UOBKayHian

Country Daily | Malaysia

Wednesday, 11 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,231.9	(0.3)	0.9	1.1	8.7
S&P 500	7,520.9	(0.4)	(0.6)	(3.7)	9.9
FTSE 100	10,751.6	(0.3)	1.1	1.9	8.3
AS30	9,245.7	(0.2)	3.2	4.1	2.5
CSI 300	4,059.1	0.1	1.3	(6.0)	(12.3)
FSSTI	5,258.6	1.5	(0.9)	(2.7)	13.2
HSCEI	8,265.8	0.1	4.1	1.4	(7.3)
HSI	24,557.0	0.4	4.4	1.4	(4.2)
JCI	5,125.7	1.0	4.5	(15.9)	(40.7)
KLCI	1,604.1	(0.8)	(1.0)	(0.3)	(4.5)
KOSPI	5,239.1	4.4	(7.3)	(20.9)	24.3
Nikkei 225	60,459.6	2.9	(4.2)	(12.4)	20.1
SET	1,496.3	1.6	0.4	(5.2)	18.8
TWSE	42,711.9	2.5	(1.4)	(13.4)	47.5
BDI	2,862	0.3	10.5	(1.9)	52.5
CPO (RM/mt)	4,020	(4.5)	(7.6)	(7.9)	2.2
Brent Crude (US$/bbl)	92	(0.6)	(11.2)	(12.1)	51.2

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
1HFY27 Post Results briefing with Valuetronics Holdings Ltd (VALUE SP)	Singapore	11 Nov	11 Nov
Analyst Marketing by Johnny Yum on GC AI Sector	Taipei	17 Nov	18 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Bangkok	23 Nov	23 Nov
Corporate Roadshow with NTT DC REIT (NTTDCR SP)	Kuala Lumpur	25 Nov	25 Nov
Virtual Analyst Presentation by Jonathan Koh on S-REITs Results Wrap	Singapore	25 Nov	25 Nov
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Industrial Production	Malaysia	10 Nov
Manufacturing Sales	Malaysia	10 Nov
GDP 3Q26	Malaysia	18 Nov

Top Stories

Sector Update | Plantation — Page 2 →

- MPOB's Oct 26 data showed palm oil inventories rising for a seventh consecutive month to a record 3.62m tonnes, but the 111,000-tonne build was a sixth of September's and below market expectation as exports jumped 55.7% mom. We expect stocks to peak in November and to decline from December as output turns seasonally lower. Maintain OVERWEIGHT.

Company Results | Sunway REIT (SREIT MK/**BUY**/RM2.03/Target: RM2.40) — Page 4 →

- 3Q26 results are within our expectations. Retail tenant sales psf growth moderated to 2% yoy ytd (1H26: +4%), although footfall remained resilient. Nevertheless, management expects full-year tenant sales growth to remain in positive territory, while rental reversion in Sunway 163 Mall could improve after the completion of its AEI. Maintain BUY with a lower target price of RM2.40. While the timeline for sponsor asset acquisition appears slower than our expectation, any eventual acquisitions are likely to be DPU-accretive.

Market Spotlight

Page 7 →

- The FBMKLCI continued to drop 12.51pt and closed at 1,604.07 yesterday as investors remain cautious over the uncertain global environment and lack of fresh local catalysts.
- US stocks closed lower on Tuesday, as a hotter-than-expected inflation reading hardened expectations for a rate hike from the Federal Reserve next month and fueled concerns the central bank may be more aggressive in raising rates.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook — Page 8 →

Traders' Corner — Page 10 →

LGMS | LGMS MK — Page 10→

- Trading Buy Range: RM0.54-0.55

Leong Hup International | LHIB MK — Page 10 →

- Trading Buy Range: RM0.755-0.76

Hume Cement Industries | HUME MK — Page 11 →

- Trading Buy Range: RM2.66-2.67

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.

Plantation

Export Surge Slows The Stock Build

Highlights

- MPOB's Oct 26 data showed Malaysia's palm oil stocks rising 3.2% mom to a fresh record of 3.62m tonnes, below the 3.75m-tonne Reuters poll median. Exports jumped 55.7% mom to 1.71m tonnes, the steepest monthly rise in our data, and offset record production of 2.15m tonnes.
- We expect stocks to peak in November at 3.6m-3.8m tonnes and to decline from December as output turns seasonally lower.
- Maintain OVERWEIGHT. Sector picks: SD Guthrie (BUY/Target: RM8.30), Genting Plantations (BUY/Target: RM7.42) and Kuala Lumpur Kepong (BUY/Target: RM28.50).

Analysis

- **MPOB's Oct 26 data.** Palm oil inventory rose 3.2% mom to 3.62m tonnes, a seventh straight build and a fresh record (+44.4% yoy). The 110,609-tonne increase was a sixth of September's build and left stocks about 130,000 tonnes below the 3.75m-tonne Reuters poll median. The stock/usage ratio eased to 1.75x from 2.37x.
- **Production rose 1.7% mom to 2.15m tonnes,** a second straight monthly record (+5.4% yoy), at the lower end of the 1-5% rise in our survey and below the Reuters poll's 2.20m tonnes. Sabah led (+7.2% mom), while Sarawak (+0.5%) and Peninsular Malaysia (+0.1%) were flat. The national oil extraction rate rose 0.08ppt to 20.34%. 10M26 output of 16.90m tonnes was up 2.3% yoy.
- **Exports jumped 55.7% mom to 1.71m tonnes,** the steepest monthly rise in our data back to 1992 and the highest volume since Oct 24. This beat both the 45.4% rise in cargo surveyor estimates and the Reuters poll's 1.60m tonnes, consistent with restocking after India's duty cut and ahead of Diwali. Crude and processed palm oil exports rose 54.5% and 56.3% mom respectively. 10M26 exports of 13.23m tonnes were 4.0% ahead yoy.
- **Imports fell 54.9% mom to 26,207 tonnes,** implying domestic disappearance eased 6.7% mom to 360,629 tonnes. Stronger exports explain most of the gap to the Reuters poll.
- **Outlook.** We expect stocks to peak in November at 3.6m-3.8m tonnes and to decline from December. November output has fallen in each of the past 10 years (median: -7% mom), and Southern Peninsular Palm Oil Millers' Association (SPPOMA) estimates 1-5 November output fell 9.7%. Exports are the swing factor: holding October's pace would trim stocks, while the median 12% seasonal fall would lift them to about 3.8m tonnes. Confirmation point: stocks at or below 3.8m tonnes in MPOB's November data, due around 10 December.

Analyst(s)

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OVERWEIGHT (Maintained)

Segmental Rating

Segment	Rating
Plantation	OVERWEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Genting Plantations	GENP MK	BUY	5.42	7.42
Kuala Lumpur Kepong	KLK MK	BUY	20.56	28.50
SD Guthrie	SDG MK	BUY	5.94	8.30

Source: Bloomberg, UOB Kay Hian

CPO Price Assumptions (RM/Tonne)

	CPO Price (RM/tonne)
2021	4,408
2022	5,088
2023	3,810
2024	4,180
2025	4,306
Our Forecast:	
2026F	4,500
2027F	4,700
CPO Price:	
MPOB Oct 26 average	4,406
BMD 3rd Month Contract	4,258

Source: MPOB, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Share Price 10 Nov 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 (lcy)	Price/ NAV ps (x)
Hap Seng Plantations	HAPL MK	BUY	2.31	3.05	32.0	Dec-26	16.0	10.7	9.1	4.8	6.3	1,849.2	0.9
Genting Plantations	GENP MK	BUY	5.42	7.42	36.9	Dec-26	14.2	11.4	10.2	5.4	6.1	4,861.0	1.1
IOI Corporation	IOI MK	BUY	4.57	5.50	20.4	Jun-27	19.7	15.8	15.2	2.8	13.2	28,720.5	2.1
Kuala Lumpur Kepong	KLK MK	BUY	20.56	28.50	38.6	Sep-26	29.8	14.8	12.6	2.9	(4.3)	22,957.2	1.9
SD Guthrie	SDG MK	BUY	5.94	8.30	39.7	Dec-26	17.3	14.9	13.6	3.7	15.4	41,083.1	2.0

Source: Bloomberg, UOB Kay Hian

MPOB'S Oct 26 Statistics

(m tonne)	Oct 25	Sep 26	Oct 26	mom % chg	yoy % chg	10M25	10M26
CPO Production	2.04	2.12	2.15	1.7	5.4	16.52	16.90
Palm Oil Domestic Use	0.24	0.39	0.36	(6.7)	47.9	3.71	3.69
Palm Oil Exports	1.69	1.10	1.71	55.7	1.3	12.72	13.23
Oleochemical	0.25	0.24	0.32	34.3	26.8	2.27	2.52
Biodiesel	0.02	0.00	0.01	84.5	(76.5)	0.29	0.20
Palm Oil Imports	0.04	0.06	0.03	(54.9)	(27.8)	0.71	0.58
Palm Oil Stocks	2.51	3.51	3.62	3.2	44.4	2.51	3.62

Source: MPOB, UOB Kay Hian

Oct 26 CPO Production By Region And State

(m tonne)	Oct 25	Sep 26	Oct 26	mom % chg	yoy % chg	10M25	10M26
Johor	0.31	0.34	0.34	0.8	10.0	2.58	2.67
Pahang	0.36	0.34	0.37	9.0	0.8	2.84	2.61
Perak	0.18	0.20	0.18	(11.5)	(3.3)	1.71	1.71
Negeri Sembilan	0.07	0.08	0.08	0.7	9.6	0.60	0.58
Selangor	0.05	0.06	0.05	(11.4)	4.1	0.48	0.48
Terengganu	0.06	0.06	0.06	0.7	7.1	0.38	0.43
Kelantan	0.04	0.04	0.05	13.7	2.6	0.34	0.31
Kedah	0.02	0.02	0.02	(10.2)	(6.0)	0.24	0.21
Other States	0.02	0.02	0.02	(26.2)	(18.6)	0.19	0.19
Peninsular Malaysia	**1.12**	**1.15**	**1.15**	**0.1**	**3.2**	**9.37**	**9.19**
Sabah	0.45	0.46	0.49	7.2	10.1	3.54	3.77
Sarawak	0.48	0.51	0.51	0.5	6.0	3.61	3.95
East Malaysia	**0.93**	**0.96**	**1.00**	**3.7**	**7.9**	**7.14**	**7.72**

Source: MPOB, UOB Kay Hian

Valuation/Recommendation

- **Maintain OVERWEIGHT.** We remain constructive, underpinned by structural demand growth from regional biofuel mandates, namely Indonesia's B50. We keep our CPO price forecasts at RM4,500 and RM4,700 per tonne for 2026 and 2027 respectively as a strong El Niño would cut Malaysian output by 8% in 2027. With MPOB's 10M26 average at RM4,404 per tonne and Bursa futures below RM4,300, there is downside risk to our 2026 forecast.
- **Top picks.** We like SD Guthrie as a liquid big-cap play on the CPO backdrop, supported by its renewable energy and industrial park pivot. Kuala Lumpur Kepong is our laggard pick on a progressive downstream earnings recovery.
- **Export duty waiver under review.** The Finance Ministry is reviewing a proposal to temporarily suspend Malaysia's CPO export duty, which stands at 10% for November. Industry estimates put Malaysian CPO at a RM700-900 per tonne disadvantage to Indonesian supply. A suspension would help draw down inventories and lift domestic CPO prices for upstream planters.

Sector Catalyst/Risk

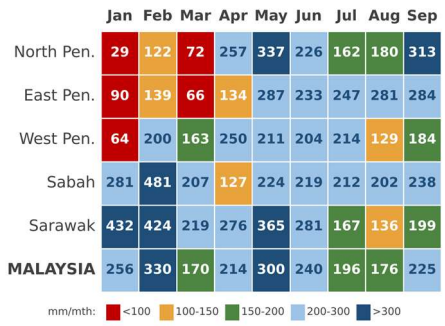
- **Catalyst: Export duty suspension.** A temporary waiver would improve competitiveness against Indonesia and speed up the stock drawdown.
- **Risk: Weaker post-Diwali demand.** A sharper fall in Indian buying after October's restocking would extend the stock build into December.

Malaysia Palm Oil Production



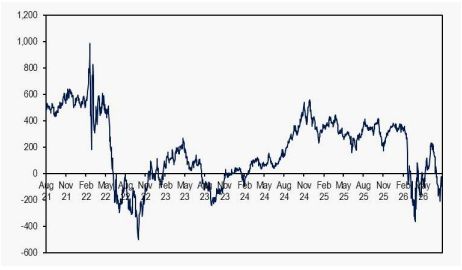
Source: MPOB, UOB Kay Hian

Rainfall By Region, Jan-Sep 26 (MM/Mth)



Note: Colour shows monthly rainfall against the 150-200mm/month optimum for oil palm. Sep 26 data are preliminary.
Source: CHIRPS, UOB Kay Hian

Palm Oil – Gasoil Spread (US$/Tonne)



Source: Bloomberg, UOB Kay Hian

CPO Price Sensitivity (Per RM100/Tonne)

Company	Net Profit Impact (%)
Hap Seng Plantations	8-9
Genting Plantations	7-8
IOI Corporation	4-5
Kuala Lumpur Kepong	4-5
SD Guthrie	7-8

Source: UOB Kay Hian

Sunway REIT (SREIT MK)

3Q26: In Line; Expect A Better 4Q26 On Seasonality

Highlights

- Results are in line, with 9M26 core net profit reaching 74% of our full-year forecast.
- Retail tenant sales psf growth moderated to 2% yoy in 9M26 (1H26: +4%), although footfall remained resilient. Nevertheless, management expects full-year tenant sales growth to remain in positive territory, while rental reversion in Sunway 163 Mall could improve after the completion of its AEI.
- Maintain BUY with a lower target price of RM2.40 as we roll over our valuation base to 2027 and lift our cost of equity assumptions. While the timeline for sponsor asset acquisition appears slower than our expectation, any eventual acquisitions are likely to be DPU-accretive.

3Q26 Results

Year to 31 Dec (RMm)	3Q26	qoq%	yoy%	9M26	yoy%
Gross Revenue	**232.3**	**5.4**	**(1.7)**	**675.7**	**1.3**
Retail	176.6	(0.3)	5.6	538.7	8.7
Hotel	30.2	67.1	(13.7)	61.3	(9.7)
Office	20.7	1.5	3.1	61.4	0.8
Others	4.8	1.8	(66.0)	14.3	(66.3)
Operating expenses	(58.5)	2.0	5.4	(174.5)	0.5
Net Property Income	**173.8**	**6.6**	**(3.9)**	**501.2**	**1.7**
Retail	128.3	(1.6)	5.3	395.0	12.0
Hotel	29.0	71.1	(14.4)	57.8	(10.2)
Office	12.5	3.8	5.9	37.0	1.5
Others	3.9	10.0	(70.6)	11.4	(71.0)
Core Net Profit	**122.0**	**8.6**	**(5.0)**	**349.1**	**4.2**
EPU (sen)	3.56	8.6	(5.0)	10.2	4.2
DPU (sen)	0.00	n.m.	n.m.	6.28	10.6

Source: Sunway REIT, UOB Kay Hian

Analysis

- **In line.** Sunway Real Estate Investment Trust (SREIT) reported 3Q26 revenue of RM232m (+5% qoq, -2% yoy) and core net profit of RM122m (+9% qoq, -5% yoy). This brings 9M26 core net profit to RM349m (+4% yoy), accounting for 74% and 77% of our and consensus full-year forecasts respectively, in line with our expectations.
- **Gross gearing rose to 43.0% as of end-3Q26** (2Q26: 40.6%) following the early drawdown of financing to refinance debt due in Dec 26, as the company locked in competitive rates ahead of a potential OPR hike. Average cost of debt was at 3.62%.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	767.1	894.3	922.9	962.4	1,011.6
Operating profit	569.7	658.0	676.5	709.3	745.5
Net profit (rep./act.)	524.8	539.4	465.7	486.5	509.0
Net profit (adj.)	364.5	453.6	465.7	486.5	509.0
EPU (sen)	10.6	13.2	13.6	14.2	14.9
DPU (sen)	10.0	14.5	13.3	13.9	14.6
PE (x)	19.1	15.3	14.9	14.3	13.7
P/B (x)	1.3	1.3	1.3	1.3	1.3
DPU yield (%)	4.9	7.1	6.6	6.9	7.2
Net margin (%)	47.5	50.7	50.5	50.5	50.3
Net debt/(cash) to asset (%)	33.7	38.7	36.0	37.0	38.0
Interest cover (x)	3.4	4.0	4.3	4.3	4.2
Consensus DPU (sen)	-	-	12.8	13.3	14.2
UOBKH/Consensus (x)	-	-	1.0	1.0	1.0

Source: Sunway REIT, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM2.03
Target Price	RM2.40
Upside	18.2%
Previous TP	RM2.80

Stock Data

Sector	Real Estate
Bloomberg ticker	SREIT MK
Shares issued (m)	3,424.8
Market cap (RMm)	6,952.4
Market cap (US$m)	1,703.7
3-mth avg daily t'over (US$m)	1.9

Price Performance (%)

52-week high/low				RM2.67/RM2.02
1mth	**3mth**	**6mth**	**1yr**	**YTD**
(1.9)	(9.8)	(15.4)	(8.1)	(12.1)

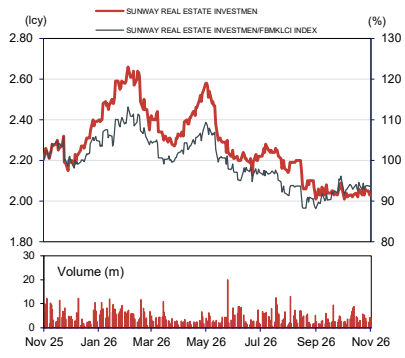
Major Shareholders (%)

Sunway Bhd	40.9
Employees Provident Fund	13.1
Kumpulan Wang Persaraan	5.3

Balance Sheet Metrics

FY26 NAV/Share (RM)	1.88
FY26 Net Debt/Share (RM)	1.17

Price Chart



Source: Bloomberg

Company Description

Sunway Real Estate Investment Trust invests in retail, office, and hotel properties.

- **Solid retail segment.** 3Q26 retail NPI grew 5% yoy, supported by Sunway Carnival Mall (+18% yoy) and Sunway Putra Mall (+21% yoy). Sunway Pyramid Mall recorded a modest 1% yoy NPI growth. Overall, retail NPI margin eased slightly to 72.7% (3Q25: 72.9%). Ytd average gross rent grew 5% yoy, with management guiding for single-digit growth for 2026. Meanwhile, tenant sales psf growth moderated to 2% yoy ytd (1H26: +4%), although footfall remained resilient. Separately, phase 1 of Sunway 163 Mall's AEI is nearing completion, with reopening slated for mid-Dec 26, paving the way for rental uplift from 2027.
- **Hotel: Softer yoy on weaker Middle East arrivals.** 3Q26 hotel NPI fell 14% yoy, due to: a) a high base, and b) softer-than-expected Middle Eastern tourist arrivals during the summer peak season, which weighed on room rates. Average hotel occupancy was stable yoy at 65%, reflecting Sunway Putra Hotel's higher occupancy (+6ppt yoy to 63%) from MICE activities. Management noted limited spillover benefits from the F1 event in Oct 26 for its Klang Valley hotels, given existing bookings and events over the same weekend. Nonetheless, banquet and MICE activities remained healthy, with 9M26 banquet occupancy improving to 65% (vs 9M25: 58%). Management remains cautiously optimistic on 4Q26, underpinned by year-end travel demand, proactive pricing and sustained banqueting and MICE activities.
- **Office: Stable.** 3Q26 office revenue and NPI rose 3% and 6% yoy respectively, supported by higher occupancy at Sunway Putra Tower (88% vs 68% in 3Q25) and lower utilities expenses. Overall office occupancy improved to 84% in 9M26 (9M25: 81%).
- **Development cost for the new Sunway Hotel Seberang Jaya rose** 14% to RM160m (previously RM140m), as specifications for the hotel's customer-facing areas were upgraded to suit its location and positioning. Cumulative cost incurred reached RM19m, with completion targeted for 4Q27. Meanwhile, the RM462m Sunway Pier redevelopment remains on track for completion in 2H28, with construction progress at 40% currently.

Valuation/Recommendation

- **Maintain BUY with a lower target price of RM2.40 (from RM2.80),** as we roll over our valuation base to 2027 and increase our cost of equity assumption from 6.9%. Our DDM-based target price implies a 5.8% 2027 dividend yield (vs 10-year mean of 5.6%), based on a 7.6% cost of equity and terminal growth rate of 1.5%. It currently offers a 12-month forward yield spread of 298bps, higher than the 10-year historical mean of 207bps.

Earnings Revision/Risk

- We tweak our 2026-28 forecasts by -0.7% to +0.5% for housekeeping purposes.

Environment, Social, Governance (ESG) Updates

Environmental

- SREIT aims to achieve Net Zero Carbon Emissions by 2050.
- Established internal carbon pricing framework at RM15 per tonne of CO2e emitted.

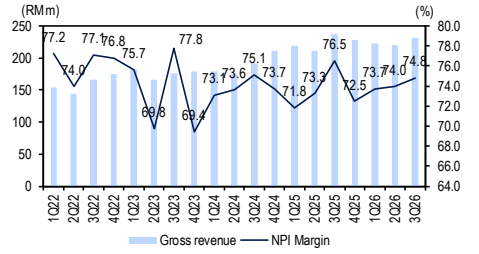
Social

- Established a Sustainability Policy and a Donations, Sponsorships and Corporate Responsibility Policy to guide the execution of sustainability as well as its commitment towards contributing to the communities.
- Formed an Occupational, Health, Safety and Environment Committee at the business segment level.

Governance

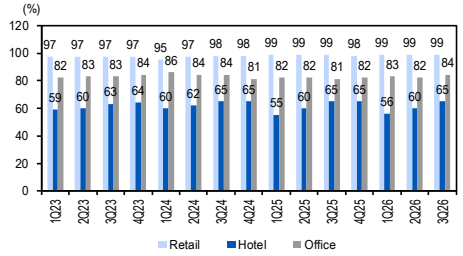
- About 43% of the Board of Directors are women.
- Adopted the Anti-Bribery and Corruption Policy and Procedure and is further supported by the existing Whistleblowing Policy and Procedures.

Revenue And NPI Margin



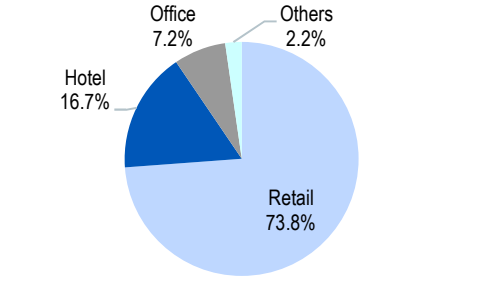
Source: SREIT, UOB Kay Hian

Portfolio Occupancy Rate



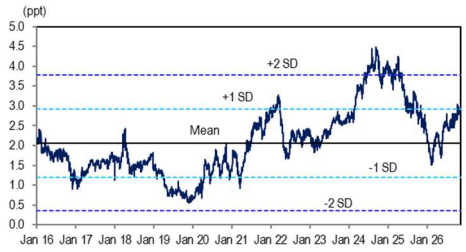
Source: SREIT, UOB Kay Hian

NPI Breakdown (3Q26)



Source: SREIT, UOB Kay Hian

12-Month Forward Yield Spread



Source: SREIT, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**894.3**	**922.9**	**962.4**	**1,011.6**
EBITDA	658.0	676.5	709.3	745.5
Deprec. & amort.	0.0	0.0	0.0	0.0
EBIT	658.0	676.5	709.3	745.5
Total other non-operating income	(39.5)	(55.1)	(56.7)	(58.3)
Net interest income/(expense)	(164.9)	(155.7)	(166.1)	(178.2)
Pre-tax profit	**547.7**	**465.7**	**486.5**	**509.0**
Tax	(8.4)	0.0	0.0	0.0
Net profit	**539.4**	**465.7**	**486.5**	**509.0**
Net profit (adj.)	453.6	465.7	486.5	509.0

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	10,202.9	10,388.1	10,603.4	10,788.7
Other LT assets	0.6	0.6	0.6	0.6
Cash/ST investment	360.9	382.2	397.7	417.0
Other current assets	98.6	40.9	42.7	44.9
Total assets	**10,663.0**	**10,811.9**	**11,044.4**	**11,251.1**
ST debt	2,597.6	2,782.8	2,998.1	3,183.4
Other current liabilities	439.4	403.1	420.3	441.8
LT debt	1,731.4	1,731.4	1,731.4	1,731.4
Other LT liabilities	20.4	20.4	20.4	20.4
Shareholders' equity	5,874.2	5,874.2	5,874.2	5,874.2
Total liabilities & equity	**10,663.0**	**10,811.9**	**11,044.4**	**11,251.1**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**721.1**	**582.7**	**668.1**	**706.5**
Pre-tax profit	1,041.4	922.9	962.4	1,011.6
Deprec. & amort.	0.0	0.0	0.0	0.0
Working capital changes	(349.0)	(285.1)	(237.6)	(246.8)
Other operating cashflows	28.7	(55.1)	(56.7)	(58.3)
Investing	**190.4**	**(125.3)**	**(215.3)**	**(185.3)**
Capex (maintenance)	(142.9)	(142.9)	(172.9)	(142.9)
Investments	466.5	60.0	0.0	0.0
Proceeds from sale of assets	(42.4)	(42.4)	(42.4)	(42.4)
Others	(90.9)	0.0	0.0	0.0
Financing	**(940.3)**	**(436.2)**	**(437.4)**	**(501.9)**
Distribution to unitholders	(509.2)	(465.7)	(486.5)	(509.0)
Issue of shares	0.0	0.0	0.0	0.0
Proceeds from borrowings	2,416.7	185.3	215.3	185.3
Loan repayment	(2,651.9)	0.0	0.0	0.0
Others/interest paid	(195.9)	(155.7)	(166.1)	(178.2)
Net cash inflow (outflow)	**71.2**	**21.3**	**15.5**	**19.3**
Beginning cash & cash equivalent	**289.8**	**360.9**	**382.2**	**397.7**
Changes due to forex impact	0.0	0.0	0.0	0.0
Ending cash & cash equivalent	**360.9**	**382.2**	**397.7**	**417.0**

Key Metric

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	73.6	73.3	73.7	73.7
Pre-tax margin	61.2	50.5	50.5	50.3
Net margin	60.3	50.5	50.5	50.3
ROA	5.4	4.7	4.8	5.0
ROE	9.5	8.2	8.6	9.0
Growth (% yoy)				
Turnover	16.6	3.2	4.3	5.1
EBITDA	15.5	2.8	4.9	5.1
Pre-tax profit	2.8	(13.7)	4.5	4.6
Net profit	24.4	2.7	4.5	4.6
Net profit (adj.)	24.4	2.7	4.5	4.6
EPU	44.8	(8.0)	4.5	4.6
Leverage				
Debt to total capital	73.7	76.8	80.5	83.7
Debt to total equity	73.7	76.8	80.5	83.7
Net debt/(cash) to equity	67.6	70.3	73.7	76.6
Interest cover (x)	4.0	4.3	4.3	4.2

Market Spotlight

Market News

The FBMKLCI continued to drop 12.51pt and closed at 1,604.07 yesterday as investors remain cautious over the uncertain global environment and lack of fresh local catalysts. Meanwhile, Asian stock markets staged a massive relief rally on Tuesday, aggressively rebounding from last week's seven-month lows. The surge was ignited by a strong overnight technology rebound on Wall Street and a sharp plunge in global oil prices, which significantly cooled structural inflation anxieties. The FBMKLCI's top gainers were Maxis (+2.3%), Nestle (M) (+1.8%) and Sunway Bhd (+1.6%), while the top losers were YTL Power International (-6.4%), Public Bank (-4.5%) and Mr D.I.Y. Group (M) (-4.3%). In the broader market, losers outpaced gainers 745 to 395 with 464 counters unchanged. Turnover was 2.79b shares valued at RM2.77b.

US stocks closed lower on Tuesday, as a hotter-than-expected inflation reading hardened expectations for a rate hike from the Federal Reserve next month and fueled concerns the central bank may be more aggressive in raising rates. According to preliminary data, the S&P 500 lost 28.46 points, or 0.38%, to end at 7,521.48 points, while the Nasdaq Composite lost 185.90 points, or 0.74%, to 25,067.23. The Dow Jones Industrial Average fell 161.95 points, or 0.31%, to 52,227.80. (*Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,604.07
Expected moving range:	1,590-1,610

Technical View:

The FBMKLCI continued to slide lower yesterday given the lack of domestic catalysts to bring the index back to its prior trend. Nevertheless, the weekly chart analysis shows the selling pressure has not yet been fully absorbed, thus paving the way for a possible downward move ahead. We believe the index would slide lower in the near term and looks set to retest the immediate support of 1,593. The support and resistance levels are still maintained as follows:

Support: 1,593, 1,585

Resistance: 1,651, 1,683

FCPO



Source: TradingView

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

Technical BUY with +4.3% potential return

Trading BUY range:	RM4,200-4,230
Last price:	RM4,270
Target price:	RM4,399, RM4,452
Support:	RM4,089
Stop-loss:	RM4,088

BUY with a target price of RM4,452 and stop-loss at RM4,088. Based on the chart, FCPO hit our both targets at RM4,201 and RM4,181 before formed a technical rebound to the current level. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We peg our targets at RM4,399 and RM4,452 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 -2.8% downside

Trading SELL range:	1,590-1,600
Last price:	1,597
Target price:	1,589, 1,584
Resistance:	1,605
Stop-loss:	1,606

SELL with a target price of 1,584 and stop-loss at 1,606. Based on the chart, FKLI formed a series of lower highs and lower lows that indicates the downtrend pattern. This bearish movement is supported by the downtick in the RSI and bearish crossovers in both MACD and DMI indicators. We peg our targets at 1,589 and 1,584 in the near term.

Expected timeframe: One day to three days

Traders' Corner

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Source: UOBKH ChartGenie

LGMS
LGMS MK

Technical BUY with +25.2% potential return

Trading BUY range:	RM0.54-0.55
Last price:	RM0.555
Target price:	RM0.625, RM0.695
Support:	RM0.48
Stop-loss:	RM0.475

BUY with a target price of RM0.695 and stop-loss at RM0.475. A successful closing above the BBI line on yesterday's movement suggests improving sentiment as LGMS looks set to resume the upward movement. This is supported by an uptick in the RSI. Currently, the DMI is showing positive signals, which will support the upward momentum. We expect LGMS to continue the upward movement to our targets at RM0.625 and RM0.695 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Leong Hup International
LHIB MK

Technical BUY on breakout with +11.9% potential return

Trading BUY range:	RM0.755-0.76
Last price:	RM0.715
Target price:	RM0.81, RM0.845
Support:	RM0.70
Stop-loss:	RM0.695

BUY on breakout with a target price of RM0.845 and stop-loss at RM0.695. Based on the daily chart, LHI has just exited the consolidation phase yesterday and closed higher at RM0.715. The uptick in the RSI and bullish crossover in both MACD and DMI indicators suggest that buying momentum is set to continue in the near term. We expect the stock to continue trending up towards our targets of RM0.81 and RM0.845 once it manages to penetrate above the breakout level of RM0.755.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Hume Cement Industries
HUME MK

Technical BUY with +15.0% potential return

Trading BUY range:	RM2.66-2.67
Last price:	RM2.67
Target price:	RM2.99, RM3.07
Support:	RM2.52
Stop-loss:	RM2.51

BUY with a target price of RM3.07 and stop-loss at RM2.51. On yesterday's movement, the stock penetrated the breakout level and closed higher at RM2.70. This is supported by the DMI's bullish crossover and is consistent with the uptick in the RSI which suggests stronger buying momentum ahead. Moving forward, we expect HUME will continue the bullish movement toward our targets at RM2.99 and RM3.07 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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