



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,521.3	0.5	0.3	(3.5)	7.2
S&P 500	7,818.9	0.6	1.9	1.3	14.2
FTSE 100	10,541.7	0.4	(0.9)	(2.7)	6.1
AS30	8,903.5	0.5	0.2	(3.2)	(1.3)
CSI 300	4,357.6	0.3	(4.1)	(4.4)	(5.9)
FSSTI	5,701.5	0.7	(0.2)	(1.6)	22.7
HSCEI	8,129.0	1.0	(1.1)	(3.6)	(8.8)
HSI	24,280.6	1.0	(1.5)	(5.3)	(5.3)
JCI	6,192.9	1.2	1.2	(6.4)	(28.4)
KLCI	1,633.4	0.1	(0.6)	(4.7)	(2.8)
KOSPI	6,941.4	(0.9)	0.7	(0.8)	64.7
Nikkei 225	70,684.0	1.1	7.9	6.5	40.4
SET	1,582.2	0.4	(0.8)	(2.3)	25.6
TWSE	49,822.6	0.2	4.6	5.3	72.0
BDI	3,002	(2.2)	(5.5)	(17.3)	59.9
CPO (RM/mt)	4,367	0.0	(2.4)	(5.6)	11.0
Brent Crude (US\$/bbl)	101	0.3	(2.0)	4.5	65.3

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

Company Results | Top Glove Corporation (TOPG MK/HOLD/RM0.875/Target: RM0.85)

Page 2 →

- TOPG's earnings grew meaningfully in 4QFY26, as profitability expanded on steep ASP revision to buffer spiking raw material costs due to earlier Middle East tensions. Nevertheless, we anticipate a gradual normalisation of ASP and profitability in coming quarters, in tandem with easing raw material prices. Overall, FY27 should see improving volume sales and better efficiency which provide commendable earnings growth, but the sector's profitability remains under pressure due to competition from China. Maintain HOLD with a higher target price of RM0.85.

Market Spotlight

Page 5 →

- The FBMKLCI extended its gains yesterday, closing 1.60pt higher to close at 1,633.35
- US stocks were higher after the close on Tuesday, as gains in the utilities, consumer services and industrials sectors led shares higher.

Technical Analysis

FBMKLCI, FCPO & FKL Index Outlook

Page 6 →

Traders' Corner

Page 8 →

3Ren | 3REN MK

Page 8 →

- Trading Buy Range: RM0.41-0.415

Comfort Gloves | CG MK

Page 8 →

- Trading Buy Range: RM0.17-0.175

Hartalega Holdings | HART MK

Page 9 →

- Trading Buy Range: RM1.10-1.12

Top Glove Corporation (TOPG MK)

4QFY26: Accelerating Earnings Growth, But Challenges Persist

Highlights

- 4QFY26 earnings were lifted by margin expansion and much higher ASP due to the Middle East tensions. FY26 results are above expectations (149% and 156% of our and the Street's forecasts).
- Despite stable demand and improving efficiency anticipated in FY27-28, intensifying China competition and higher production costs (from natural gas tariffs and minimum wage hike) remain a threat for mid-term earnings.
- Risk-reward appears neutral following yesterday's share price action (+12%). Maintain HOLD with a higher target price of RM0.85 (from RM0.75).

4QFY26 Results

Year to 31 Aug	4QFY26 (RMm)	qoq % chg	yoy % chg	FY26 (RMm)	yoy % chg	Comment
Revenue	1,248.3	14.0	40.3	4,232.1	21.3	Volume (-7% qoq), ASP (+19% qoq)
Operating expenses	(976.6)	11.4	28.9	(3,513.4)	14.3	
EBITDA	271.7	24.1	105.6	718.6	72.9	
EBIT	194.1	37.1	253.6	410.1	274.0	Improved qoq on better margins
Pre-tax profit	133.0	32.2	178.2	317.4	105.5	Higher due to ASP hike (+32% qoq)
Tax	28.9	(243.7)	(336.1)	(4.8)	(81.7)	
Net PATAMI	160.4	98.1	316.0	311.7	185.7	Exceptional item of RM26.5m in 4QFY26
Core PATAMI	187.0	49.0	647.4	372.6	1,442.5	Above expectations
	%	+/- ppt	+/- ppt	%	+/- ppt	
EBITDA margin	20.0	9.0	9.6	15.0	4.1	Steep ASP hike lifted margins
EBIT margin	12.9	9.6	11.9	7.2	5.1	
PBT margin	9.2	5.4	5.4	6.2	2.1	
Eff. tax rate	(20.0)	(1.1)	(30.3)	(18.3)	(4.9)	
Core margin	11.5	8.7	11.7	6.2	6.3	

Source: TOPG, UOB Kay Hian

Analysis

- Above expectations.** Top Glove Corporation (TOPG) reported 4QFY26 core net profit of RM187m (+49% qoq) and higher revenue of RM889.6m (+7% qoq). For FY26, core net profit of RM373m was above our expectation, making up 149% and 156% of our and consensus full-year forecasts respectively. TOPG declared a 1.5 sen dividend for FY26 (FY25: 0.48 sen), which implies a modest 1.7% yield.

Key Financials

Year to 31 Aug (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	3,489.4	4,232.1	4,552.7	4,867.0	5,028.2
EBITDA	394.9	714.8	777.4	832.0	859.7
Operating profit	89.0	406.3	461.2	508.1	526.6
Net profit (rep./act.)	109.1	309.7	278.9	314.5	328.6
Net profit (adj.)	109.1	309.7	278.9	314.5	328.6
EPS	1.4	3.8	3.4	3.9	4.1
PE (x)	64.8	22.8	25.4	22.5	21.5
P/B (x)	1.5	1.4	1.4	1.4	1.3
EV/EBITDA (x)	2.8	1.4	1.3	1.2	1.1
Dividend yield (%)	0.6	1.7	1.9	2.2	2.3
Net margin (%)	3.1	7.3	6.1	6.5	6.5
Net debt/(cash) to equity (%)	11.1	9.4	8.6	8.2	7.8
Interest cover (x)	n.a.	26.2	27.0	28.9	29.8
ROE (%)	2.1	5.9	5.2	5.8	6.0
Consensus net profit	n.a.	n.a.	236.1	276.0	64.6
UOBKH/Consensus (x)	n.a.	n.a.	1.2	1.1	5.1

Source: TOPG, Bloomberg, UOB Kay Hian

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HOLD (Maintained)

Share Price	RM0.875
Target Price	RM0.85
Upside	-2.9%
Previous TP	RM0.75

Stock Data

Sector	Health Care
Bloomberg ticker	TOPG MK
Shares issued (m)	8,018.1
Market cap (RMm)	7,015.9
Market cap (US\$m)	1,717.5
3-mth avg daily t'over (US\$m)	4.9

Price Performance (%)

52-week high/low	RM0.9/RM0.6
1mth	37.8
3mth	28.7
6mth	11.5
1yr	52.2
YTD	35.7

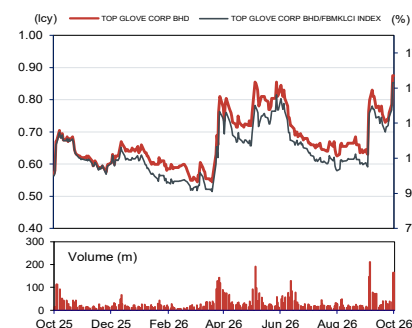
Major Shareholders (%)

Tan Sri Lim Wee Chai	29.13
Central Depository Pte Ltd	15.25
Firstway United Corp	6.92
Employees Provident Fund Board	6.53

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.6
FY26 Net Debt/Share (RM)	0.0

Price Chart



Source: Bloomberg

Company Description

Latex glove manufacturer.

- **Operating parameters improved in 4QFY26.** 4QFY26 volume sales weakened 7% qoq, reflecting moderating sales as customers' restocking cycle for latex and surgical gloves slowed down. Nevertheless, ASP increased meaningfully (+19% qoq) to around US\$23.70/'000 pcs. Coupled with higher MYR/USD rates (+2.7% qoq) and softening input costs as key raw material prices declined from the Iran war peak, earnings surged 49% qoq. Utilisation rate for the quarter was around 71% based on the current effective capacity of approximately 72b pieces annually (3QFY26: 81%).
- **ASP hike in 1QFY27 to pass through higher costs.** Following the natural gas tariff hike of 30-35% beginning October, TOPG and other Malaysian glovemakers raised their nitrile glove ASPs to US\$22-23/'000 pcs. Nevertheless, these ASP revisions are mainly cost-push initiatives to pass through cost pressures (higher fuel and raw material prices) that are exerting margins. While we expect a gradual cost pass through, we opine that 1HFY27 earnings will likely moderate from 4QFY26's high base.
- **Volume sales to sustain at high levels in FY27, allowing 8-10% yoy growth and exceeding pre-COVID-19 levels...** Management estimates that FY27 volume sales may improve to 4.5b-4.6b pieces per month. This will allow FY27 volume sales to reach 54b-56b pieces, an 8-10% yoy growth and exceeding FY19's (pre-COVID-19) 52b pieces. Utilisation rate will also see a meaningful improvement from FY25's 60-65% to above 80% in FY27, based on a running capacity of 72b pieces by end-26.
- **...but profitability margin takes time to recover.** Despite strengthening volume sales, we estimate that profitability margin may take a longer time to recover back to FY19's level. This is mainly due to aggressive competition from China glovemakers and a weakening MYR/USD rate.
- **Competition remains intense within European markets.** Outside of the US, we expect continuously aggressive ASP competition from China manufacturers in other regions. With the loss of US sales, we reckon intense competition from China manufacturers will cap ASP upside in non-US markets for Malaysian producers. That said, we estimate China glove manufacturers' breakeven ASP at US\$16/'000 pieces, and they are unlikely to excessively dump their inventories at lower ASPs. The potential decline in Europe sales will likely be mitigated by increasing US orders.
- **Positive trend from cash flow and balance sheet items.** We understand that TOPG's current breakeven cost for generic nitrile gloves is US\$14-15/'000 pieces (assuming normalised raw material prices), comparable with its China competitors. Although earnings have not recovered fully back to pre-pandemic levels, we opine that TOPG's improving efficiency and cost base promise a gradual recovery in operating matrices. With the earlier redemption of perpetual sukuk and borrowings reduction, TOPG has turned net cash, with the gearing ratio decreasing to -0.03x (FY19: 0.85x). We expect to see stronger operating cash flow and balance sheet in the coming quarters.

Valuation/Recommendation

- **Maintain HOLD with a higher target price of RM0.85 (from RM0.75),** which is pegged to 24x 2027F PE (normalised five-year mean).
- Despite an improving outlook from management in the post-results briefing, we remain cautious on fluid industry dynamics as intensifying competition from China glove manufacturers poses medium- to long-term challenges in terms of ASP and margin.

Earnings Revision/Risk

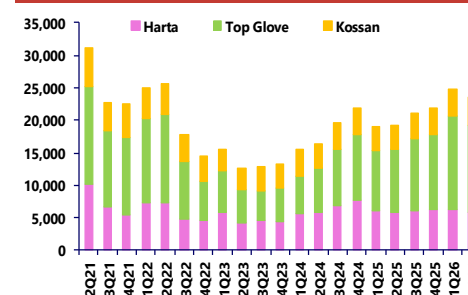
- We have raised our FY27-28 earnings forecasts upward by 17-21% to reflect the improving ASP and operating efficiency, which lifts EBITDA margin.

Assumptions

	FY26F	FY27F	FY28F
Revenue (RMm)	4,232	4,553	4,867
ASP Growth yoy (%)	21	8	7
EBITDA Margin (%)	15.3	15.6	15.7
PAT (RMm)	371	279	315
Growth yoy (%)	763	-25	13
Margin (%)	8.8	6.1	6.5

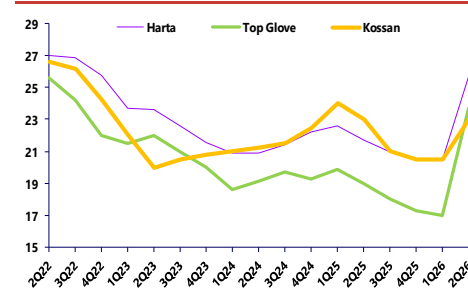
Source: UOB Kay Hian

Malaysian Glove Players' Quarterly Sales Volume (m' pcs)



Source: Respective companies, UOB Kay Hian

Malaysian Glove Players' Quarterly ASP Chart (US\$' 1,000 pieces)



Source: Respective companies, UOB Kay Hian

Environmental, Social, Governance (ESG)

Environmental

- **Water management.** To reduce municipal water consumption intensity by 34% to 0.151m³/1,000 pcs gloves with the use of in-house water cycling facilities.
- **Energy management.** To reduce electricity and natural gas consumption intensity by 26% and 25% respectively.

Social

- **Human rights and labour management.** Verified by independent third-party consultant that TOPG is free of all 11 International Labour Organisation (ILO) forced labour indicators.

Governance

- **Gender diversity.** 42% of its board of directors are female.

Profit & Loss

Year to 31 Aug (RMm)	2026	2027F	2028F	2029F
Net turnover	4,232	4,553	4,867	5,028
EBITDA	715	777	832	860
Deprec. & amort.	309	316	324	333
EBIT	406	461	508	527
Total other non-operating income	(69)	(69)	(69)	(69)
Associate contributions	4	4	4	4
Net interest income/(expense)	(27)	(29)	(29)	(29)
Pre-tax profit	314	367	414	432
Tax	(4)	(88)	(99)	(104)
Minorities	0	0	0	0
Net profit	310	279	315	329
Net profit (adj.)	310	279	315	329

Cash Flow

Year to 31 Aug (RMm)	2026	2027F	2028F	2029F
Operating	421	585	638	674
Pre-tax profit	314	367	414	432
Tax	(73)	(88)	(99)	(104)
Deprec. & amort.	309	316	324	333
Associates	(4)	(4)	(4)	(4)
Working capital changes	(152)	(35)	(25)	(13)
Non-cash items	0	0	0	0
Other operating cashflows	27	29	29	29
Investing	(407)	(150)	(200)	(220)
Capex (growth)	(118)	(150)	(200)	(220)
Proceeds from sale of assets	0	0	0	0
Others	(289)	0	0	0
Financing	(32)	(368)	(386)	(393)
Dividend payments	(39)	(139)	(157)	(164)
Proceeds from borrowings	0	0	0	0
Loan repayment	0	(200)	(200)	(200)
Others/interest paid	7	(29)	(29)	(29)
Net cash inflow (outflow)	(18)	67	52	61
Beginning cash & cash equivalent	298	268	335	388
Changes due to forex impact	(12)	0	0	0
Ending cash & cash equivalent	268	335	388	449

Balance Sheet

Year to 31 Aug (RMm)	2026	2027F	2028F	2029F
Fixed assets	3,032	3,190	3,266	3,353
Other LT assets	1,480	1,480	1,480	1,480
Cash/ST investment	375	401	408	418
Other current assets	1,800	1,475	1,528	1,556
Total assets	6,635	6,572	6,754	6,929
ST debt	39	39	39	39
Other current liabilities	696	498	525	540
LT debt	799	799	799	800
Other LT liabilities	156	156	156	156
Shareholders' equity	4,921	5,061	5,218	5,382
Minority interest	24	20	16	12
Total liabilities & equity	6,635	6,572	6,754	6,929

Key Metric

Year to 31 Aug (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	16.9	17.1	17.1	17.1
Pre-tax margin	7.4	8.1	8.5	8.6
Net margin	7.3	6.1	6.5	6.5
ROA	4.2	3.8	4.3	4.4
ROE	5.9	5.2	5.8	6.0
Growth				
Turnover	(24.0)	(18.3)	(12.7)	(9.8)
EBITDA	18.8	29.2	38.2	42.9
Pre-tax profit	(14.2)	0.4	13.2	18.3
Net profit	31.2	18.2	33.3	39.2
Net profit (adj.)	184.0	(10.0)	12.8	4.5
EPS	31.2	18.2	33.3	39.2
Leverage				
Debt to total capital	16.9	16.5	16.0	15.6
Debt to equity	17.0	16.6	16.1	15.6
Net debt/(cash) to equity	9.4	8.6	8.2	7.8
Interest cover	26.2	27.0	28.9	29.8

Market Spotlight

Market News

The FBMKLCI extended its gains yesterday, closing 1.60pt higher to close at 1,633.35. Meanwhile, Asian stocks rose in choppy trade on Tuesday as a record Nasdaq close overnight offered some support, while elevated US Treasury yields and oil prices limited risk appetite. The FBMKLCI's top gainers were Petronas Chemicals Group (+4.1%), Sunway Healthcare Holdings (+2.5%) and Kuala Lumpur Kepong (+2.2%), while the top losers were IOI Properties Group (-1.2%), Public Bank (-0.85%) and Mr D.I.Y. Group (M) (-0.79%). In the broader market, gainers outpaced losers 667 to 456 with 551 counters unchanged. Turnover was 4.18b shares valued at RM2.94b.

US stocks were higher after the close on Tuesday, as gains in the utilities, consumer services and industrials sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average added 0.49%, while the S&P 500 Index climbed 0.58%, and the NASDAQ Composite Index gained 0.45%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,642 to 1,075 and 78 ended unchanged; on the Nasdaq Stock Exchange, 1,925 fell and 1,463 advanced, while 206 ended unchanged. (*Sources: Investing.com*)

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,633.35
Expected moving range:	1,660-1,700

Technical View:

The FBMKLCI has pared down earlier losses as it managed to close in green territory yesterday. Despite a shaky short-term outlook, we remain optimistic for the index to recover once the selling pressure normalises. For now, we expect sideways movement ahead with the benchmark index likely to consolidate further. Support and resistance levels are maintained as follow:

Support: 1,640, 1,630

Resistance: 1,683, 1,700

FCPO



Source: TradingView

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

Technical BUY with +5.3% potential return

Trading BUY range: RM4,550-4,600
Last price: RM4,558
Target price: RM4,717, RM4,799
Resistance: RM4,502
Stop-loss: RM4,501

BUY with a target price of RM4,799 and stop-loss at RM4,501. Based on the chart, FCPO continues the bullish movement and closed higher at RM4,558. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We maintained our targets at RM4,717 and RM4,799 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 -2.1% downside

Trading SELL range: 1,620-1,630
Last price: 1,629.5
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 continues the bearish movement and closed lower at 1,629.5 yesterday. This bearish movement is supported by the downtick in the RSI and bearish crossovers in both MACD and DMI indicators. We maintained our targets at 1,601 and 1,596 in the near term.

Expected timeframe: One day to three days

Traders' Corner



Source: UOBKH ChartGenie

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3Ren

3REN MK

Technical BUY on breakout with +20.7% potential return

Trading BUY range:	RM0.41-0.415
Last price:	RM0.39
Target price:	RM0.46, RM0.495
Support:	RM0.365
Stop-loss:	RM0.36

BUY on breakout with a target price of RM0.495 and stop-loss at RM0.36. The successful close above the BBI line yesterday suggests improving sentiment as 3REN looks set to resume the short-term uptrend. This is supported by an uptick in the RSI. Currently, both the MACD and the DMI are showing positive signals, which will support the upward momentum. We peg our targets at RM0.46 and RM0.495 once the stock penetrates the breakout level of RM0.41.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Comfort Gloves

CG MK

Technical BUY with +40.0% potential return

Trading BUY range:	RM0.17-0.175
Last price:	RM0.175
Target price:	RM0.22, RM0.245
Support:	RM0.14
Stop-loss:	RM0.135

BUY with a target price of RM0.245 and stop-loss at RM0.135. Share price has recovered from the strong support region of RM0.14 as it continues to climb along the rising trendline. The bullish bias has been established following an uptick in the DMI and bullish crossover in the MACD. We peg our targets at RM0.22 and RM0.245 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Hartalega Holdings HART MK

Technical BUY with +21.4% potential return

Trading BUY range: RM1.10-1.12
Last price: RM1.12
Target price: RM1.29, RM1.36
Support: RM1.01
Stop-loss: RM0.995

BUY on breakout with a target price of RM1.36 and stop-loss at RM0.995. Yesterday, the stock closed above the BBI line and we expect HART to continue moving up. This bullish movement is supported by the DMI which is currently showing a positive signal. This is also consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We peg our targets RM1.29 and RM1.36 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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