UOBKayHian

Country Daily | Malaysia

Tuesday, 29 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,481.5	(0.7)	(1.1)	(3.9)	7.1
S&P 500	7,683.7	(0.8)	(1.0)	(0.4)	12.2
FTSE 100	10,684.9	(0.1)	(0.5)	(1.3)	7.6
AS30	8,850.7	0.1	(0.8)	(4.8)	(1.9)
CSI 300	4,340.8	(2.2)	(3.7)	(5.8)	(6.2)
FSSTI	5,729.0	0.3	0.9	0.5	23.3
HSCEI	8,216.8	0.6	(1.5)	(3.2)	(7.8)
HSI	24,642.5	0.5	(1.6)	(3.7)	(3.9)
JCI	6,147.9	(1.5)	(3.7)	(5.7)	(28.9)
KLCI	1,670.0	(0.1)	0.2	(3.2)	(0.6)
KOSPI	6,889.7	(2.7)	2.6	1.5	63.5
Nikkei 225	65,877.6	(0.7)	3.1	(0.8)	30.9
SET	1,602.4	(0.3)	0.3	0.9	27.2
TWSE	48,024.6	(0.3)	3.8	3.7	65.8
BDI	3,268	(4.6)	(3.9)	2.6	74.1
CPO (RM/mt)	4,380	(4.2)	(5.5)	(5.7)	11.4
Brent Crude (US$/bbl)	105	0.9	4.9	17.9	73.0

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
Foreign Reserves	Malaysia	07 Oct
Industrial Production	Malaysia	09 Oct
Manufacturing Sales	Malaysia	09 Oct

Top Stories

Company Update | Eco-Shop Marketing (ECOSHOP MK/**BUY**/RM1.47/Target: RM1.70) Page 2 →

- Eco-Shop's upcoming 1QFY27 results are set to improve as SSSG has begun recovering. Overall, foundations for earnings appear solid as the pipeline for new store openings remains robust. However, broader consumer sentiment appears soft with impact from the upcoming Budget 2027 expected to be mixed. Maintain BUY with an unchanged target price of RM1.70.

Market Spotlight

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- The FBMKLCI declined 1.60pt yesterday to close at 1,670.02 dragged down by selling pressure in index-linked counters amid weak regional sentiment.
- US stocks were lower after the close on Monday, as losses in the basic materials, consumer goods and financials sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 6 →

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Catcha Digital | AMLS MK Page 8 →

- Trading Buy Range: RM0.24-0.245

SNS Network Technology | SNS MK Page 8 →

- Trading Buy Range: RM0.54-0.555

Willowglen MSC | WLW MK Page 9 →

- Trading Buy Range: RM0.29-0.295

Eco-Shop Marketing (ECOSHOP MK)

Prospects Intact; Macro Perspective Mixed

Highlights

- Upcoming 1QFY27 results appear to be improving as SSSG has begun recovering.
- Operationally, Eco-Shop appears sound as impact from cost increases and competition from Pinduoduo appear manageable.
- However, Budget 2027 impact is expected to be mixed. Positive measures such as increased cash handouts will likely be offset by the expected minimum wage hike, though implementation is likely only in 2028.
- Maintain BUY as Eco-Shop offers attractive growth, underpinned by its store expansion rollout. Target price remains unchanged at RM1.70.

Analysis

- **Store rollout intact, SSSG on the mend.** Eco-Shop Marketing's (Eco-Shop) SSSG may have hit an inflection point with its upcoming quarter no longer seeing major contractions in growth. We expect 1QFY27 results to be robust, underpinned by the improving SSSG as well as its pipeline of new store openings. Following an additional 17 new store openings, total store count has now surpassed 400 with its FY27 target of 100 new store openings remaining intact. Overall, while we view the improving SSSG as a positive sign, we estimate that earnings growth will still largely be driven by new store openings, forecasting mild SSSG improvements of 1-2% over FY27-28.
- **Budget 2027 in focus…** The upcoming Budget 2027 announcement remains the next key catalyst for Eco-Shop as impact from the anticipated measures could be mixed. Positively, increased cash handouts via the MySara/MyKasih programmes should benefit consumer sentiment as spending is stimulated via subsidies. Going forward, Eco-Shop is prioritising MyKasih implementation in its new stores and have recently secured an additional 97 terminals, bringing the total to 256 or roughly 55% of existing stores. However, we remain conservative on this front given historically, Eco-Shop was actually negatively impacted by MyKasih handouts as spending was channelled to competitors. Otherwise, indirect measures such as increased tax reliefs and a civil servant wage increase could help stimulate consumer sentiment by boosting discretionary income.

Key Financials

Year to 31 May (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	2,788	2,916	3,714	4,484	5,160
EBITDA	378	486	555	635	710
Operating profit	254	341	385	444	499
Net profit (rep./act.)	212	257	316	363	413
Net profit (adj.)	212	257	316	363	413
EPS	3.7	4.5	5.5	6.3	7.2
PE	39.8	32.9	26.7	23.2	20.4
P/B	8.5	7.4	6.5	5.7	5.0
EV/EBITDA	21.3	16.3	14.2	12.4	10.9
Dividend yield	1.8	1.5	1.9	2.2	2.4
Net margin	7.6	8.8	8.5	8.1	8.0
Net debt/(cash) to equity	(24.5)	(27.8)	(24.1)	(25.0)	(27.7)
Interest cover	15.3	16.7	19.3	20.3	22.4
ROE	23.3	23.6	24.4	24.8	24.8
Consensus net profit			312	375	435
UOBKH/Consensus (x)			1.01	0.97	0.95

Source: Eco-Shop, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM1.47
Target Price	RM1.70
Upside	16.1%

Stock Data

GICS sector	Consumer Discretionary
Bloomberg ticker	ECOSHOP MK
Shares issued (m)	5,757.8
Market cap (RMm)	8,463.6
Market cap (US$m)	2,073.2
3-mth avg daily t'over (US$m)	3.6

Price Performance (%)

52-week high/low RM1.66/RM1.21

1mth	3mth	6mth	1yr	YTD
1.4	12.2	8.1	(2.0)	0.7

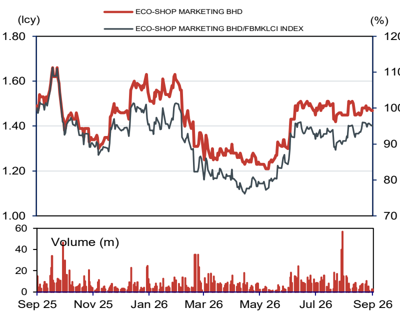
Major Shareholders (%)

Lee Kar Whatt	73.8
Employees Provident Fund Sdn Bhd	5.62
Kim Pang Kueh	4.4

Balance Sheet Metrics

FY27 NAV/Share (RM)	0.2
FY27 Net Debt/Share (RM)	0.0

Price Chart



Source: Bloomberg

Company Description

Eco-Shop Marketing is Malaysia's leading fixed-price retailer, offering affordable everyday essentials through a fast-growing nationwide store network.

- **…but headwinds emerge from minimum wage hike.** Conversely, the anticipated minimum wage review will likely negatively impact Eco-Shop given its high proportion of minimum wage employees, although implementation will likely only be in 2028. We understand that roughly 60% of Eco-Shop's headcount falls under the minimum wage category. While Eco-Shop may take some time to determine the full impact of the wage increase, historically the previous RM200 hike in 2025 translated to a RM0.20 increase in ASP. The group is likely to delay the ASP hike as it determines the full spillover to costs, similar to the previous minimum wage review where it took around three months to fully review the impact. We also note that while Eco-Shop has historically been able to pass through cost increases, current consumer sentiment may not stomach a price hike as easily. Recall that the previous ASP increase in 2025 saw recovery extend markedly beyond the previous timeline of around eight weeks and broad sentiment has not recovered meaningfully since then.
- **Bright spots amid cloudy sentiment.** While broad consumer sentiment remains muted, we see some bright spots for Eco-Shop. We understand consumers have begun shifting spending back towards staples (ie food) as soft consumer confidence has impacted discretionary spending. Increased competition from Chinese online retailer Pinduoduo has also hit some retailers as the new player has been pushing to capture market share via its aggressive pricing and free delivery promotions. However, we note that Eco-Shop's lower ASPs and basket size have provided a degree of defensiveness against the aforementioned headwinds. We understand that while ticket size has been marginally impacted, it has been largely offset by improving transaction counts. Competition from Pinduoduo has also been marginal given that the competition is largely on bigger ticket purchases vs Eco-Shop's offerings.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM1.70.** We like Eco-Shop for its attractive three-year profit CAGR of 17.2% driven by its store expansion-led growth. Its SSSG appears to have hit an inflection point as well, potentially indicating limited downside risk to SSSG.
- We value Eco-Shop at 31.0x 2027F PE (from 34.5x), at a discount to our valuation for 99SM (38.9x) but more closely aligned with Mr. DIY (30.0x) given Eco-Shop's more moderated earnings growth since its IPO listing. 99SM deserves a valuation premium given its index-linked status, resilient underlying demand reflected by its SSSG and superior capital efficiency.

Earnings Revision/Risk

- **Earnings revision:** None.

Environmental, Social, Governance (ESG) Updates

Environmental

- **Energy & emission efficiency.** Eco-Shop achieved a 2.5% reduction in emission intensity in FY24, lowering it from 24.63 to 24.02 tCO_2e per million revenue in ringgit, even as store count grew from 240 to 297. LED lighting and passive architectural designs at key distribution centres drive energy conservation.

Social

- **Workplace safety & inclusion.** Eco-Shop has established a Health and Safety Committee and an OSHA committee that meet quarterly. These bodies oversee safety training, risk audits, and workplace wellness for its over 6,000 employees across operations.

Governance

- **ESG oversight and independent validation.** While Eco-Shop has not yet received external ESG certification, its sustainability disclosures are incorporated in the IPO prospectus. Financial data, including ESG-linked reporting elements, has been reviewed and assured by PricewaterhouseCoopers as part of its reasonable assurance report on the pro forma financials submitted to the Securities Commission Malaysia.

Margin Assumptions

	FY27F	FY28F	FY29F
Avg. base ASP (RM)	2.63	2.70	2.70
Gross margin (%)	32.2	32.8	32.8
Operating margin (%)	16.9	16.1	15.7

Source: Eco-Shop, UOB Kay Hian

Growth And Margin Outlook

	FY27F	FY28F	FY29F
Revenue (RMm)	**3,714**	**4,484**	**5,160**
Growth yoy (%)	27.4	20.7	15.1
PAT (RMm)	**316**	**363**	**413**
Growth yoy (%)	23.3	14.9	13.7
3-year CAGR (%)	15.6	17.2	21.0
Gross Margin (%)	32.2	32.8	32.8
EBIT Margin (%)	12.3	11.8	11.6
PAT Margin (%)	8.5	8.1	8.0

Source: Eco-Shop, UOB Kay Hian

Profit & Loss

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Net turnover	**2,915.8**	**3,713.9**	**4,483.9**	**5,159.8**
EBITDA	485.9	555.3	634.7	710.2
Deprec. & amort.	145.2	170.0	191.2	211.0
EBIT	340.7	385.3	443.6	499.2
Total other non-operating income	40.5	70.6	85.2	98.0
Associate contributions	0.4	0.4	0.4	0.4
Net interest income/(expense)	(29.1)	(28.8)	(31.2)	(31.6)
Pre-tax profit	**352.5**	**427.5**	**497.9**	**566.0**
Tax	(87.9)	(111.1)	(134.4)	(152.8)
Minorities	0.0	0.0	0.0	0.0
Net profit	**264.6**	**316.3**	**363.5**	**413.2**

Balance Sheet

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Fixed assets	931.1	1,038.3	1,115.1	1,172.2
Other LT assets	218.6	241.1	272.3	307.8
Cash/ST investment	30.7	26.2	83.0	180.7
Other current assets	764.6	912.3	1,036.9	1,150.3
Total assets	**1,945.0**	**2,218.0**	**2,507.3**	**2,810.9**
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	403.3	480.7	560.4	634.7
LT debt	0.0	0.0	0.0	0.0
Other LT liabilities	407.3	444.7	472.6	495.3
Shareholders' equity	1,134.4	1,292.5	1,474.3	1,680.9
Minority interest	0.0	0.0	0.0	0.0
Total liabilities & equity	**1,945.0**	**2,218.0**	**2,507.3**	**2,810.9**

Cash Flow

Year to 31 May (RMm)	2026	2027F	2028F	2029F
Operating	**486.9**	**409.5**	**504.4**	**576.8**
Pre-tax profit	344.6	427.5	497.9	566.0
Tax	(97.1)	(111.1)	(134.4)	(152.8)
Deprec. & amort.	145.2	170.0	191.2	211.0
Associates	0.0	0.0	0.0	0.0
Working capital changes	76.5	(75.0)	(48.2)	(43.6)
Other operating cashflows	17.7	(1.8)	(2.0)	(3.8)
Investing	**(148.6)**	**(140.6)**	**(140.4)**	**(138.6)**
Capex (growth)	(141.7)	(142.0)	(142.0)	(142.0)
Investments	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	(7.0)	1.4	1.6	3.4
Financing	**(328.4)**	**(273.4)**	**(307.2)**	**(340.5)**
Dividend payments	(146.7)	(158.2)	(181.7)	(206.6)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	(181.7)	(115.2)	(125.5)	(133.9)
Net cash inflow (outflow)	**9.9**	**(4.5)**	**56.8**	**97.7**
Beginning cash & cash equivalent	**20.9**	**30.7**	**26.2**	**83.0**
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	**30.7**	**26.2**	**83.0**	**180.7**

Key Metric

Year to 31 May (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	16.7	15.0	14.2	13.8
Pre-tax margin	12.1	11.5	11.1	11.0
Net margin	8.8	8.5	8.1	8.0
ROA	13.2	15.2	16.3	17.4
ROE	23.6	24.5	24.8	24.8
Growth				
Turnover	4.6	27.4	20.7	15.1
EBITDA	22.9	18.9	15.0	12.3
Pre-tax profit	19.2	24.1	16.5	13.7
Net profit	20.8	23.3	14.9	13.7
Net profit (adj.)	20.8	23.3	14.9	13.7
EPS	20.8	23.3	14.9	13.7
Leverage				
Debt to total capital	0.0	0.0	0.0	0.0
Debt to equity	0.0	0.0	0.0	0.0
Net debt/(cash) to equity	(27.8)	(24.1)	(25.0)	(27.7)
Interest cover	16.7	19.3	20.3	22.4

Market Spotlight

Market News

The FBMKLCI declined 1.60pt yesterday to close at 1,670.02 dragged down by selling pressure in index-linked counters amid weak regional sentiment. Meanwhile, Most Asian shares traded lower on Monday as renewed uncertainty over a possible US-Iran truce pushed oil prices higher and rising global bond yields weighed on risk appetite, while chipmakers came under pressure after OpenAI paused training of some advanced artificial intelligence models. The FBMKLCI's top gainers were Mr D.I.Y. Group (M) (+2.3%), Axiata Group (+1.8%) and CelcomDigi (+1.2%), while the top losers were YTL Corporation (-2.1%), Sunway Bhd (-1.9%) and YTL Power International (-1.9%). In the broader market, losers outpaced gainers 748 to 388 with 518 counters unchanged. Turnover was 3.12b shares valued at RM2.41b.

US stocks were lower after the close on Monday, as losses in the basic materials, consumer goods and financials sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average lost 0.67%, while the S&P 500 Index lost 0.77%, and the NASDAQ Composite Idex fell 0.92%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 2,054 to 678 and 82 ended unchanged; on the Nasdaq Stock Exchange, 2,218 fell and 1,185 advanced, while 194 ended unchanged. (*Sources: Investing.com)*

UOBKayHian

Technical Analysis | Malaysia

Tuesday, 29 September 2026

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

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FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,670.02
Expected moving range:	1,665-1,700

Technical View:

Based on the daily candlestick analysis, the FBMKLCI did not start the week on a positive note after dropping 1.60pt yesterday. For now, the FBMKLCI will stay above the trendline but a further slip may change the overall bullish outlook to a much more neutral stand. Going forward, a negative closing below the immediate support level should exert more downward pressure on the index. Support and resistance levels are still 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 +4.9% potential return

Trading BUY range:	RM4,650-4,700
Last price:	RM4,649
Target price:	RM4,809, RM4,878
Support:	RM4,596
Stop-loss:	RM4,594

BUY with a target price of RM4,878 and stop-loss at RM4594. Based on the chart, FCPO continue the bullish movement and closed at RM4,649 yesterday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We maintained our targets at RM4,809 and RM4,878 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 -1.6% downside

Trading SELL range:	1,643-1,650
Last price:	1,662.5
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 1,662.5 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

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Source: UOBKH ChartGenie

Catcha Digital
CATCHA MK

Technical BUY on breakout with +31.3% potential return

Trading BUY range:	RM0.24-0.245
Last price:	RM0.235
Target price:	RM0.285, RM0.315
Support:	RM0.20
Stop-loss:	RM0.195

BUY on breakout with a target price of RM0.315 and stop-loss at RM0.195. A successful rebound from the immediate support level of RM0.20 has sent the stock higher. On yesterday's movement, CATCHA managed to close above the BBI line and has kicked started a new up-leg. Given the positive readings from both the MACD and the RSI, we expect an upward continuation if the stock can penetrate the breakout level of RM0.24. Thus, we peg our upside targets at RM0.285 and RM0.315 respectively.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

SNS Network Technology
SNS MK

Technical BUY with +18.0% potential return

Trading BUY range:	RM0.54-0.555
Last price:	RM0.555
Target price:	RM0.595, RM0.655
Support:	RM0.50
Stop-loss:	RM0.495

BUY with a target price of RM0.655 and stop-loss at RM0.495. Based on the daily chart, SNS penetrated the breakout level and closed higher at RM0.555 yesterday. Yesterday's gain was also accompanied by high trading volume as well as the rising MACD and RSI indicators, which indicate that positive momentum would strengthen in the near term. We peg our targets at RM0.59 5and RM0.655 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Willowglen MSC
WLW MK

Technical BUY with +16.9% potential return

Trading BUY range:	RM0.29-0.295
Last price:	RM0.295
Target price:	RM0.33, RM0.345
Support:	RM0.275
Stop-loss:	RM0.27

BUY with a target price of RM0.345 and stop-loss at RM0.27. Based on the chart, WLW has formed a higher high and higher low, which indicates an uptrend pattern. On yesterday's movement, the stock price managed to penetrate above the BBI line and closed higher at RM0.295. This is supported by an uptick in the RSI, and the MACD is on a bullish crossover. In addition, the +DI crossed above -DI, indicating a stronger uptrend ahead. We peg our upside targets at RM0.33 and RM0.345 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading