Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53,178.4	1.3	1.9	0.5	10.6
S&P 500	7,600.5	1.5	2.5	1.6	11.0
FTSE 100	10,857.7	(0.1)	0.7	1.7	9.3
AS30	9,178.4	0.5	1.3	1.4	1.8
CSI 300	4,543.2	(1.0)	(3.4)	(6.2)	(1.9)
FSSTI	5,612.3	(0.3)	(0.1)	7.0	20.8
HSCEI	8,652.2	0.5	3.4	12.4	(2.9)
HSI	26,009.4	0.5	3.2	11.4	1.5
JCI	6,234.5	(0.0)	0.8	6.1	(27.9)
KLCI	1,725.7	0.0	0.7	2.8	2.7
KOSPI	6,257.5	(5.1)	(7.4)	(22.6)	48.5
Nikkei 225	63,754.9	(0.9)	(1.8)	(8.6)	26.6
SET	1,621.9	(0.1)	(1.2)	0.7	28.8
TWSE	43,386.4	0.6	(0.6)	(7.3)	49.8
BDI	2,732	2.2	1.3	0.6	45.6
CPO (RM/mt)	4,498	(0.4)	(1.0)	0.0	14.4
Brent Crude (US$/bbl)	84	(4.7)	(5.2)	16.2	37.7

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with i-Tail Corporation Public Company Limited (ITC TB)	Thailand	05 Aug	05 Aug
Virtual Meeting with UOB-Kay Hian Holdings Ltd (UOBK SP)	Singapore	11 Aug	11 Aug
Hybrid Meeting with UltraGreen.ai Ltd (UGAI SP)	Singapore	13 Aug	13 Aug
Virtual Meeting on Indonesia Economic Outlook by Mr. Enrico Tanuwidjaja	Indonesia	19 Aug	19 Aug
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep

Corporate & Macro Calendar

Economic Indicator/Event	Country/Region	Date
Foreign Reserves	Malaysia	7 Aug
Industrial Production	Malaysia	11 Aug
Manufacturing Sales	Malaysia	11 Aug

Please click on the page number to move to the relevant page

Top Stories

Strategy | Alpha Picks: A Barbell Portfolio For Defensive And Opportunistic Alphas Page 2

Our Jul 26 Alpha Picks outperformed the FBMKLCI at +4.9%. For Aug 26, we continue to advocate a barbell investment strategy, combining resilient defensive names capable of weathering a prolonged higher-for-longer cost environment and heightened geopolitical uncertainties stemming from the Middle East, with selective exposure to cyclical opportunities where improving fundamentals are beginning to translate into a more compelling risk-reward profile. Aug 26 picks include CIMB, Dialog, Gamuda, MRDIY, Northeast, Petronas Dagangan, Oxford, SD Guthrie, Solarvest, and Tenaga.

What's Inside

Company Update | Malayan Banking (MAY MK/**HOLD**/RM10.84/Target: RM11.58) Page 13

Maybank Group announced that it will acquire the remaining stake of 30.85% in its insurance joint venture for RM4.83b. The acquisition is marginally accretive to group earnings by 1.6%. Maintain HOLD; target price: RM11.58.

Company Update | Press Metal Aluminium Holdings (PMAH MK/BUY/RM7.95/Target: RM10.67) Page 14

Securing strategic control at an attractive valuation.

Market Spotlight

Page 15

- The FBMKLCI extended its gains yesterday by 0.83pt (+0.05%) to 1,725.73.
- US stocks were higher after the close on Monday, as gains in the technology, industrials and consumer services sectors led shares higher.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 16

Traders' Corner Page 18

CPE Technology | CPETECH MK
Trading Buy Range: RM1.05-1.10

Empire Premium Food | EMPIRE MK
Trading Buy Range: RM1.06-1.07

Lac Med | LACMED MK
Trading Buy Range: RM0.75-0.77

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*

Strategy

Alpha Picks: A Barbell Portfolio For Defensive And Opportunistic Alphas

Highlights

- Our Jul 26 Alpha Picks outperformed the FBMKLCI (+4.9% vs FBMKLCI: +3.7%). Coraza Integrated Technology (Coraza) (+15.2%), Oxford (+14.1%) and SD Guthrie (+9.9%) led the charge while losers included MRDIY (-3.7%) and Gamuda (-2.3%).
- For Aug 26, we continue to advocate for a barbell investment strategy, combining resilient defensive names capable of weathering a prolonged higher-for-longer cost environment and heightened geopolitical uncertainties stemming from the Middle East, with selective exposure to cyclical opportunities where improving fundamentals are beginning to translate into a more compelling risk-reward profile.
- Our portfolio remains anchored by high-quality large-cap domestic leaders with resilient earnings visibility, robust cash flow generation and strong balance sheets, providing defensiveness amid an elevated cost environment. At the same time, we are selectively accumulating fundamentally sound laggards trading at attractive valuations with scope for earnings recovery and valuation re-rating. We also retain tactical exposure to beneficiaries of the ongoing Middle East tensions, alongside sector leaders poised to capitalise on favourable industry dynamics and long-term structural growth trends.
- Aug 26 picks include CIMB Group Holdings (CIMB), Dialog Group (Dialog), Gamuda, Mr DIY Group (M) (MRDIY), Northeast Group (Northeast), Petronas Dagangan, Oxford Innotech (Oxford), SD Guthrie, Solarvest Holdings (Solarvest) and Tenaga Nasional (Tenaga).

What's New

- **Market review for Jul 26.** The FBMKLCI rose 3.7% in July. Within the BM Index series, the plantation (+6.1%), banking (+4.0%) and telecommunications (+3.8%) sectors saw the largest mom increases. Conversely, healthcare (-1.2%) and property (-0.4%) were the worst-performing sectors during the month. Beyond the FBMKLCI universe, winners included electronics manufacturing services (EMS) technology (+26.6%), ports (+17.7%) and select oil and gas subsectors while gaming (-3.4%) and offshore contractors (-2.5%) were the biggest losers (see overleaf table for details).
- **Our Jul 26 portfolio outperformed,** posting an average return of 4.9% vs the headline index. Coraza (+15.2%) Oxford (+14.1%) and SD Guthrie (+9.9%) posted the best returns. Only MRDIY (-3.7%) and Gamuda (-2.3%) saw negative returns in July.
- **Ascending consolidation with a constructive month-end recovery.** The FBMKLCI traded within a 1,656-1,736 range (~5%) in July, rebounding from its early-month low to an intra-month high before succumbing to profit-taking. Importantly, the pullback remained well supported above the key 1,700 psychological level, with renewed buying interest lifting the index to 1,724.9 by month-end.

  Market sentiment was shaped by domestic political developments, elevated US Treasury yields, expectations of a higher-for-longer Fed policy stance, persistent geopolitical tensions and renewed foreign buying on attractive valuations. Market leadership remained concentrated in large-cap names, led by plantations (on stronger CPO prices and lingering El Niño-related supply concern), while foreign investors favoured banking and telco stocks. Foreign and retail investors recorded net inflows of RM168m and RM151m, respectively, partly offsetting RM319m of net selling by local institutions.

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Key Recommendations

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
CIMB Group	CIMB MK	BUY	8.01	9.30
Dialog Group	DLG MK	BUY	1.98	2.95
Gamuda	GAM MK	BUY	4.29	5.25
Mr DIY Group	MRDIY MK	BUY	1.62	2.30
Northeast Group	NE MK	BUY	1.00	1.20
Oxford Innotech	OXB MK	BUY	0.40	0.53
Petronas Dagangan	PETD MK	BUY	19.44	23.20
SD Guthrie	SDG MK	BUY	6.57	7.25
Solarvest Holdings	SOLAR MK	BUY	3.03	3.50
Tenaga Nasional	TNB MK	BUY	14.50	16.30

Source: Bloomberg

Change in Share Price

Company	Ticker	Rec	Jul 26 (%)	To-date* (%)
CIMB Group	CIMB MK	BUY	6.5	2.6
Coraza Integrated	CORAZA MK	BUY	15.2	16.3
Gamuda	GAM MK	BUY	(2.3)	3.1
Mr DIY Group	MRDIY MK	BUY	(3.7)	0.0
Oxford Innotech	OXB MK	BUY	14.1	55.8
Petronas Dagangan	PETD MK	BUY	3.3	4.9
SD Guthrie	SDG MK	BUY	9.9	12.5
Solarvest Holdings	SOLAR MK	BUY	0.7	6.7
Tenaga Nasional	TNB MK	BUY	2.2	9.9
Yinson Holdings	YNS MK	BUY	2.6	(18.4)
FBMKLCI			**3.7**	

** Share price change since stock was selected as alpha pick*
Source: Bloomberg

Portfolio Return

(%)	2025	1Q26	2Q26
FBMKLCI return	2.3	0.6	(1.6)
Alpha Picks Return			
- Price-weighted	12.2	2.6	1.5
- Market cap-weighted	10.2	2.6	0.9
- Equal-weighted	11.1	(1.4)	5.9

Source: Bloomberg

- **For Aug 26,** we expect market volatility to persist amid evolving geopolitical developments in the Middle East, mounting speculation over an early general election, and the increasing impact of a higher-for-longer cost environment as the reporting season unfolds. With sentiment likely to remain headline-driven, sector rotation should continue, favouring defensive names while selectively rewarding companies delivering positive earnings surprises, particularly within the technology sector. Against this backdrop, we advocate a barbell strategy, anchoring portfolios in high-quality large-cap domestic leaders with resilient earnings, robust cash flow and defensive characteristics, while selectively accumulating fundamentally sound laggards with compelling valuations, earnings upgrade catalysts and re-rating potential, complemented by tactical exposure to likely earnings outperformers and long-term structural growth beneficiaries.

Analysts' Alpha Picks

Analyst	Company	Rec	Performance#	Catalyst
Keith Wee	CIMB Group	BUY	2.6	Highest dividend yield among banks at 6.6%. Indonesia macro headwinds largely priced in. The group has a healthy loans-loss coverage ratio of 103% (above industry's 85%) provides added comfort.
Kong Ho Meng	Dialog Group	BUY	n.a.	We are bullish on Dialog's potential rerating of its Upstream business alongside earnings accretion from several new Production Sharing Contracts (PSC) in the medium-term horizon. A standout among them is an early first gas production from Baram Junior Cluster (BJC) by end-26.
Jack Goh	Gamuda	BUY	3.1	Impressive job wins and robust orderbook guidance are also forming the foundations for a record FY26-27, while discounted valuations are likely to provide ample capital upside.
Philip Wong	Mr DIY Group (M)	BUY	0.0	Decent SSSG holding up, supported by effective marketing campaigns and a low base effect. Upside for dividend payout to an already appealing yield of 5.8-6.6% for 2026-28.
Desmond Chong	Northeast Group	BUY	n.a.	We favour Northeast for its growing exposure to AI infrastructure precision components, underpinning sustained earnings upcycle into FY27. The recent fundamentals-unwarranted sell-off has created an attractive asymmetric risk-reward opportunity with re-rating potential.
Desmond Chong	Oxford Innotech	BUY	55.8	Incremental job wins from DC-related projects and additional backlog orders from its semiconductor customers following the conversion of first-article jobs into mass production could drive the bulk of its earnings in 2026.
Kong Ho Meng	Petronas Dagangan	BUY	4.9	Share price had a negative knee-jerk reaction prior to 1Q26 results release. This offers a rare accumulation opportunity as the risks were unjustified. The profit recorded was commendable, while we believe future earnings risks will be offset once post-war normalcy returns.
Amerul Iqmal	SD Guthrie	BUY	12.5	Prime beneficiary of rising CPO prices, with Indonesia's B50 biodiesel demand and land monetisation providing further upside.
Chong Lee Len & Hifzhan Raziq	Solarvest Holdings	BUY	6.7	Aims to maintain its 30% share in the utility-scale EPCC market and expects to continue securing EPCC awards for the upcoming CRESS and LSS6 projects. The group's robust orderbook stands at RM2.5b paving the way for the stock to deliver a three-year earnings CAGR of 26% over FY26-29.
Chong Lee Len	Tenaga Nasional	BUY	9.9	Automatic fuel adjustment (AFA) is positive for Tenaga's cash flow, likely prompting higher dividend payouts in the near term. Resolution of the income tax dispute is expected to positively impact earnings over the medium term.

 # Share price change since stock was selected as alpha pick
Source: Bloomberg, UOB Kay Hian

Action

- **Aug 26 picks** include CIMB, Dialog, Gamuda, MRDIY, Northeast, Petronas Dagangan, Oxford, SD Guthrie, Solarvest, and Tenaga.
- **New inclusions include Northeast and Dialog.** We replaced Coraza with Northeast after Coraza delivered a robust 16.3% return in a one-month period. We favour Northeast for its expanding exposure to high-specification precision components for AI infrastructure, a key growth driver underpinning a sustained earnings upcycle into FY27. The recent indiscriminate sell-off, triggered by shareholder disputes at the individual level rather than any deterioration in business fundamentals, has created an attractive asymmetric risk-reward opportunity with meaningful re-rating potential. We like Dialog for the potential rerating of its Upstream business alongside earnings accretion from several new PSCs in the medium-term.

CIMB Group Holdings – BUY (Keith Wee)

- **Non-interest income outlook remains promising.** Financial market volatility in 1Q26 supported strong growth in trading and forex income, driven by increased hedging demand. At the same time, a higher allocation of liquidity into investment securities boosted non-interest income opportunities, albeit with some modest pressure on yields.
- **NIM remains stable.** Group NIM is expected to be stable in 2026, as improvements in Malaysia and Singapore are offset by some margin pressure in Indonesia due to yield compression. This follows a 2bp qoq recovery to 2.10% in 4Q25, driven by funding cost optimisation and deposit repricing in Malaysia. We maintain our FY26 NIM forecast of +2bp, in line with management's guidance of -5 to +5bp.
- **Relatively lower SME exposure helps to contain asset quality risks.** Management alluded that the overall consumer and corporate loan portfolios are expected to remain stable, with any potential pressure likely confined to SMEs, particularly smaller SMEs. Notably, SME exposure at CIMB remains relatively modest at 13% of total loans, compared with the peer average of 18%.
- **Flexibility to reallocate management overlays helps to contain potential spikes in provisions.** Management introduced overlays in 1Q25-2Q25 for US trade tariffs, which remain intact as asset quality has remained stable over the past 12 months. This provides flexibility to reallocate excess overlays toward potential inflationary pressures from higher oil prices, limiting the need for excessive additional provisions amid the Middle East crisis. Loan-loss coverage remains healthy at 103%, above pre-COVID-19 levels (87%) and the industry average (85%). We maintain our FY26 net credit cost assumption at 25bp (low end of management's 25-35bp guidance); every 5bp change implies an around 3% impact on earnings.
- **Indonesia concerns largely priced in?** CIMB Niaga has materially de-risked its portfolio over the past seven years while strengthening coverage, with SME exposure declining from 20% in 2018 to 11% currently and loan-loss coverage rising from 105% to 197%. Sensitivity to further rupiah depreciation remains manageable, with an estimated 2% impact on group earnings for every 10% depreciation against the ringgit. Notably, the rupiah has already weakened by about 30% vs the ringgit over the past three years, while Bank Indonesia has cut policy rates by 150bp over the past two years to 4.75%, nearing its pre-COVID-19 low of 4.30%. This suggests that much of the downside risk may already be largely priced in.
- **Maintain BUY and target price of RM9.30 (1.28x 2026F P/B, 11.7% ROE).** The stock offers the highest dividend yield among domestic large-cap banks at 6.6% for 2026 and 7.1% for 2027 (inclusive of special dividends). Valuations also remain inexpensive on both P/B (1.11x 2026F P/B vs 11.7% ROE) and PE metrics (9.8x FY26 and 9.1x FY27). Given its attractive valuations, we believe that macro headwind concerns in Indonesia have been largely priced in.

Share Price Catalyst

- **Event:** a) Stronger-than-expected non-interest income growth, and b) stronger-than-expected NIM.
- **Timeline:** 2-3 months.

Key Events in Jul 26

Corporate

- Maybank Indonesian unit, PT Bank Maybank Indonesia Tbk, has secured shareholder approval to become an operational financial conglomeration holding company for the Maybank group's businesses in Indonesia.
- WCT Holdings has secured a subcontract worth 836m dirham (RM926.2m) for a residential development project in the UAE
- Gamuda says its JV company as signed a 40-year agreement to supply treated water from northern Perak to Penang under the Northern Perak Water Supply Scheme.
- Lagenda Properties and Epicon have proposed a RM543.2m deal that will transform Epicon into Lagenda's construction platform
- Duopharma Biotech secured a six-month extension for its supply contracts with Pharmaniaga Logistics S/B under the MoH's approved products purchase lists.
- Oxford secures RM8.8m semicon orders to supply precision engineering components for MFC used in the semicon industry.

Economics

- PPI climbed sharply in May, to 7.8% from 5.4% in Apr 26, pushed mainly by commodities amid the ME conflict.
- Malaysia 5.8% yoy GDP growth in 2Q, beating consensus and 1Q's 5.4%.
- Malaysia 1.9% inflation in June, slowing marginally from 2% in May due to a smaller rise in transport costs.

Others

- U Mobile has existed its wholesale agreement with DNB and completed the migration of customers to its own nationwide ULTRA5G network.
- BN-PN coalition gained ground in the Johor and Negeri Sembilan elections with landslide victories against PH.

Source: Respective companies

Sector Performance

Sector	-- Performance (%) -- Jul	Ytd
Automobile	0.3	0.7
Banking	4.0	3.5
Building Materials	3.3	9.6
Construction	1.3	(2.9)
Consumer	3.1	(8.0)
Exchange	1.2	2.1
Gaming	(3.4)	(19.4)
Glove Manufacturing	(0.1)	1.4
Healthcare	(1.2)	(2.0)
Insurance	(1.2)	3.2
Manufacturing	(0.8)	5.7
Oil & Gas - Asset Owners	6.1	16.4
Oil & Gas - Heavy Engineering	3.1	(4.5)
Oil & Gas - Offshore Contractors	(2.5)	(8.7)
Oil & Gas - Shipping	2.4	2.4
Plantation	6.1	12.3
Port	17.7	25.7
Property	(0.4)	7.4
REITs	(0.6)	(0.4)
Renewable Energy	1.7	(3.1)
Technology - EMS	26.6	(14.4)
Technology - Semiconductor	4.4	67.6
Technology - Software	(0.3)	(9.0)
Telecommunications	3.8	(7.2)
Utilities	1.9	7.0

Source: Bloomberg, UOB Kay Hian

Dialog Group – BUY (Kong Ho Meng)

- **Midstream/crude storage segment's defensive attributes augmented by energy security demand.** Dialog's dominant midstream segment (which drives most of its JV/associate income) will continue to benefit from a sustained multi-cycle high, whereby the region's storage industry is consistently reporting occupancy of S$6-7/cbm and over 90% respectively. This was echoed by Royal Vopak, which despite recording critically low 2Q26 activities in its Fujairah storage terminals (as the sole casualty of the Straits of Hormuz conflict), still upgraded its group EBITDA outlook. Even without new storage projects, Dialog's existing expansion capacities of nearly 1m cbm represents an impressive over 20% storage capacity growth.
- **Aggressive expansion strategy shifted to upstream projects since 2020...** Before 2020, Dialog's upstream exposure had been limited to Bayan Oilfield Services Contract (OSC) and D35/D21/J5 Production Sharing Contract (PSC), while its downstream services and midstream storage concessions thrived. Dialog still aspires to become an integrated player with a balanced earnings portfolio between upstream, midstream and downstream, but was understandably prudent due to the volatile nature of upstream earnings. Since 2020, Dialog leveraged on the Malaysia Bid Rounds – a series of investment events launched by Petronas after the national oil company relaxed PSC fiscal terms to rejuvenate upstream investments – a critical factor to enable a sustainable, long-term domestic O&G production of 2m bpd.
- **…leads to a monumental phase of monetisation and long-term earnings accretion from upstream.** Assuming key geopolitical conflicts like Russia-Ukraine and US-Iran persist, we expect Dialog to gain substantially from high O&G prices coinciding with new earnings accretion from PSCs like Cendramas and Balai Junior Cluster (BJC) by 1HFY27, and the Raja and Mutiara PSCs in the future. Each of these PSCs are significant relative to Dialog's existing D35 PSC (at net production of 3,000 bpd).
- **BJC is the key upstream highlight, and its early startup is a material catalyst** because: a) BJC's gas volume is significant (5,000-23,000 boepd) relative to D35 (3,000 boepd), b) Petronas will recognise BJC as the first successful Discovered Resourced Opportunity to achieve production, and c) BJC early startup by Oct/Nov 26 (vs the group's initial guidance of 2027) will also help capture high O&G prices if the war is prolonged. In addition to that, its gas selling price should be based on the Malaysian Reference Pricing which typically lags a few months vs Brent movements.
- **Transparency for upstream assets to improve once earnings mix rises to over 25% of group profit.** As per Securities Commission and Bursa's guideline since 2013 for Mineral, Oil & Gas (MOG) activities, which dictates that for listed companies, the threshold for additional disclosure is if the MOG activity is over 25% of group profit, expenses, or asset. The additional public disclosures include updated data on reserves and contingent resources, and appointing a competent valuer, which can bridge its disclosure gap to another pure listed upstream player, ie Hibiscus Petroleum.
- **And this will help to rerate Dialog's upstream valuation in our SOTP.** We assume Dialog was exempted from the regulators' threshold in the past, despite having 25% upstream earnings mix in certain quarters. This is because we assume the data included Bayan, which may not qualify under the MOG activity as it is a service contract. We expect additional disclosures once BJC kicks in, and hence we expect a more reflective SOTP valuation once upstream EBITDA is re-rated.

- **Maintain BUY with a target price of RM2.95.** This implies 27x/ 22x FY27F PE and EV/EBITDA respectively. We believe DLG warrants the high EV/EBITDA, relative to its historical three-year average of 12-19x, given the near-term potential for its upstream earnings to surprise on the upside. In the larger context, the rebalancing of DLG's earnings mix away from storage (when DLG used to trade at >30x EV/EBITDA historically) may imply its long-term EV/EBITDA (including JV projects) should more closely reflect integrated peers like ExxonMobil (11x) vs pure upstream producers like Hibiscus Petroleum (<2x). Also, improving transparency on upstream earnings will allow a higher revaluation of DLG's upstream portfolio in future.

Share Price Catalyst

- **Event:** a) Inclusion of Cendramas PSC eff Sep 26, b) early first gas of BJC PSC by 1HFY27, c) new storage projects secured (possibly with ChemOne's Pengerang Energy Complex, and others)
- **Timeline:** 2H26.

Gamuda – BUY (Jack Goh)

- **Phenomenal orderbook replenishments still levelling expectations.** Gamuda has secured RM16b-17b worth of contracts in FY26 thus far, lifting outstanding orderbook to a record-high of RM49.3b. Assuming a RM3b-4b quarterly orderbook burn rate, Gamuda has to secure at least RM16b-20b to meet management's orderbook guidance of RM50b-55b by end-26, which will likely be fulfilled by several tender outcomes that are pending finalisation.
- **Our 2026 orderbook replenishment assumptions of RM20b-25b are likely achievable.** Key projects that we anticipate include: a) Penang-Perak Water Infrastructure (~RM4b), b) Negeri Sembilan DCs (~RM2b each; potentially 1-2), c) Northland Corridor highway in New Zealand (~A$4b tender), d) Sunshine Coast Railway in Brisbane (A$1.0b-1.5b), e) Marinus Link project (>A$1b; JV between DTI and Samsung C&T), and f) drawdown from Taiwan's Xizhi-Donghu MRT (~NT$60b/RM8b).
- **Australia exposure...** Among overseas projects which made up 59% of the construction segment's FY25 revenue, Australia remains as Gamuda's largest overseas revenue contributing market. We understand that Gamuda currently has over A$10b active tenders and over A$50b addressable orderbook opportunities in diversified Australian projects (renewable energy, rail infrastructures, roads and bridges) throughout FY27-29.
- **…and DC narratives are foundations for mid- to long-term orderbook sustainability.** Note that Gamuda's contract opportunities for the DC campus in Springhill Industrial Park, Negeri Sembilan are estimated to be as high as RM15b-18b in phases over 3-4 years (assuming 8-9 DCs with up to 1GW capacity). We also estimate potential DC tender books in Malaysia for the coming 2-3 years at around RM30b, which will also support private job flows and ample contract opportunities for DC contractors such as Gamuda in FY27-28.
- **Greener pastures ahead as recent share price retracement priced in plenty downside risks.** Gamuda is now trading at 19x FY27F PE (+0.5SD above mean). Trailing valuations also trace ex-financials KLCI components' average of 22-23x (assumptions: Consensus' forward earnings; removing financial stocks). We remain optimistic that Gamuda offers decent-sized capital upside at this juncture, particularly for medium- to long-term positioning.
- **Maintain BUY and SOTP-based target price of RM5.25,** which implies 22x FY27F PE (+1.5SD above mean)

Share Price Catalyst

- **Event:** Finalisation of more large-scale infrastructure projects in Malaysia and securing more renewable projects in Australia.
- **Timeline:** Finalisation of projects in 2026.

Mr DIY Group (M) – BUY (Philip Wong)

- **Decent SSSG outlook.** SSSG is expected to hold steady, supported by a low-base effect from 2Q25 (-7.2%) and its historically proven "price-lock" campaign.
- **Middle East spillover effects still mitigatable.** Management believes that the impact of the Middle East conflict remains manageable for now, cushioned by limited freight exposure and supplier bargaining power coupled with early inventory building to relieve plastics-related input costs pressure.
- **East Malaysia driving superior store economics.** Management emphasised expansion into East Malaysia due to the lower store density, limited competition and superior economics there. The retailer targets around 20 new East Malaysian stores in 2026. East Malaysian stores are generating a 2.0x sales-to-target ratio (Peninsular Malaysia: 1.3x).
- **Forex tailwind.** As MRDIY does not hedge its purchases – with approximately 70% of COGS sourced from China – earnings remain highly sensitive to currency movements. Given an average five-month inventory lag, forex benefits are realised with a delay. We estimate that every 1% strengthening of the ringgit against the renminbi could increase 2026 earnings by approximately 2.2%.
- **Enhanced payouts backed by robust cash.** Payout assumptions were raised to 120%, offering an attractive 5.8-6.6% dividend yield for 2026-28. We gather that dividend payout could be raised further.
- **Maintain BUY with a target price of RM2.30.** Target price is pegged to 30x 2026F earnings (-0.5SD of mean PE). MRDIY offers a three-year profit CAGR of 9.2%, which is relatively attractive for a large-cap retailer. Furthermore, its valuation is trading below its historical mean; MRDIY's reward-to-risk payoff is appealing.

Share Price Catalyst

- **Event:** Decent SSSG trend and enhanced dividend payout.
- **Timeline:** 3-6 months.

Petronas Dagangan – BUY (Kong Ho Meng)

- **A rare accumulation opportunity as share price had a knee-jerk reaction prior to 1Q26 results release.** Profits were supported by above-industry volume growth of 7%, vs another listed peer Petron Malaysia Refining & Marketing (PETRONM) which recorded a 4% domestic-only sales volume growth. Also, 1Q26 retail earnings were outstanding, benefitting from favourable gains inventory vs the costs implied under the government's weekly Automatic Pricing Mechanism (APM), especially in Mar 26.
- **2Q26 may be weaker qoq.** We expect 2Q26 to see weaker retail other income (no more substantial price gains) and potentially a loss position in the commercial segment. This assumes the product prices downtrend did not exist in Jun 26. It also assumes minimal volatility in sales volume given Petronas Dagangan's advantage in the local supply chain. PETRONM, on the other hand, saw a -25% growth in export-related product volume, a direct consequence of its refinery downtime since Nov 25.
- **Petronas Dagangan assures no fuel disruption risks.** Petronas Dagangan has effectively eliminated inventory holding risk since transitioning to an integrated supply chain structure under a new operating model since 2021. It clarifies that its procurement of inventory is carried out on a monthly basis, vs the weekly APM.

- **Revisiting 2022 (Russia and Ukraine).** Commercial reported RM41m/RM6m losses in 1Q22/2Q22 respectively. However, 3Q22 saw an unusually high commercial profit of RM274m. Contract prices of jet fuel – a key product – follow market prices, but with a lagged effect. Following the escalation of the Iran conflict, jet fuel doubled from US$90/bbl before the war, peaking as high as US$200/bbl. Today, it stands at US$140/bbl while Dated Brent price is at US$98/bbl. While the war duration remains unpredictable, this historical precedence shows there is a chance of earnings risk being compensated
- **Maintain BUY with unchanged target price of RM23.20.** This implies 2026F PE and dividend yields of 21x and 4.2% respectively. While earnings risks are unavoidable, we believe Petronas Dagangan is well positioned to weather any uncertainties. It has ample working capital to withstand stress receivable and cash flow risks without constraining dividends. Given the current bargain valuations, we see view the current price as an attractive entry point.

Northeast Group – BUY (Desmond Chong)

- **Riding the AI upcycle; translating into earnings visibility.** Northeast is increasingly monetising its indirect AI exposure, having progressed from first-article qualification to mass production of precision-engineered components embedded in AI infrastructure. This is spearheaded by its positioning within the supply chain of a contract manufacturer, serving as a key US optical solutions provider to the world's leading GPU player. As optical demand accelerates alongside a deepening client relationship, order momentum is building, underpinning a multi-year growth runway potentially extending through 2027. While related revenue contribution remains sub-20% at this juncture, this segment is poised to emerge as the primary driver of its photonics division.
- **Broad-based order strength sustaining utilisation.** Despite geopolitical overhangs from the Middle East conflict, core segment contributors in 2QFY26 – photonics (36%), E&E (22%), and Semicon (21%) – continue to exhibit resilient demand, collectively lifting utilisation to about 80% (higher qoq). This led to orderbook expansion of RM81m from RM65m as of end-May, and the group has committed to more new machines upon commissioning of new plants, translating into an around 10-15% uplift in manufacturing capacity.
- **Unperturbed by the recent material litigation.** Recall that Northeast has been named as the 3rd Defendant in two minority oppression suits filed by minority shareholders (EH Chong and MH Ng) of Mountain Range Sdn Bhd – the company's controlling shareholder with a 53.69% stake. The suits primarily concern an internal shareholder dispute, with allegations that the defendant conducted the affairs of Mountain Range and NE oppressively. As the legal proceedings relate to personal matters involving certain shareholders and are not expected to have any material operational or financial impact on the company, we believe the recent indiscriminate sell-off, triggered by shareholder disputes at the individual level rather than any deterioration in business fundamentals, has created an attractive asymmetric risk-reward opportunity with meaningful re-rating potential.

Share Price Catalyst

- **Event:** a) Stronger-than-expected earnings delivery from its main customers, b) new customer acquisition, and c) milder-than-expected impact from reciprocal tariffs.
- **Timeline:** 2H26.

Oxford Innotech – BUY (Desmond Chong)

- **Secures DC precision components contract.** Oxford has recently secured a DC precision components contract from the Singapore office of an Australia-based DC and computer room infrastructure specialist. The contract entails the supply of precision steel components for DC airflow management solutions, with a contract value of RM4.8m, for a DC project commissioned by a US-based global technology group. The project is scheduled to commence next month and is expected to be completed by end-26.
- **Aggressive expansion to capture next tsunami of growth.** Oxford has raised gross proceeds of RM41.6m, of which 55.5% and 26.9% have been earmarked for the construction of a new factory (+2.25x space) and the purchase of new machines (+16% capacity) respectively. Upon full completion (Phase 1 began operations in 2H25; Phase 2's completion by 3Q27), the total manufacturing areas will increase to 193,000sf (+2.25x from 86,000sf), allowing for the installation of 25 additional machines (+16% from 158 currently) to significantly boost production capacity. This expansion comes at a time when Oxford had maintained an optimal machine utilisation rate of 75% (two shifts) in 2024, underpinned by a jump in demand from its key customer, SIBS AB Group (SIBS).
- **Fuelled by structural expansion.** Oxford's record-breaking 2024 performance (revenue/core net profit: +88%/+94%) was driven by a surge in its modular building systems segment, which contributed 46% of total revenue. This boom was largely driven by SIBS, a Sweden-based disruptor in modular construction, operating exclusively from its cutting-edge Penang plants. In 2024, Oxford clinched a 10-year supply deal with SIBS to deliver precision sheet metal components and metal frames. While Oxford experienced a brief order lull in 2025 after the Saudi Arabia project handover, SIBS' hefty US$1.27b orderbook, with fresh traction in new overseas jobs alongside mass production conversion from its semiconductor customers, could cement its growth in 2026. Beyond SIBS, we understand that the group has been receiving additional backlog orders from its semiconductor customers, following the conversion of first-article jobs into mass production, which could drive the bulk of its earnings in 2026.
- **Maintain BUY with an unchanged target price of RM0.48,** still based on a conservative 20.0x 2026F PE which is at a 40% discount to the seven-year average forward PE of semiconductor production equipment players. We anticipate a sharp rebound in 2026, driven by the sector's cyclical recovery, a deeper alignment with customers' growth roadmaps, and an expanded job scope.

Share Price Catalyst

- **Event:** a) Incremental job wins from DC-related projects, b) mass production conversion from its semiconductor customers, and c) SIBS new job wins.
- **Timeline:** 2026-27.

SD Guthrie – BUY (Amerul Iqmal)

- **Key beneficiary of elevated crude palm oil (CPO) prices.** SD Guthrie is one of the key beneficiaries of higher CPO prices among large-cap peers, given that over 70% of the group's production comes from its estates in Malaysia and Papua New Guinea/Solomon Islands (PNG/SI), which enjoy lower palm oil taxes than Indonesian producers. In particular, production from its PNG/SI estates (~20% of output) typically commands average selling prices (ASPs) that closely track spot CPO prices, providing greater earnings leverage to a stronger CPO price environment. We expect CPO prices to remain firmly supported over the medium term, driven by Indonesia's B50 biodiesel mandate, which came into effect on 1 Jul 26, and the lagged yield impact of the now confirmed El Niño event, which we expect to manifest in the 2027 crop rather than in 2H26. Record-high June-month closing stocks of 2.54m tonnes reflect front-loaded peak production against a B50 offtake that is still ramping up. SD Guthrie's traceability position is also a relative advantage ahead of the European Union Deforestation Regulation (EUDR) compliance deadline of 30 Dec 26 for large and medium operators.
- **Sequentially stronger earnings supported by production recovery and firmer CPO prices.** We expect SD Guthrie's earnings momentum to accelerate over the coming quarters, underpinned by a recovery in production and resilient CPO prices. The group recorded a strong 20% qoq increase in CPO production in 2Q26, which should support sequential earnings growth while output continues to ramp up heading into the peak production season. We also expect a meaningful recovery in operating margins, as the bulk of upkeep and maintenance activities were completed in 1Q26 ahead of the seasonal production peak. Meanwhile, downstream earnings should remain stable, supported by stronger contributions from the bulk and trading segments, which typically benefit from heightened market volatility, partially offsetting a softer specialty oils performance.
- **Land monetisation to unlock further earnings and dividend upside. SD Guthrie** continues to unlock value from its sizeable landbank strategically located within key economic development corridors. The group recently entered into a share purchase agreement (SPA) to dispose of 1,021.9 acres of the Bukit Kerayong Estate in Kuala Selangor for RM798.3m. In addition, SD Guthrie expects to complete two further land disposals in Kulai and Port Dickson in 2026. Collectively, these transactions could lift land disposal gains to approximately RM1.0b if completed in 2026, exceeding the group's targeted annual contribution of RM500m-700m. This could provide further upside to earnings and dividends, with our 2026 DPS forecast potentially increasing to 22 sen per share, based on a 50% payout ratio (2025 DPS: 18 sen).
- **Maintain BUY with a target price of RM7.25,** pegged to 20.5x 2027F PE (close to +0.5SD of its average five-year mean of 19x). The stock's rerating is supported by ongoing land monetisation and SD Guthrie's industry-leading estate age profile, which underpins sustainable production growth.

Share Price Catalyst

- **Event:** a) Stronger-than-expected CPO prices, b) higher-than-expected production growth, and c) completion of the Kulai and Port Dickson land disposals.
- **Timeline:** 2026

Solarvest Holdings – BUY (Chong Lee Len & Hifzhan Raziq)

- **Robust orderbook of RM2.5b underpins earnings visibility into FY29.** Solarvest aims to maintain its 30% share in the utility-scale EPCC market and expects to continue securing EPCC awards for the upcoming CRESS and LSS6 projects. Solarvest's robust orderbook stands at RM2.5b (9% residential and C&I + 91% utility-scale). This will pave the way for the stock to deliver three-year earnings CAGR of 26% over FY26-29.
- **A 26% market share in the LSS5+ EPCC space.** Solarvest has secured an estimated 26% market share in the LSS5+ EPCC segment, broadly in line with its around 30% share in the utility-scale EPCC market. We expect Solarvest to maintain its 30% market share by continuing to secure additional EPCC awards under the upcoming LSS6 and Corporate Renewable Energy Supply Scheme (CRESS) programmes, slated for 2H26.
- **Solid solar module procurement strategy.** Solarvest has reiterated its diversified and strong solar module procurement strategy, having secured up to 2GW of solar modules at a competitive price (around US$0.10/W), backed by a substantial advance payment of up to 10%. We understand current solar module prices are hovering at US$0.10-0.11/W, signalling pricing weakness/stabilisation vs 4QFY26's US$0.12/W estimated trading price. The group is expected to maintain a stable profit margin from 4QFY26 onwards, backed by its prudent procurement strategy.
- **Maintain BUY with a target price of RM3.50, pegged to 25x FY28 EPS (+1SD from mean PE).** We believe Solarvest's partnership with Brookfield is a strong lever that will pivot Solarvest into the next phase of growth. The partnership will pave the way for the group to lift orderbook meaningfully via the sizeable CRESS to the tune of 1.5GW over a 3-5-year period.

Share Price Catalyst

- **Event:** a) A stronger ringgit to offset rising solar PV costs, b) cost discipline to drive sustainable profit margins, c) pioneer CRESS contract wins, and d) eventual monetisation of solar assets either via listing or trade sale.
- **Timeline:** 2026-27.

Tenaga Nasional – BUY (Chong Lee Len)

- **Strong cash flow under AFA.** While the automatic fuel adjustment (AFA) is neutral to Tenaga's earnings, it is positive on a cash flow basis, as the collection period from the government and/or consumers will shorten and cash conversion rates will decline for the group. In the long run, we believe this will pave the way for a higher dividend payout (Tenaga's current dividend payout is 40-60% of normalised net profit). Tenaga also offers good core earnings visibility from Regulatory Period 4 (three-year earnings CAGR of 7%).
- **Tenaga to benefit from higher capex spent.** The advancement of the ASEAN Power Grid (APG), the second Malaysia-Singapore power interconnection, and the Sarawak-Peninsular Malaysia interconnection projects are expected to benefit Tenaga on two fronts: a) higher capex for the regulated business, which accounts for 80-90% of Tenaga's group net profit; and b) opportunities to offer cross-border electricity trade sale within the region. This will fall under Tenaga's unregulated business and provides growth opportunities beyond the muted growth under the regulated Inland Revenue Board of Malaysia segment.
- **Tenaga to utilise its tax allowance progressively over the years.** Following the Federal Court ruling on 23 Jul 25, Tenaga has submitted an application under Schedule 7B for Years Assessment 2003-24 to the Ministry of Finance (MOF). On 26 Nov 25, Tenaga received a letter from the MOF granting approval for Investment Allowance (IA) in respect of capex which will be deducted from future income. As such, we expect Tenaga to utilise the tax allowance and record a progressively lower tax rate over the next few quarters.
- **Maintain BUY with a DCF-based target price of RM16.30** (discount rate: 8%, growth rate: 1%). Our equity risk premium on the stock at 7.8% reflects Tenaga's tariff autonomy and the gradual decoupling of tariffs from the government's purview. At our target price, the stock trades at 18.7x 2026 EPS, +2SD above five-year mean PE.

Share Price Catalyst

- **Event:** a) Tenaga's autonomy to change electricity prices by 7% without seeking Cabinet approval every six months, b) recognition of contingent capex in the 2026-27 earnings window, c) listing of a profitable genco and/or renewable energy division, and d) benefitting from the APG rollout.
- **Timeline:** 2026-27.

Valuation of Analysts' Alpha Picks

Company	Ticker	Rec	Share Price 3 Aug 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 (US$m)	Price/ NAV ps (x)
CIMB Group Holdings	CIMB MK	BUY	8.01	9.30	16.1	Dec 25	11.0	10.4	9.6	6.3	12.0	21,472.4	1.2
Dialog Group	DLG MK	BUY	1.98	2.95	49.0	Jun 25	27.5	20.4	18.9	2.0	14.3	2,772.3	2.4
Gamuda	GAM MK	BUY	4.29	5.25	22.4	Jul 25	24.2	22.7	18.7	2.7	10.2	6,311.9	1.9
Mr DIY Group (M)	MRDIY MK	BUY	1.62	2.30	42.0	Dec 25	24.2	21.0	19.3	4.9	35.8	3,809.8	7.5
Northeast Group	NE MK	BUY	1.00	1.20	20.0	Sep 25	32.3	25.0	20.8	0.0	10.2	183.6	2.6
Oxford Innotech	OXB MK	BUY	0.40	0.53	32.5	Dec 25	33.3	18.2	14.8	1.3	11.1	70.5	2.2
Petronas Dagangan	PETD MK	BUY	19.44	23.20	19.3	Dec 25	17.3	17.4	17.1	5.7	19.7	85,015.0	3.3
SD Guthrie	SDG MK	BUY	6.57	7.25	10.4	Dec 25	25.3	22.7	24.7	3.1	11.9	11,274.5	4.3
Solarvest Holdings	SOLAR MK	BUY	3.03	3.50	15.5	Mar 26	32.2	25.7	21.6	0.0	12.0	723.5	3.1
Tenaga Nasional	TNB MK	BUY	14.50	16.30	12.4	Dec 25	17.7	17.2	16.6	3.9	7.1	20,973.2	1.6

Source: Bloomberg, UOB Kay Hian

Malayan Banking
(MAY MK/HOLD/RM10.84/Target: RM11.58)

Aquires Remaining Stake In Insurance Arm

Highlights

- **Acquires remaining minority stake in insurance arm.** Malayan Banking (Maybank) announced today that it will acquire the remaining stake of 30.85% in its insurance joint venture from Belgium-based Ageas for RM4.83b, paving the way for full ownership of Maybank Ageas Holdings Bhd (MAHB) which owns Etiqa Insurance Group. The consideration is after adjustments for a proposed RM800m dividend by MAHB prior to completion, of which RM248m will accrue to Ageas and RM552m to Maybank. The acquisition, which will be funded via a combination of internal cash and external financing, is expected to be completed by end-3Q26, subject to regulatory approvals.
- **Strategic rationale.** Strategically, the transaction removes the minority interest over one of Maybank's fastest-growing businesses while enhancing management flexibility and capital allocation. Full ownership enables the group to better integrate insurance and takaful offerings across its regional banking franchise, optimise capital deployment and accelerate decision-making without the constraints of a joint venture structure. While we opine that many of these operational synergies could have been extracted under the previous 69% ownership structure, full ownership does pave a cleaner path toward a potential listing of Etiqa.
- **Premium pricing paid**. The acquisition was valued at 1.98x P/B and 15.3x P/E, implying an ROE of 12%, representing a premium to both listed insurance peers, which trade at 1.8x P/B and 13.0x P/E despite generating a higher average ROE of 17%, as well as the historical insurance M&A average of 1.5x P/B.
- **What is driving the premium pricing?** Maybank's willingness to pay a premium is likely underpinned by three key value creation levers: a) the potential to almost double Etiqa's premium growth to about 15% by deepening cross-selling across Maybank's extensive banking franchise; b) opportunities to leverage Etiqa's strong domestic market position to expand its brand and insurance footprint across Maybank's regional network; and c) the ability to enhance capital upstreaming to the group by optimising Etiqa's dividend payout ratio towards Maybank's 70-75% level, from the current 30-33%.
- **Financial impact: Marginal accretion to Maybank Group's earnings.** The acquisition is expected to be immediately EPS-accretive, lifting Maybank's FY26 group earnings by around 1.6% and ROE by 40bps. The transaction is, however, expected to reduce the Bank-level CET1 ratio by approximately 1ppt. To partially offset the capital impact, management intends to undertake a one-off DRP in FY26, which is expected to mitigate around half of the CET1 dilution. Upon completion, Etiqa will become a wholly owned subsidiary and is expected to contribute approximately 10% of Maybank Group's consolidated net profit.
- **Etiqa: Growing ahead of peers.** Over the past decade, Etiqa's insurance and takaful businesses in Malaysia delivered a 7.3% CAGR versus industry growth of 4.6%, while its life insurance and family takaful businesses expanded at a 9.2% CAGR compared with the industry's 6.9%. Looking ahead, management is targeting a 15% premium CAGR through 2030 while increasing bancassurance's contribution to total premiums to 50% from around 40% currently, underpinned by greater cross-selling opportunities through the group's retail and commercial banking franchise.

Valuations and Recommendation.

- **Maintain HOLD and target price of RM11.58 (1.27x FY27 P/B, ROE: 11.2%).** Given Maybank's limited near-term scope to raise its dividend payout, we prefer CIMB, which has displayed stronger sequential 1Q26 underlying earnings growth, more stable asset quality, and greater headroom to increase dividends. That said, given Maybank's already depressed share price and attractive dividend yield of more than 6%, we view the stock's current risk-to-reward profile as balanced.

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Press Metal Aluminium Holdings
(PMAH MK/BUY/RM7.95/Target: RM10.67)

Securing Strategic Control At An Attractive Valuation

Highlights

- **Increasing stake in PMBT to 58.8%; paving the way for downstream expansion.** Press Metal Aluminium Holdings (Press Metal) has entered into a conditional Share Sale Agreement (SSA) to acquire an additional 35.6% stake (664.2m shares) in PMB Technology (PMBT) from the Koon family for RM465.0m cash (RM0.70/share), raising its ownership from 23.2% to 58.8% and consequently making PMBT a subsidiary. Note that Press Metal has obtained an exemption from launching a mandatory takeover. The acquisition will be fully funded via internally generated funds. Upon completion, management intends to repurpose PMBT's existing silicon metal operations into higher-margin silicon-aluminium alloy production, leveraging PMBT's secured hydropower allocation (129MW) within the Sarawak Corridor of Renewable Energy (SCORE). The acquisition price of RM0.70/share represents a 2.8%-4.1% discount to PMBT's reported NAV, reflecting the depressed earnings environment amid structural oversupply and subdued downstream demand in the global silicon metal market.
- **Limited near-term earnings dilution; balance sheet impact remains modest.** PMBT continues to incur losses (FY25: RM12.8m net loss; 1Q26: RM24.6m net loss) due to persistently weak silicon metal prices, structural overcapacity in China alongside lacklustre downstream demand. Assuming annualised losses of approximately RM100m, the acquisition of the additional 35.6% stake would result in around RM35m of incremental attributable losses, implying only about 1% dilution to our FY27 earnings forecast for Press Metal. The financial impact remains manageable, with pro forma gearing expected to rise only modestly from 0.37x to 0.43x, while NAV per share remains broadly unchanged, underscoring the group's ample balance sheet capacity to undertake the acquisition.
- **Strategic benefits outweigh execution risks.** Management intends to reposition PMBT away from the structurally challenged silicon metal business towards silicon-aluminium alloy smelting, a segment supported by long-term structural demand from automotive lightweighting, renewable energy infrastructure and AI-driven data centre investments. While execution risks surrounding the business transformation remain, we believe these are mitigated by the minimal around 1% earnings dilution and the strategic value of securing scarce renewable power capacity. Overall, we view the acquisition as well aligned with Press Metal's long-term strategy of expanding further downstream into higher value-added aluminium products, while strengthening its competitive positioning through greater optimisation of renewable energy resources.

Earnings Revision/Risk

- No change to our earnings forecasts pending further updates from management's briefing.
- **Maintain BUY with an unchanged target price of RM10.67,** based on 27.0x 2027 PE, in line with its five-year forward PE mean. Should aluminium prices swing from our conservative forecast (YTD USD3,340), based on our sensitivity analysis, every US$100/tonne increase to our current spot aluminium price assumption of US$2,900/tonne in 2026 would increase Press Metal’s earnings by 11% annually, assuming alumina cost ratio of 14% and carbon anode prices of Rmb5,945/MT.

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Market Spotlight

Market News

The FBMKLCI extended its gains yesterday by 0.83pt (+0.05%) to 1,725.73. Meanwhile, Asian stocks extended losses on Monday, with South Korea's KOSPI tumbling more than 5% as another wave of selling in artificial intelligence-linked technology shares overshadowed easing Middle East tensions, lower oil prices and firmer US equity futures. The FBMKLCI's top gainers were AMMB Holdings (+4.0%), Mr D.I.Y. Group (M) (+2.5%) and Nestle (M) (+1.6%), while the top losers were Petronas Chemicals Group (-3.6%), CelcomDigi (-2.7%) and Sunway Bhd (-1.7%). In the broader market, losers outpaced gainers 609 to 490 with 573 counters unchanged. Turnover was 2.73b shares valued at RM2.33b.

US stocks were higher after the close on Monday, as gains in the technology, industrials and consumer services sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average gained 1.32% to hit a new all-time high, while the S&P 500 Index climbed 1.48%, and the NASDAQ Composite Index added 2.13%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,877 to 845 and 89 ended unchanged; on the Nasdaq Stock Exchange, 2,469 rose and 937 declined, while 178 ended unchanged. *(Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,725.73

Expected moving range: 1,700– 1,730

Technical view:

From the technical perspective, the index continued to climb higher yesterday in tandem with the gradual rise in momentum. With the momentum gradually picking up, the index could, in our view, nudge higher in the remaining days of this week with a small pullback potentially unfolding on profit-taking expectations. Support and resistance levels are still maintained as follows:

Support: 1,677, 1,650

Resistance: 1,750, 1,770

FCPO

Source: Tradingview

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

Technical SELL with 2.3% potential downside

Trading SELL range: RM4,600-4,700

Last price: RM4,644

Target price: RM4,571, RM4,538

Resistance: RM4,694

Stop-loss: RM4,695

SELL with a target price of RM4,538 and stop-loss at RM4,695. Based on the chart, FCPO continued the bearish movement and closed lower at RM4,644 on yesterday's movement. This bearish movement is supported by a downtick in the RSI and a bearish crossover in both the MACD and DMI indicators. We still maintained our targets at RM4,571 and RM4,538 in the near term.

Expected timeframe: One day to three

FKLI

Source: Tradingview

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

Technical BUY with +0.75% potential return

Trading buy range: 1,725-1,735

Last price: 1,730

Target price: 1,739, 1,743

Support: 1,717

Stop-loss: 1,716

BUY with a target price of 1,743 and stop-loss at 1,716. Based on the chart, FKLI continued the bullish movement and closed higher at 1,730 yesterday. This bullish movement is supported by an uptick in the RSI and bullish crossovers in both MACD and DMI indicators. We maintain our targets at 1,739 and 1,743 in the near term.

Expected timeframe: One day to three days

Traders' Corner

CPE Technology (CPETECH MK)

Technical BUY with +22.2% potential return

Trading buy range: RM1.05-1.10

Last price: RM1.08

Target price: RM1.23, RM1.32

Support: RM0.93

Stop-loss: RM0.925

BUY with a target price of RM1.32 and stop-loss at RM0.925. B Based on the daily chart, CPETECH formed a series of higher highs and higher lows that indicates an uptrend pattern. This bullish movement is supported by an uptick in the RSI and a bullish crossover in both the MACD and DMI indicators. We peg our targets at RM1.23 and RM1.32 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Empire Premium Food (EMPIRE MK)

Technical BUY on breakout with +12.3% potential return

Trading buy range: RM1.06-1.07

Last price: RM1.03

Target price: RM1.14, RM1.19

Support: RM0.98

Stop-loss: RM0.75

BUY on breakout with a target price of RM1.19 and stop-loss at RM0.975. Based on the daily chart, the stock has gradually recovered to close above the 7-day and 21-day EMA lines, which suggests a potential uptrend ahead. The emergence of fresh buying interest, as shown by positive readings in both the MACD and the DMI, suggests an uptrend, leading to the creation of a new up-leg. We expect EMIPRE will continue to move towards the previous high of RM1.21 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Source: UOBKH ChartGenie

Lac Med (LACMED MK)

Technical BUY with +37.7% potential return

Trading buy range: RM0.75-0.77

Last price: RM0.77

Target price: RM0.935, RM1.06

Support: RM0.655

Stop-loss: RM0.645

BUY with a target price of RM1.06 and stop-loss at RM0.645. Yesterday, LACMED formed a breakaway gap and closed higher at RM0.77. This was supported by the MACD's bullish crossover and is consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We peg our target prices at RM0.935 and RM1.06 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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