the near term. Thus, we continue to expect the index to retest the immediate support of 1,665. The support and resistance levels are maintained as follows:

Support: 1,665, 1,650

Resistance: 1,720, 1,755

FCPO

Source: TradingView

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

Technical BUY with +4.3% potential return	
Trading BUY range:	RM4,750-4,800
Last price:	RM4,746
Target price:	RM4,878, RM4,951
Support:	RM4,736
Stop-loss:	RM4,734

BUY with a target price of RM4,951 and stop-loss at RM4,734. Based on the chart, FCPO continue the bullish movement and closed at RM4,746 yesterday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We peg our targets at RM4,873 and RM4,951 in the near term.

Expected timeframe: One day to three days

FKLI

Source: TradingView

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FTSE Bursa Malaysia KLCI Futures (FKLI), 1 Hour Chart

Technical SELL with -1.9% downside	
Trading SELL range:	1,643-1,650
Last price:	1,667
Target price:	1,644, 1,634
Resistance:	1,684
Stop-loss:	1,685

SELL with a target price of 1,634 and stop-loss at 1,685. Based on the chart, FKLI continues the bearish movement and closd lower at 1,667 yesterday. This bearish movement is supported by the downtick in the RSI and bearish crossovers in both MACD and DMI indicators. We still maintained our targets at 1,644 and 1,634 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Analyst(s)

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Source: UOBKH ChartGenie

Ajiya
AJY MK

Technical BUY with +16.7% potential return

Trading BUY range:	RM1.00-1.02
Last price:	RM1.02
Target price:	RM1.14, RM1.19
Support:	RM0.95
Stop-loss:	RM0.945

BUY with a target price of RM1.19 and stop-loss at RM0.945. The successful close above the BBI line yesterday suggests improving sentiment as AJY looks set to resume the upward trend. This is supported by an uptick in the RSI. Currently, both the MACD and the DMI are showing positive signals, which will support the upward momentum. We peg our targets at RM1.14 and RM1.19 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Farm Price Holdings
FPHB MK

Technical BUY on breakout with +24.7% potential return

Trading BUY range:	RM0.365-0.37
Last price:	RM0.355
Target price:	RM0.425, RM0.455
Support:	RM0.31
Stop-loss:	RM0.305

BUY on breakout with a target price of RM0.455 and stop-loss at RM0.305. Based on the daily chart, the share price is recovering gradually. It moved above the 7- and 21-day EMA and penetrated above the BBI line yesterday. Yesterday's gain was also accompanied by high trading volume as well as rising DMI and MACD indicators, which show that positive momentum will strengthen in the near term. We peg our targets at RM0.425 and RM0.455 once it breaks above the breakout level of RM0.365.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

PW Corporation
PW MK

Technical BUY with +12.7% potential return

Trading BUY range:	RM0.73-0.75
Last price:	RM0.75
Target price:	RM0.81, RM0.845
Support:	RM0.70
Stop-loss:	RM0.695

BUY with a target price of RM0.845 and stop-loss at RM0.695. Based on the daily chart, PW managed to penetrate above the BBI line and closed higher at RM0.75 yesterday. This is supported by an uptick in the RSI and bullish crossover in the MACD, which indicates that the positive momentum would strengthen in the near term. Currently, DMI is on the verge of making golden cross to the positive signal. We peg our targets at RM0.81 and RM0.845 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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