



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	50,926.6	0.0	(0.8)	(3.5)	6.0
S&P 500	7,666.5	0.2	(0.5)	0.5	12.0
FTSE 100	10,428.3	(1.7)	(2.4)	(3.3)	5.0
AS30	8,794.4	(1.9)	(1.2)	(4.0)	(2.5)
CSI 300	4,357.6	0.3	(4.1)	(4.4)	(5.9)
FSSTI	5,667.7	(0.1)	(0.3)	(1.3)	22.0
HSCEI	8,220.1	0.5	(0.6)	(2.7)	(7.8)
HSI	24,613.3	0.4	(0.9)	(2.8)	(4.0)
JCI	6,009.5	(1.0)	(4.6)	(8.9)	(30.5)
KLCI	1,630.4	(1.3)	(2.5)	(4.6)	(3.0)
KOSPI	6,971.4	1.9	(0.7)	6.2	65.4
Nikkei 225	68,956.7	3.3	5.3	7.2	37.0
SET	1,563.9	0.3	(2.4)	(0.7)	24.2
TWSE	48,353.5	0.9	1.2	4.7	66.9
BDI	3,140	0.9	(9.6)	(0.5)	67.3
CPO (RM/mt)	4,450	0.2	(2.6)	(3.4)	13.1
Brent Crude (US\$/bbl)	102	4.4	(4.0)	8.1	68.1

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

Top Stories

Sector Update | Plantation

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- Budget 2027, to be unveiled on 9 October, is expected to include an increase in the RM1,700 monthly minimum wage. At a hypothetical wage of RM2,000, we estimate the after-tax cost to listed planters at 2.6-18.5% of their latest reported net profits. The higher floor also narrows the gap to a living wage, and comes ahead of the EU's ban on forced labour in Dec 27. Maintain OVERWEIGHT.

Company Update | VS Industry (VSI MK/BUY/RM0.27/Target: RM0.35)

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- VS is entering a transition phase as it actively explores diversifying beyond CE, optimising its existing manufacturing footprint and pursuing higher-value opportunities. 4QFY26 marked an initial recovery with operations returning to profitability before impairment. Higher orders, improving utilisation and breakeven of the Philippines operations should support 1QFY27, while new customer wins provide longer-term upside into FY28. At 8.8x FY28F PE and 0.5x P/B, valuations remain undemanding. Maintain BUY with a target price of RM0.35.

What's Inside

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- DNB said it has completed a RM5.2b syndicated Islamic term financing exercise, as MOF prepares to transfer its DNB shareholding to CelcomDigi, Maxis and YTL Power. MOF will retain a golden share in DNB. This news is within expectations, as CelcomDigi and Maxis had previously guided for the transfer of MOF's stake in early 4Q26. Maintain MARKET WEIGHT. Top picks: Maxis and CelcomDigi.

Market Spotlight

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- The FBMKLCI slid 20.81pt to close at 1,630.36 yesterday, dragged by profit taking on index-linked stocks.
- US stocks were higher after the close on Thursday, as gains in the oil & gas, industrials and utilities sectors led shares higher.

Technical Analysis

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Genetec Technology GENE MK Trading Buy Range: RM0.34-0.345	Page 13 →

Plantation

Raising The Floor: What A RM2,000 Minimum Wage Would Cost

Highlights

- The new monthly minimum wage rate is due to be announced in Budget 2027 on 9 October, with the Cabinet having agreed on 30 September to exempt MSMEs for now. Figures of RM2,000-2,200 have been circulating as possible new minimum wage rates.
- At a RM2,000 minimum wage, a 17.6% rise, we estimate a pre-tax cost of RM26m-87m a year per listed planter, or about RM110 per tonne of crude palm oil (CPO). After tax, that is 2.6% of last year's net profit for SD Guthrie and 18.5% for Hap Seng Plantations.
- The exemption keeps smaller estates and smallholder suppliers at the RM1,700 minimum wage rate, shifting the cost onto listed estates. RM2,000 remains below a RM2,235 living wage estimated for plantation workers, but narrows the gap before the EU Forced Labour Regulation comes into effect.

Analysis

- **The minimum wage decision lands on 9 October.** Human Resources Minister R. Ramanan said on 29 September that his Cabinet paper on the minimum wage had been submitted but no rate had been agreed. The statutory review under the National Wages Consultative Council (NWCC) Act will be due in Feb 27, two years after the rise to RM1,700.
- **What a RM2,000 minimum wage will cost listed estates.** We apply the RM300 monthly increase to every worker in each company's Malaysian workforce, plus the 6.8% in employer contributions to the Employees Provident Fund (EPF), Social Security Organisation (SOCSSO) and Employment Insurance System (EIS), resulting in a total cost of RM3,843 per worker a year (please refer to table overleaf). Across the 439,594 workers in Malaysia's estate sector, this works out to about RM1.7b a year of additional labour costs before the MSME carve-out. We assume full pass-through, as planters recalibrate piece and daily rates. As a cross-check, Sime Darby Plantation estimated in 2018 that a RM500 increase would add RM185 per tonne of CPO; if this is pro-rated to RM300, it would amount to RM111/tonne, which is in line with our estimate of about RM110/tonne.

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OVERWEIGHT (Maintained)

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
SD Guthrie	SDG MK	BUY	6.05	8.30
Genting Plant.	GENP MK	BUY	5.54	7.42
KL Kepong	KLK MK	BUY	21.42	28.50

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Price 1 Oct 26 (RM)	Target Price (RM)	Upside To TP (%)	Last Year End	2025 (x)	PE 2026F (x)	2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap. (RMm)	Price/NAV ps (x)
Hap Seng Plantations	HAPL MK	BUY	2.68	3.05	13.8	Dec-26	16.0	11.6	9.8	4.0	6.3	1991.2	0.9
Genting Plantations	GENP MK	BUY	5.54	7.42	33.9	Dec-26	14.2	12.8	11.4	4.4	6.1	5,427.2	1.1
IOI Corporation	IOI MK	BUY	4.67	5.50	17.7	Jun-27	19.7	17.2	16.5	2.7	13.2	29,980.4	2.3
KL Kepong	KLK MK	BUY	21.42	28.50	33.1	Sep-26	29.8	16.2	13.8	2.9	-4.3	25,101.9	2.0
SD Guthrie	SDG MK	BUY	6.05	8.30	37.2	Dec-26	17.3	15.7	14.3	3.2	15.4	43,223.2	2.3

Source: Bloomberg, UOB Kay Hian

Cost Of A RM2,000 Minimum Wage For Malaysian Operations

Company	Basis	Planted area (ha)	Ha per worker	Workers	Pre-tax cost (RMm)	After-tax cost (RMm)	Net profit* (RMm)	% of net profit
SD Guthrie	Ratio	295,138	13.0	22,700	87.3	66.3	2,503	2.6
IOI Corp	Ratio	146,506	9.0	16,280	62.6	47.5	1,682	2.8
KL Kepong	Headcount	121,110	6.5	18,620	71.6	54.4	817	6.7
Genting Plant.	Headcount	n.a.	n.a.	6,791	26.1	19.8	354	5.6
Hap Seng Plant.	Headcount	35,379	4.5	7,915	30.4	23.1	125	18.5

Note: Ratio refers to the company's disclosed land-to-labour ratio applied to its Malaysian planted area (SD Guthrie at Dec-23); headcount refers to the company's disclosed Malaysian workforce, including mills and staff, with hectares per worker implied (KL Kepong: 45,407 plantation workforce × 41% Malaysian area share). RM3,843 per worker a year: RM300 a month plus 6.8% employer contributions. Tax at 24%, full year.

*Last reported financial year (FY) as of Dec-25, except for IOI (Jun-26) and KLK (Sep-25).

Source: Respective companies, Malaysian Palm Oil Board, UOB Kay Hian estimates

- **The MSME carve-out splits the wage floor.** Smaller estates and smallholder suppliers that qualify as MSMEs would stay at a minimum wage threshold of RM1,700. Smallholders farm 26.4% of Malaysia's oil palm area and are a main source of third-party fresh fruit bunch (FFB) purchases among listed companies. Purchased FFB costs will therefore remain flat. The trade-off is a compliant RM1,700 tier beneath the RM2,000 that is paid by listed plantation companies.
- **The gap to a living wage narrows.** A 2025 field study published by Fulcrum, ISEAS-Yusof Ishak Institute, put a Sabah plantation worker's living wage at RM2,235 excluding housing, and found that few of its 46 respondents achieved the minimum wage in normal hours. A RM2,000 minimum wage closes 56% of that gap. Government-linked companies (GLC) and government-linked investment companies (GLIC) have adopted a RM3,100 living wage for permanent staff, but SD Guthrie's own policy covers about 8,000 non-plantation employees in its first phase to Dec 26. With the EU Forced Labour Regulation coming into effect on 14 Dec 27, salaries that only reach the floor through long overtime would pose a market-access risk.
- **Mechanisation is the offset.** MPOB data showed that harvester productivity rose 14% to 1.60 tonnes per man-day in 2025, though a record national crop flattered the gain. Sabah lags at 1.23 tonnes against 1.78 tonnes in Peninsular Malaysia, which helps explain Hap Seng Plantations' higher cost per tonne. SD Guthrie runs at 13-13.5ha per worker against a national estate average of about 9 ha. Replanting rose 67% to 191,000ha in 2025, the highest since at least 2014, giving growers a window to adopt mechanisation-friendly layouts. Foreign worker EPF contributions and a pending multi-tier levy add to the case.

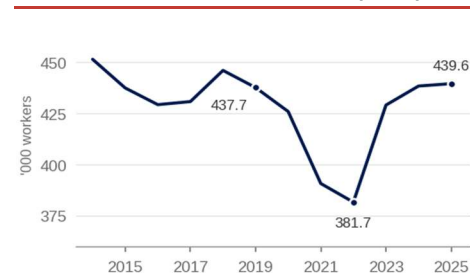
Valuation/Recommendation

- **Maintain OVERWEIGHT.** About RM110/tonne amounts to 2.3% of our 2027 CPO assumption of RM4,700/tonne. A RM2,000 minimum wage floor would not change our sector call.
- **Exposure varies across our picks.** SD Guthrie carries the lowest relative cost in our coverage. Hap Seng Plantations carries the highest as it is a pure Sabah upstream name with a smaller profit base and about 4.5 ha per employee. It faces roughly RM240/tonne of its own CPO, more than twice the sector figure. We flag this as a risk against our positive stance.

Sector Catalyst/Risk

- **Catalyst: Budget 2027 on 9 October,** which would reveal the minimum wage rate, the effective date and how MSMEs are defined in agriculture.
- **Risk: A higher wage floor.** Every further RM100 increase raises our cost estimates by one-third.

Oil Palm Estate Workforce ('000)



Source: Malaysian Palm Oil Board

VS Industry (VSI MK)

Gradual Recovery; Diversifying For Growth

Highlights

- VS is reshaping its business mix beyond consumer electronics, while optimising its existing manufacturing footprint and pursuing higher-margin opportunities. We expect improving utilisation and stronger order flows to support a return to profitability in FY27, with diversification providing a longer-term earnings growth avenue.
- VS trades at just 8.8x FY28F PE (-1SD below historical mean) and 0.5x FY28F P/B (-1.5SD), well below the trough valuations seen during the MCO period (0.83-0.88x P/B), suggesting limited downside with asymmetrical upside potential.
- Maintain BUY with a target price of RM0.35. Key re-rating catalysts include further order normalisation, improving capacity utilisation, sustained earnings recovery, and potential new customer wins.

Analysis

- Diversification to underpin the next leg of recovery.** VS Industry (VS) is entering a transition phase as management looks beyond consumer electronics (CE) to diversify its revenue base and better utilise its existing manufacturing footprint. This comes as the group ended FY26 as its first loss-making year since listing, despite 4QFY26 revenue recovering to around RM1b (+24% qoq, +16% yoy) and operations returning to profitability before a RM39.7m impairment.

Management remains cautious on the broader EMS recovery and is prioritising new customer wins and alternative end-markets to improve its utilisation and revenue mix. We understand that discussions with prospective new customers are still at an early stage. Given the time required for customer qualification, production setup and volume ramp-up, we expect meaningful contributions to become visible from FY28 onwards.

- Near-term seasonal demand points to sequential improvement.** We expect VS to deliver a sequentially stronger 1QFY27, supported by stronger orders and seasonal loading ahead of the year-end festive period. Key customers are also scheduled to launch new models in FY27, which should provide further production loading. That said, we expect this to support the initial earnings recovery, although a more sustained improvement will depend on order visibility and operating efficiency.

Key Financials

Year to 31 Jul (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	3,788	3,651	4,003	4,562	4,772
EBITDA	223	119	236	306	332
Operating profit	96	(23)	110	176	200
Net profit (rep./act.)	37	(54)	72	121	139
Net profit (adj.)	51	(17)	72	121	139
EPS (sen)	1	(1)	2	3	4
PE (x)	18.0	(55.8)	14.7	8.8	7.6
P/B (x)	0.4	0.4	0.5	0.5	0.5
EV/EBITDA (x)	3.8	7.4	5.4	4.4	4.0
Dividend yield (%)	3.4	1.7	2.0	3.4	3.9
Net margin (%)	1.0	(1.5)	1.8	2.7	2.9
Net debt/(cash) to equity (%)	(6.1)	(5.1)	(5.1)	(5.1)	(5.1)
Interest cover (x)	11.4	8.8	14.0	18.1	19.7
ROE (%)	1.7	(2.6)	3.4	5.6	6.3
Consensus net profit			79.4	103.7	103.0
UOBKH/Consensus (x)			0.9	1.2	1.3

Source: VSI, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	RM0.27
Target Price	RM0.35
Upside	+29.6%

Stock Data

Sector	Information Technology
Bloomberg ticker	VSI MK
Shares issued (m)	3,854.5
Market cap (RMm)	1,040.7
Market cap (US\$m)	254.8
3-mth avg daily t'over (US\$m)	2.1

Price Performance (%)

52-week high/low				RM0.66/RM0.17
1mth	3mth	6mth	1yr	YTD
22.7	35.0	35.0	(55.0)	(44.3)

Major Shareholders (%)

Beh Hwee Sze	7.4
Beh Hwee Lee	7.4
Aberdeen	7.2

Balance Sheet Metrics

2027 NAV/Share (RM)	0.57
2027 Net Debt/Share (RM)	0.02

Price Chart



Source: Bloomberg

Company Description

VS Industry is involved in the manufacturing of plastic parts and components, contract manufacturing, precision mould making, the sub-assembly of electronic and electrical equipment and other secondary processes. It has plants in Malaysia, China, and Indonesia.

- **Indonesia profitable; Philippines turning the corner.** Indonesia continues to see healthy growth, with an existing customer having loaded a new model which is expected to contribute more than RM100m sales p.a.. Meanwhile, the Philippines is nearing an inflection point as utilisation improved on additional models entering production. The plant reached breakeven in Aug 26, while the planned commencement of motorhead and PCBA production in 4Q26 should provide further utilisation upside and support margin improvement in FY27. While the current utilisation of its Philippines plant remains below 50%, VS is also pursuing new customers to fill the available capacity as its existing key customer's order remains broadly flat.
- **Available capacity provides flexibility to onboard higher-value opportunities.** Current group utilisation stands at around 60%, which is near management's operational breakeven threshold. With some capacity now available following weaker loading from existing customers, management sees an opportunity to reorganise and optimise its existing capacity towards higher-value opportunities. Both positive operating cash flow and available factory space give VS greater flexibility to meet urgent customers capacity needs without requiring significant near-term capex.
- **Positioning for the upcycle amid near-term headwinds.** Against a backdrop of tariff pressures, imminent minimum wage hike and subdued margins, VS is tightening its cost base through workforce and machinery rationalisation while selectively sharing part of the tariff burden with customers in exchange for firmer order commitments. We see this as supportive of customer retention and volume visibility, while the industry shake-out could create opportunities for VS to capture market share. Although margins are likely to remain under pressure in the near term, better utilisation, mix improvement and a gradual order recovery should support a progressive earnings recovery.

Earnings Revision/Risk

- **We cut our FY27-28 earnings forecasts by 7-32%** to reflect a more conservative margin assumptions, factoring in its ongoing cost-down initiative, gestation periods for new production, and higher labour cost.

Valuation/Recommendation

- **Maintain BUY with an unchanged target price of RM0.35**, based on a higher 15x 2027F PE (from 12x, in line with its 10-year mean) to account for the anticipated earnings recovery in FY27-28.

Environmental, Social, Governance (ESG) Updates

Environmental

- VS has been certified with the ISO 14001:2015 Environment Management System for assembly services for mechanical and electrical products.

Social

- VS held an In-House Vaccination Programme in Aug 21 and achieved a 99.8% vaccination record for the entire workforce.
- It is proactively engaging with migrant worker rights specialists and independent auditors to improve the welfare of migrant workers in Malaysia.

Governance

- The company has in place an Anti-Corruption Framework which fulfils the requirements in the Guidelines on Adequate Procedures to Section 17A (5) of the Malaysian Anti-Corruption Commission Act 2009.

Sales Assumption

(RMm)	FY26	FY27F	FY28F	FY29F
Sales	3,651	4,003	4,562	4,772
Key Customer	2,390	2,523	2,925	3,071
Customer Z	187	206	227	249
China	40	72	72	72
Indonesia	220	330	330	330
New Key Customers	300	500	600	600
Others	514	372	409	450
Core Net Margin	-0.5%	1.8%	2.7%	2.9%

Source: VS, UOB Kay Hian

Profit & Loss

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Net turnover	3,651	4,003	4,562	4,772
EBITDA	119	236	306	332
Deprec. & amort.	142	126	130	132
EBIT	(23)	110	176	200
Associates	3	3	3	3
Net interest income/(expense)	(13)	(17)	(17)	(17)
Pre-tax profit	(33)	96	161	186
Tax	(22)	(25)	(42)	(49)
Minorities	1	1	2	2
Net profit	(54)	72	121	139
Net profit (adj.)	(17)	72	121	139

Cash Flow

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Operating	207	(49)	136	242
Pre-tax profit	(33)	96	161	186
Tax	(18)	(25)	(42)	(49)
Deprec. & amort.	142	126	130	132
Working capital changes	54	(290)	(156)	(70)
Non-cash items	38	38	38	38
Other operating cashflows	25	6	6	6
Investing	(159)	(150)	(150)	(150)
Capex (growth)	(163)	(150)	(150)	(150)
Investments	(2)	0	0	0
Proceeds from sale of assets	6	0	0	0
Others	0	0	0	0
Financing	(235)	(57)	(72)	(78)
Dividend payments	(15)	(21)	(36)	(41)
Issue of shares	0	1	0	0
Proceeds from borrowings	0	0	0	0
Loan repayment	(198)	(15)	(15)	(15)
Others/interest paid	(21)	(21)	(21)	(21)
Net cash inflow (outflow)	(186)	(257)	(86)	15
Beginning cash & cash equivalent	859	663	406	320
Changes due to forex impact	(14)	0	0	0
Ending cash & cash equivalent	659	406	320	335

Balance Sheet

Year to 31 Jul (RMm)	2026	2027F	2028F	2029F
Fixed assets	930	955	975	993
Other LT assets	294	296	299	301
Cash/ST investment	663	415	338	361
Other current assets	1,786	1,926	2,162	2,251
Total assets	3,673	3,591	3,773	3,906
ST debt	310	310	310	310
Other current liabilities	930	799	898	935
LT debt	311	311	311	311
Other LT liabilities	61	61	61	61
Shareholders' equity	2,062	2,113	2,198	2,296
Minority interest	(2)	(3)	(4)	(6)
Total liabilities & equity	3,673	3,591	3,773	3,906

Key Metric

Year to 31 Jul (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	3.3	5.9	6.7	7.0
Pre-tax margin	(0.9)	2.4	3.5	3.9
Net margin	(1.5)	1.8	2.7	2.9
ROA	(1.5)	2.0	3.2	3.7
ROE	(2.6)	3.4	5.6	6.3
Growth				
Turnover	(5.1)	7.9	28.6	36.4
EBITDA	(65.3)	8.3	52.2	68.8
Pre-tax profit	(201.5)	38.8	161.5	207.5
Net profit	(345.3)	134.6	321.2	391.3
Net profit (adj.)	(132.3)	334.7	67.9	15.2
EPS	(185.2)	56.5	190.0	240.1
Leverage				
Debt to total capital	30.1	29.4	28.3	27.1
Debt to equity	30.1	29.4	28.3	27.1
Net debt/(cash) to equity	(0.0)	9.8	12.9	11.3
Interest cover	8.8	14.0	18.1	19.7

Telecommunications – Malaysia

RM5.2b DNB Financing; Progress Towards MOF Exit From DNB

Highlights

- In a press release, Digital Nasional Bhd (DNB) said it has completed a RM5.2b syndicated Islamic term financing exercise. The financing includes the refinancing of its Government Guarantee Revolving Credit Facility (GGRCF), which expired on 29 Sep 26.
- We expect the Ministry of Finance (MOF) to proceed with the transfer of its shareholding in DNB to three mobile network operators – CelcomDigi, Maxis and YTL Power International – in early 4Q26, with each player taking a 33% equity stake. Ministry of Finance Inc will exit as an ordinary shareholder but retain a special share in DNB to safeguard national interests and oversee key strategic matters.
- The financing was completed alongside the award of the full 100MHz of the 3.3GHz to 3.4GHz (F0) spectrum and the conversion of its entire 240MHz spectrum holding into a spectrum assignment. The spectrum assignment takes effect from 1 Oct 26, following its issuance by the Malaysian Communications and Multimedia Commission.
- DNB has stated that the spectrum assignment will increase network capacity, efficiency and performance, while supporting technologies such as massive MIMO, carrier aggregation, 5G Advanced and AI-driven network capabilities.

Comments

- **Well within expectations.** In its 2Q26 results wrap-up, management of CelcomDigi and Maxis stated than a) DNB losses are not expected to be material to 2026's earnings b) they are holding back on 2027's guidance; and c) no cash call or capital injection is required for DNB's near-term capex requirements, which are likely to be funded by the RM5.2b syndicated loan announced.
- **DNB: Loss of RM400m in 2027; to focus on network densification.** DNB intends to direct its near-term capex towards scaling network capacity and enhancing traffic management. This is to help accommodate rising data consumption in 2027-28. Based on this trajectory, DNB's revenue base is expected to double in 2027, driven by rising 5G data consumption, helping to narrow its estimated net loss of RM800m for 2026 to RM400m in 2027. Maxis, CelcomDigi and YTL Power International will likely work towards efficient use of assets (including towers) to optimise cost structure. We gathered that all parties involved are working aggressively to utilise the existing 30,000 base towers to help reduce the total cost of DNB's 5G operational cost (DNB alone has 8,000 base stations).

Recommendation

- **Maintain MARKET WEIGHT.** Catalysts include Axiata Group's infrastructure asset monetisation and CelcomDigi's synergistic savings by 2027. Our sector top picks are Maxis and CelcomDigi.
- **Key events to look out for in 2H26** include: a) Edotco Group benefitting from U Mobile's capex spent to roll out the second 5G network; b) gradual network expansion for Telekom Malaysia and TIME dotCom – with single dwelling offerings being the main focus; c) the transfer of MOF Inc's share in DNB to CelcomDigi, Maxis and YTL Power International by early-4Q26; and d) the potential partial monetisation of Axiata Group's 63% equity stake in Edotco Group – likely deferred to 2027 based on our recent engagement with the company.

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Market Spotlight

Market News

The FBMKLCI slid 20.81pt to close at 1,630.36 yesterday, dragged by profit taking on index-linked stocks. Meanwhile, Asian stocks were mostly higher on Thursday, with Japanese chipmakers leading gains after strong results from Micron Technology, while softer-than-expected US inflation data eased expectations of another Federal Reserve rate hike this month. The FBMKLCI's top gainers were MISC (+0.52%), and AMMB Holdings (+0.16%), while the top losers were Press Metal Aluminum Holdings (-3.9%), Kuala Lumpur Kepong (-3.5%) and 99 Speed Mart Retail Holdings (-3.5%). In the broader market, losers outpaced gainers 750 to 342 with 495 counters unchanged. Turnover was 3.10b shares valued at RM2.72b.

US stocks were higher after the close on Thursday, as gains in the oil & gas, industrials and utilities sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average rose 0.04%, while the S&P 500 Index climbed 0.20%, and the NASDAQ Composite Index climbed 0.04%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,476 to 1,235 and 87 ended unchanged; on the Nasdaq Stock Exchange, 1,795 fell and 1,617 advanced, while 214 ended unchanged. (Sources: *Investing.com*) the Nasdaq Stock Exchange, 1996 fell and 1386 advanced, while 222 ended unchanged. (Sources: *Investing.com*)

FBMKLCI, FCPO & FKLI Index Outlook

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,630.36
Expected moving range: 1,660-1,700

Technical View:

Given that selling pressure still persists, the FBMKLCI closed in negative territory yesterday and was below the 21-day EMA line yet again after hovering higher in the past few days. The index penetrated the previous immediate support of 1,640 and closed lower at 1,630 yesterday. We suggest investors approach the market cautiously. Support and resistance levels are revised as follows:

Support: 1,640, 1,630

Resistance: 1,683, 1,700

FCPO



Source: TradingView

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

Technical SELL with +1.4% downside

Trading SELL range: RM4,550-4,530
 Last price: RM4,503
 Target price: RM4,463, RM4,442
 Resistance: RM4,621
 Stop-loss: RM4,622

SELL with a target price of RM4,442 and stop-loss at RM4,622. Based on the chart, FCPO formed a series of lower highs and lower lows that indicates the downtrend pattern. This bearish movement is supported by the downtick in RSI and bearish crossover in both MACD and DMI indicators. We peg our targets at RM4,463 and RM4,442 in the near term.

Expected timeframe: One day to three days

FKLI



Source: TradingView

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

Technical SELL with -1.2% downside

Trading SELL range: 1,620-1,630
 Last price: 1,615
 Target price: 1,601, 1,596
 Resistance: 1,631
 Stop-loss: 1,632

SELL with a target price of 1,596 and stop-loss at 1,632. Based on the chart, FKLI hit our both previous targets at 1,627 and 1,617 before continuing the bearish movement to the current level. This bearish movement is supported by the downtick in the RSI and bearish crossovers in both MACD and DMI indicators. We peg our new targets at 1,601 and 1,596 in the near term.

Expected timeframe: One day to three days

Traders' Corner



Source: UOBKH ChartGenie



Source: UOBKH ChartGenie

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Agmo Holdings AGMO MK

Technical BUY on breakout with +20.0% potential return

Trading BUY range: RM0.275-0.28
Last price: RM0.265
Target price: RM0.31, RM0.33
Support: RM0.25
Stop-loss: RM0.245

BUY on breakout with a target price of RM0.33 and stop-loss at RM0.245. Based on the daily chart, share price has gradually recovered to close above both the 7-day and 21-day EMA lines, which indicates a potential bullish movement ahead. This was supported by both the MACD's bullish crossover as well as an uptick in the RSI which suggests stronger buying momentum ahead. We peg our targets at RM0.31 and RM0.33 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Elsoft Research ELSR MK

Technical BUY on breakout with +37.5% potential return

Trading BUY range: RM0.28-0.285
Last price: RM0.265
Target price: RM0.335, RM0.385
Support: RM0.24
Stop-loss: RM0.235

BUY on breakout with a target price of RM0.385 and stop-loss at RM0.235. Based on the daily chart, ELSR formed a bullish movement and closed higher at RM0.265 yesterday. This positive momentum is supported by an uptick in the RSI and a bullish crossover in both the MACD and DMI indicators. Moving forward, we expect ELSR will continue to move towards the previous high of RM0.39 once it manages to penetrate the breakout level of RM0.28.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Genetec Technology GENE MK

Technical BUY on breakout with +26.5% potential return

Trading BUY range:	RM0.34-0.345
Last price:	RM0.325
Target price:	RM0.395, RM0.43
Support:	RM0.30
Stop-loss:	RM0.295

BUY on breakout with a target price of RM0.43 and stop-loss at RM0.295. Yesterday, GENE closed above the BBI line to maintain the upward momentum. Having formed a firm base at the support level of RM0.30, share price has made gains on renewed buying interest. A breakout above RM0.34 would confirm a continuation of the uptrend towards our targets at RM0.395 and RM0.43 in the near term. This is supported by positive RSI readings and the DMI, which is currently on a bullish crossover.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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