UOBKayHian

Country Daily | Malaysia

Monday, 7 September 2026

Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	53,414.3	(0.5)	(0.3)	(1.2)	11.1
S&P 500	7,718.6	(0.4)	0.1	(0.5)	12.8
FTSE 100	10,831.1	(0.0)	0.4	(0.6)	9.1
AS30	9,211.9	0.2	(0.6)	(2.5)	2.1
CSI 300	4,548.1	(0.1)	(1.3)	(3.1)	(1.8)
FSSTI	5,802.0	0.9	1.8	1.8	24.9
HSCEI	8,555.0	2.0	0.8	0.3	(4.0)
HSI	25,650.9	1.7	0.3	(0.1)	0.1
JCI	6,636.5	(0.5)	1.8	3.5	(23.3)
KLCI	1,708.1	(0.4)	(1.9)	(1.6)	1.7
KOSPI	6,909.5	3.3	1.3	10.4	64.0
Nikkei 225	65,660.3	1.0	(1.0)	0.1	30.4
SET	1,595.6	1.2	0.5	(1.0)	26.7
TWSE	46,551.1	1.5	0.5	5.3	60.7
BDI	3,628	4.0	16.8	17.4	93.3
CPO (RM/mt)	4,663	0.1	1.1	3.5	18.5
Brent Crude (US$/bbl)	97	0.4	6.8	15.7	58.9

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Analyst Marketing by Julia Pan on Greater China Internet Sector	Singapore	07 Sep	08 Sep
Analyst Marketing by Julia Pan on Greater China Internet Sector	Malaysia	09 Sep	11 Sep
17th Asian Gems Conference 2026 (Virtual)	Singapore	22 Sep	23 Sep
Post-results NDR with Sunny Optical (2382 HK)	Taipei	22 Sep	23 Sep

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Industrial Production	Malaysia	09 Sep
Manufacturing Sales	Malaysia	09 Sep

Top Stories

Sector Update | Telecommunications Page 2 →

- 2Q26 sector earnings came in within expectations, despite core earnings moderating 7% yoy and 19% qoq. TIME and Maxis delivered strong earnings while Axiata suffered from forex headwinds and elevated withholding tax expenses. The quarter was characterised by: a) a 2% yoy service revenue growth, driven by market-wide pricing revision; b) cost discipline; c) encouraging enterprise demand; and d) robust home fibre growth. Maintain MARKET WEIGHT. Top picks: Maxis and CelcomDigi.

Company Update | Westports Holdings (WPRTS MK/**HOLD**/RM6.83/Target: RM6.50) Page 4 →

- The ports industry has shown that resilience is about adaptation. This underscores the sector's outperformance against the market since 2025. 2H26 will test the ports' resiliency again: global port congestion hit an all-time high as typhoons caused repeated port shutdowns in China. WPRTS is adapting well in managing its yard density. Channel checks indicated that Port Klang's yard density eased from the 90-95% peak in end-Jul 26 to 80% by mid-Aug 26. Retain HOLD and target price of RM6.50.

Market Spotlight

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- The FBMKLCI continued to slide by 7.03pt to close at 1,708.10 last Friday amid persistent selling pressure across index counters.
- US stocks were lower after the close on Friday, as losses in the Consumer Goods, Telecoms and Healthcare sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 8 →

Traders' Corner Page 10 →

Gagasan Nadi Cergas | GNCB MK Page 10 →

- Trading Buy Range: RM0.335-0.34

NCT Alliance | NCT MK Page 10 →

- Trading Buy Range: RM0.58-0.585

Pantech Group Holdings | PGHB MK Page 11 →

- Trading Buy Range: RM0.665-0.67

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.

Telecommunications

2Q26: Broadly In Line, Positive Price Hike Spillover In 3Q26

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MARKET WEIGHT (Maintained)

Highlights

- 2Q26 sector earnings came in within expectations, with Maxis and TIME dotCom (TIME) delivering strong earnings. This was partly offset by Axiata Group's (Axiata) weak earnings due to lower ringgit translated earnings and high withholding tax expense.
- The quarter saw: a) a 2% yoy service revenue growth, driven by market-wide ARPU uplift; b) cost discipline; c) encouraging enterprise demand – especially for Telekom Malaysia (TM); and d) commendable home fibre growth.
- Maintain MARKET WEIGHT. Catalysts include Axiata's infrastructure asset monetisation and CelcomDigi's synergistic savings by 2027. Our sector top picks are Maxis and CelcomDigi.

Analysis

- **2Q26 results wrap: Wireless gained momentum.** The quarter's earnings moderated to RM1,444m (-7% yoy; -19% qoq) on the back of weak earnings from Axiata and TM. Axiata's 2Q26 net profit (-74% yoy; -89% qoq) was weighed down by lower ringgit translated earnings and elevated withholding tax expense while on a sequential basis, TM's earnings were partly dragged by high FIFA World Cup content cost (booked in Jun 26). Positively, TIME reported commendable bottom line growth (+14% yoy), driven by strong retail and wholesale demand while Maxis' earnings uplift was attributed to margin expansion from good cost discipline. Broadly, earnings came in within expectations.
- **The quarter was characterised by:** a) a 2% yoy service revenue growth, driven by market-wide pricing revision in Feb 26 across post-and-prepaid products; b) good cost discipline; c) encouraging enterprise demand – especially for TM from the public sector segment; and d) robust home fibre demand, driven by fixed-mobile convergence strategies and home passes expansion.
- **ARPU uplift to drive 3Q earnings.** We note that 2Q26 reflected positive impact from a market-wide mobile price uplift executed sometime in Feb 26. CelcomDigi, Maxis and UMobile collectively raised postpaid and prepaid prices by 5-10%, signalling market repair and rational price competition. Consequently, Maxis saw improved 2Q26 ARPUs in prepaid (+1.4% qoq) and postpaid (+0.3% qoq) while CelcomDigi saw stable ARPUs. We expect positive spillover in 3Q26, driving earnings upside for both Maxis and CelcomDigi.
- **No cash call: Some clarity on DNB.** The consolidation of Digital Nasional (DNB) – as a 33% associate to CelcomDigi and Maxis – is slated for 4Q26, after a successful refinancing of the RM1.5b Ministry of Finance (MoF) loan. The DNB losses are not expected to materially impact 2026's earnings while no further earnings guidance was offered for 2027. Positively, the assurance is that there is no cash call or capital injection required for DNB's near-term capex requirements.

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Maxis	Maxis MK	BUY	3.59	4.20
CelcomDigi	CDB MK	BUY	2.70	4.05

Source: Bloomberg, UOB Kay Hian

Core Net Profit (2Q26)

	2Q26 (RMm)	qoq % chg	yoy % chg
Axiata Group	42.5	(89.2)	(74.1)
CelcomDigi	430.0	2.9	(0.5)
Maxis	436.0	4.6	9.5
Telekom Malaysia	406.4	(6.9)	4.6
TIME dotCom	129.0	2.9	13.8
Big 2*	**866.0**	**3.7**	**4.3**
Fixed Line	**535.4**	**(4.7)**	**(2.9)**
Sector Total	**1,443.9**	**(19.4)**	**(6.6)**

** Big 2 stands for CelcomDigi and Maxis*
Source: Respective companies, UOB Kay Hian

Core Net Profit (1H26)

	1H26 (RMm)	yoy % chg	Comment
Axiata Group	437.5	112.1	In line
CelcomDigi	848.0	(1.6)	In line
Maxis	853.0	10.9	In line
Telekom Malaysia	842.7	7.0	In line
TIME dotCom	254.4	10.0	In line
Big 2	**1,701.0**	**4.3**	
Fixed Line	**1,097.1**	**3.2**	
Sector Total	**3,235.6**	**11.6**	

Source: Respective companies, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Share Price 4 Sep 26 (RM)	Target Price (RM)	Last Year End	PE 2026F (RM)	PE 2027F (RM)	EV/EBITDA 2026F (RM)	EV/EBITDA 2027F (RM)	Yield 2026F (%)	ROE 2026F (%)	Market Cap (RMm)	Price/ NAV (x)
Axiata Group	AXIATA MK	BUY	1.77	2.50	12/25	26.1	15.5	5.4	5.2	6.2	3.1	16,263	0.8
CelcomDigi	CDB MK	BUY	2.70	4.05	12/25	18.4	15.9	7.4	7.2	5.5	10.8	31,671	1.4
Maxis	MAXIS MK	BUY	3.59	4.20	12/25	17.5	16.8	8.1	7.9	5.0	25.4	28,152	4.4
Telekom Malaysia	T MK	HOLD	7.80	7.50	12/25	17.9	15.6	6.7	6.1	5.1	15.2	10,963	2.7
TIME dotCom	TDC MK	HOLD	5.93	6.50	12/25	20.2	18.5	12.8	12.4	5.6	17.0	29,934	3.4

Source: Bloomberg, UOB Kay Hian

- **DNB: Loss of RM400m in 2027, focus on network densification.** DNB is projected to direct its near-term capex towards scaling network capacity and enhancing traffic management. This is to help accommodation rising data consumption into 2027-28. Based on this trajectory, DNB's revenue base is expected to double in 2027, capturing rising 5G data consumption and helping to narrow 2026's estimated net loss of RM800m 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 on a standalone basis has 8,000 base stations).
- **Key events to look out for in 2H26** include: a) Edotco Group (edotco) benefitting from U Mobile's capex spent to roll out the second 5G network; b) gradual network expansion for TM and TIME – with single dwelling offerings being the main focus; c) transfer of MOF Inc's share in DNB to CelcomDigi, Maxis and YTL Power International by end-3Q26; and d) potential partial monetisation of Axiata's 63% equity stake in edotco.
- **Growing dividends and special dividends.** During the quarter, TM declared a higher second interim dividend of 7.0 sen/share (1Q26: 6.5 sen/share), bringing 1H26 net DPS to 13.5 sen/share (75% payout). Axiata declared a 5.5 sen interim DPS, underpinned by its 10% yoy dividend growth commitment while TIME declared a special interim dividend of 5.41 sen/share (78% payout). CelcomDigi and Maxis announced their second interim dividend of 3.4 sen and 4.0 sen respectively, well within expectations. We forecast the sector delivering a net dividend yield of 5.5% in 2026.
- **CelcomDigi to see higher synergy savings in 2H26.** CelcomDigi has raised its 2026 opex and COGS savings target to RM470m (from RM460m), driven by network infrastructure-related operational efficiencies. The savings will help to buffer higher 5G wholesale costs (rising 25% yoy) amid rising 5G traffic consumption. 2Q26 saw an additional RM100m flow-through of synergistic cost savings, bringing cumulative savings to RM141m ytd and putting it on track to achieve RM700m-800m in annual cost savings by 2028.

Higher 2026 Synergistic Cost Savings of RM470m

Source: CelcomDigi

Valuation/Recommendation

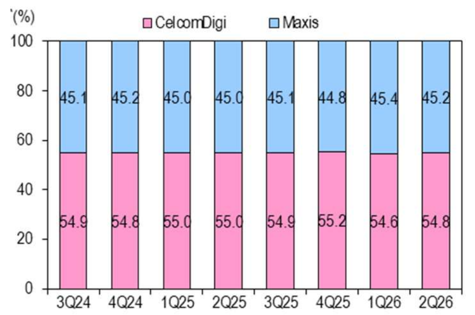
- **Maintain MARKET WEIGHT.** Ytd, share prices of telcos have corrected a fair bit (Axiata: -30%; CelcomDigi: -15%; Maxis: -5%; TM: -3%). This is due to: a) the deletion of Axiata from the Malaysia MSCI Global Standard Index, and b) losses from DNB. While we maintain our neutral stance on the sector vis-à-vis the broader market, we see positive risk-reward for Maxis and CelcomDigi amid the recent share price correction. Downside will be supported by dividend yields of 5.0% and 5.5% respectively.

1Q26 Mobile Price Uplift In The Market

MNO	Postpaid	Prepaid
CelcomDigi	- Discontinued the RM40 5G plan - Introduced a new RM190 Unlimited 5G plan	- Increased by 12.5-20% across all plans
Maxis	- Increased its cheapest postpaid plan by 13% - (RM79 to RM89)	- Increased its RM25 Unlimited 5G plan to RM30 (+20%) - Discontinued its RM50 Unlimited 5G plan
UMobile	- Increased its cheapest postpaid plan by 18% - (RM38 to RM45)	- Increased by 9.5-12% for its bottom-tier plans - Discontinued its ULTRA Prepaid 40 plan

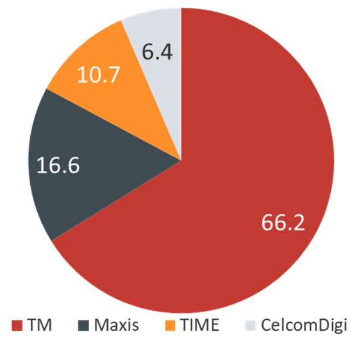
Source: UOB Kay Hian

Telco Revenue Market Share



Source: Respective companies, UOB Kay Hian

Home Fibre Subscribers Market Share (%)



Source: Respective companies, UOB Kay Hian

Impact Of DNB's Losses On CelcomDigi's And Maxis' Earnings

	2026F	2027F	2028F	Comment
CelcomDigi	(2.8%)	(3.6%)	(1.5%)	Synergistic savings to help offset the DNB losses over time.
Maxis	(2.8%)	(4.3%)	(2.0%)	Negative near-term impact.

Source: UOB Kay Hian

Westports Holdings (WPRTS MK)

Adaptation Is Ports Industry's Proven Business Model For Resilience

Highlights

- **The ports industry has a proven business model: that resilience is about adaptation.** The global listed ports outperformance against the market since 2025 reflects how the sector defied pandemic-related disruptions and geopolitical trade tensions. 2H26 will test the ports' resiliency again, as global port congestion hit an all-time high as a series of seven typhoons caused repeated port shutdowns in China. Drewry pointed out a theme echoed in our earlier updates: that spare capacity matters to absorb backlog, especially for high-performance container ports.
- **WPRTS is adapting well in managing its yard density.** Although we do not have fresh updates on the port's volume, channel checks indicated that Port Klang's yard density eased from the 90-95% peak in end-Jul 26 to 80% by mid-Aug 26, a remarkable feat considering the above developments and that Westports Holdings (WPRTS) lack spare TEU capacity relative to peers. This hints to us that WPRTS' new TGS was ready on time. Separately, the e-waste container removal will be accelerated, and the Westwell E-trucks were delivered on time. Retain HOLD and target price of RM6.50.

Analysis

- **Ports outperformance in 2025-1H26 explained.** About 12 months ago, the prevailing expectation was a sharp board-based slowdown in 2H25 global container port volumes due to inventory corrections and fragile consumer demand, after 1H25's front-loading ahead of higher US tariffs. Instead, geopolitical disruptions (tariffs included) and supply chain diversification reshaped global cargo flows that generated additional port activity. This can be seen as another post-pandemic effect alongside Russia's invasion of Ukraine in 2022, the Red Sea crisis, and Middle East conflicts that redirected trade routes via the Cape of Good Hope, which all reinforced resiliency and efficiency of port network coverage against supply chain disruptions
- **The ports industry's proven business model: resilience is not about staying operational during a crisis; it is about adaptation.** Global ports volumes closed at 994m TEU in 2025 (+6.5% yoy). Global terminal operators (GTO) outperformed the industry with an 8.9% yoy growth, increasing their global market share from 48.8% yoy to 49.9% in 2025. Hence, Drewry's analysis (RHS table) shows that selected listed ports, including WPRTS gained 27%/21% ytd/2025, outperforming S&P 500 (ytd: +12.7%) despite a recent 5% pullback wow (S&P 500: +0.5% wow).

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	2,281	2,552	2,992	3,110	3,115
EBITDA	1,449	1,690	2,023	2,147	2,144
Operating profit	1,194	1,403	1,734	1,840	1,818
Net profit (rep./act.)	898	1,002	1,258	1,333	1,304
Net profit (adj.)	893	1,010	1,258	1,333	1,304
EPS (x)	26.2	29.6	36.9	39.1	38.2
PE (x)	26.1	23.1	18.5	17.5	17.9
P/B (x)	6.1	5.6	5.2	4.8	4.5
EV/EBITDA (x)	13.8	11.9	10.4	9.5	9.5
Dividend yield (%)	2.9	3.2	4.0	4.3	4.2
Net margin (%)	30.5	32.1	38.4	38.7	36.1
Net debt/(cash) to equity (%)	7.8	2.9	4.6	5.2	6.5
Consensus net profit	-	-	1,189	1,267	1,305
UOBKH/Consensus (x)	-	-	1.06	1.05	1.00

Source: WPRTS, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	RM6.83
Target Price	RM6.50
Upside	-4.8%

Stock Data

Sector	Industrials
Bloomberg ticker	WPRTS MK
Shares issued (m)	3,422.0
Market cap (RMm)	23,471.0
Market cap (US$m)	5,795.0
3-mth avg daily t'over (US$m)	4.0

Price Performance (%)

52-week high/low				RM7.25/RM5.05
1mth	3mth	6mth	1yr	YTD
(4.3)	13.5	12.9	24.2	20.5

Major Shareholders (%)

Gnanalingam Family	45.5
SouthPort	23.6

Balance Sheet Metrics

FY26 NAV/Share (RM)	RM1.60
FY26 Net Debt/Share (RM)	n.m.

Price Chart

Source: Bloomberg

Company Description

An integrated facility situated at the Port Klang, Malaysia's premier port. It offers container-handling services, whereby volumes are in the twenty-foot equivalent units (TEU). WPRTS also offers value-added services (VAS) supporting container handling. VAS services include storage, reefer, container freight, removal etc. Westports 2 (WP2) expansion will nearly double its capacity to 28m TEUs, covering container terminals (CT)10-17. Since 1Q26, WPRTS has stopped disclosing TEUs by trade lanes, and started disclosing container dwell times (CDT) and yard occupancy/density instead. CDT is defined for only outbound transhipment and gateway (export-only) boxes.

- **SOM ports growth resumes despite WPRTS' -1% volume growth ytd.** Although it might seem counterintuitive for Port Klang to report a 3% yoy volume growth in 2Q26, the qoq growths are consistent. Just as Port Klang succeeded in debuting in Lloyd's List of top 10 global ports, the consolidation of Port of Tanjung Pelepas and Johor Port (a gateway port) into a single "Port of Johor" data set propelled Johor up four places to 11th, with 2025 volumes of 15.11m TEUs, almost neck to neck with Port Klang's 15.14m TEUs. This change reflects Johor's new status as Gemini's primary transhipment hub in Asia, but nevertheless will hardly alter WPRTS' SOM market share. The gateway volumes commanded by Johor Port is merely 20% of WPRTS'. In the long term, WP2 and Pulau Carey will set the tone for Port Klang's adaptation in the future port landscape.
- **2H26 tests global ports resiliency as congestion risks surged again.** A series of seven typhoons repeatedly shut down ports in various parts of China, from Maysak, which first hit China on 3 Jul 26, to Saudel, which hit China on 28 Aug 26. This prompted Drewry to explain why a short closure produces a long vessel queue, and having spare capacity matters to absorb a backlog. According to Drewry, a CT running at 90% utilisation takes around a week to recover from a single day of disruption, whereas a CT at 75% utilisation takes just two days to recover. Repeated disruptions on a high-performance terminal will make queues and schedule disruptions compound. Global ports congestion has hit a new high since the pandemic, at 4.3m TEUs of stranded volume (12.6% of global TEU fleet) waiting to berth. Consequently, schedule reliability fell sharply in Jul 26.
- **WPRTS managed to keep yard density in control.** Although we do not have WPRTS' latest volume data, weekly reporting from Kuehne+Nagel (myKN) suggests that Port Klang's yard density which peaked at 90-95% in end-Jul 26 had tapered down to 80% by mid-Aug 26. myKN also reported that WPRTS' maintenance dredging works were successfully completed by mid-Aug 26. Although the latest report puts Port Klang's yard density at 85-90%, we believe the primary reason for the good yard density data despite global developments is a timely operational start of its new total ground slots (TGS). (+5% expansion).
- **E-waste repatriation to accelerate.** In line with WPRTS' guidance for an accelerating normalisation of VAS and CDT, the authorities had begun the second phase of e-waste removal involving 531 containers last month, while a third phase scheduled for Oct 26 will target a further 578 containers. This comes after the authorities missed their target of 150 containers by May 26 (actual removal: 143 containers by Jul 26), and WPRTS was still reporting an alarmingly high CDT of 20 days.

Valuation/Recommendation

- **Retain HOLD with an SOTP-based target price of RM6.50.** Premised on DCF until 2070 horizon (ie partial WP2 expansion), this implies an unchanged 17x 2027F PE and 10x EV/EBITDA. WPRTS' unique position as the only listed local stock with exposure to ports, a sector that demonstrates resilience against trade tension that leads to structural change in ports, and benefits from tariff hikes. On a risk-reward basis, we continue to see these being fully priced in at least until the 2028 horizon, when the new capacity addition ie WP2 becomes operational.

Earnings Revision/Risk

- **2026-28 earnings remain unchanged,** premised on volume growths of 2%/5%/3% respectively.

Drewry Ports Equity Index (DPEI)*

Price change (%) @ 28 Aug 26	w-o-w	m-o-m	YTD 2026	2025
	(4.5)	(1.8)	+26.9	+21.4

** DPEI comprises of four GTOs, namely AD Ports, COSCO Shipping Ports, CM Port and ICTSI; and three regional terminal operators namely HPHT, HHLA and WPRTS*
Source: Drewry

SOM* Ports Statistics

m TEUs	2Q25	3Q25	4Q25	1Q26	2Q26
Westports	2.88	2.87	2.90	2.66	2.84
Growth (%)	*5.5*	*6.3*	*1.0*	*-1.1*	*-1.4*
Port Klang	3.80	3.87	3.94	3.71	3.93
Growth (%)	*3.7*	*3.6*	*4.1*	*5.2*	*3.4*
PTP	3.70	3.54	3.62	3.59	3.79
Growth (%)	*19.3*	*9.1*	*18.5*	*13.3*	*2.4*
PSA Singapore	11.17	11.50	11.45	11.21	11.53
Growth (%)	*8.6*	*9.8*	*10.1*	*6.3*	*3.3*
SOM*	**18.66**	**18.91**	**19.01**	**18.52**	**19.25**
Growth (%)	*9.5*	*8.3*	*10.2*	*7.3*	*3.1*
WPRTS market share (%)	15.4	15.2	15.3	14.4	14.8
Malaysia, total	8.49	8.42	8.55	8.26	8.71
Growth (%)	*10.0*	*5.6*	*10.3*	*7.1*	*2.5*
Port of Johor (PTP+Johor)	3.96	3.82	3.90	3.84	4.06
Growth (%)	*27.8*	*17.8*	*17.3*	*12.1*	*2.5*
New SOM, theoretical*	**17.50**	**18.93**	**19.19**	**19.29**	**18.76**
WPRTS market share (%)	15.2	15.0	15.0	14.2	14.6

** Straits of Malacca (SOM) combines Port Klang, Port of Tanjung Pelepas (PTP) and Port of Singapore (PSA). Malaysia's data is based on 12 federal ports. We estimate new SOM with Port of Johor being the consolidated data of PTP and Johor Port*
Source: WPRTS, MOT, PSA Singapore, UOB Kay Hian

Environmental, Social, Governance Updates (ESG)

- **WPRTS' commitment to adopting automation.** In 17 Apr 25, WPRTS launched its automated gate system (AGS). Tests revealed that the AGS was able to cut processing time from 40-60 seconds (export) to <15 second (all). This underscores its commitment to digital transformation and sustainable port operations as per the relevant United Nation Sustainable Development Goals.
- **Goal 8: Decent work and economic growth.** Automation boosts operational efficiency and reduce costs.
- **Goal 9: Industry, innovation and infrastructure.** Foster innovation and modernisation of port operations.
- **Goal 11: Sustainable cities and communities.** Efficient cargo movement reduces congestion and emissions, and improves urban logistics.
- **Goal 12: Responsible consumption and production.** Reduces resource waste through automation and improving process accuracy.

Profit & loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**2,552**	**2,890**	**3,058**	**3,069**
EBITDA	1,690	1,928	2,098	2,101
Deprec. & amort.	287	288	308	328
EBIT	1,002	1,184	1,296	1,271
Total other non-op. income	(8)	0	0	0
Associate contributions	(8)	0	0	0
Net interest income/(expense)	(125)	(132)	(140)	(156)
Pre-tax profit	**1,296**	**1,533**	**1,677**	**1,646**
Tax	(294)	(349)	(382)	(374)
Minorities	0	0	0	0
Net profit	**1,010**	**1,184**	**1,296**	**1,271**
Net profit (adj.)	1,010	1,184	1,296	1,271

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	1,636	1,560	1,476	1,385
Other LT assets	5,678	5,978	6,378	6,778
Cash/ST investment	832	841	1,056	1,230
Other current assets	473	467	490	492
Total assets	**8,892**	**8,986**	**9,561**	**10,094**
ST debt	937	797	835	838
Other current liabilities	225	150	151	152
LT debt	730	895	1,154	1,412
Other LT liabilities	404	404	404	404
Shareholders' equity	4,723	4,518	4,766	4,978
Minority interest	0	0	0	0
Total liabilities & equity	**8,892**	**8,986**	**9,561**	**10,094**

Cash flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**1,469**	**1,335**	**1,615**	**1,594**
Pre-tax profit	1,296	1,533	1,677	1,646
Tax	(254)	(349)	(382)	(374)
Deprec. & amort.	287	288	307	326
Associates	(3)	(3)	(4)	(4)
Working capital changes	81	(135)	16	1
Non-cash items				
Other operating cashflows				
Investing	**(523)**	**(560)**	**(600)**	**(639)**
Capex (growth)	(538)	(134)	(134)	(134)
Investment	(50)	(450)	(450)	(450)
Proceeds from sale of assets	64	24	(16)	(56)
Others				
Financing	**(890)**	**(718)**	**(800)**	**(781)**
Dividend payments	(752)	(886)	(969)	(950)
Proceeds from borrowings	50	409	409	409
Loan repayment	(225)	(150)	(150)	(150)
Others/interest paid	37	(91)	(91)	(91)
Net cash inflow (outflow)	**55**	**57**	**215**	**174**
Beginning cash & cash equivalent	**729**	**784**	**841**	**1,056**
Changes due to forex impact	48	0	0	0
Ending cash & cash equivalent	**832**	**841**	**1,056**	**1,230**

Key Metric

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	66.2	66.7	68.6	68.5
Pre-tax margin	50.8	53.0	54.9	53.6
Net margin	39.3	41.0	42.4	41.4
ROA	15.1	17.8	18.6	17.6
ROE	32.4	36.2	37.8	35.4
Growth (% yoy)				
Turnover	26.5	33.3	43.5	55.3
EBITDA	47.2	65.0	79.3	97.6
Pre-tax profit	47.4	61.7	76.8	95.9
Net profit	37.2	48.6	62.4	80.0
Net profit (adj.)	37.2	48.6	62.4	80.0
EPS	37.2	48.6	62.4	80.0
Leverage				
Debt to total capital	22.9	23.4	27.2	30.6
Debt to equity	22.9	23.4	27.2	30.6
Net debt/(cash) to equity	28.3	28.3	33.3	37.5
Interest cover (x)	28.3	28.3	33.3	37.5

Market Spotlight

Market News

The FBMKLCI continued to slide by 7.03pt to close at 1,708.10 last Friday amid persistent selling pressure across index counters. Meanwhile, Asian stock markets climbed on Friday, with technology shares leading gains, as investors took heart from a rally on Wall Street after Federal Reserve Governor Christopher Waller eased fears of an imminent US interest-rate hike. The FBMKLCI's top gainers were Mr D.I.Y. Group (M) (+1.5%), YTL Corporation (+1.3%) and YTL Power International (+0.87%), while the top losers were SD Guthrie (-3.1%), Sunway Helathcare Holdings (-2.4%) and Petronas Gas (-2.0%). In the broader market, losers outpaced gainers 568 to 523 with 596 counters unchanged. Turnover was 4.34b shares valued at RM2.91b.

US stocks were lower after the close on Friday, as losses in the Consumer Goods, Telecoms and Healthcare sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average fell 0.51%, while the S&P 500 index fell 0.38%, and the NASDAQ Composite index declined 0.29%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,387 to 1,304 and 112 ended unchanged; on the Nasdaq Stock Exchange, 1,825 rose and 1,563 declined, while 210 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:	1,708.10
Expected moving range:	1,677-1,720

Technical View:

Based on the daily chart, FBMKLCI shows selling pressure has not yet been fully absorbed, thus paving the way for a possible downtrend ahead. We believe the index would slide lower in the near term and looks set to retest the immediate support level of 1,677 in the near term. On the indicator side, a weaker signal from the DMI and bearish crossover in MACD suggest consolidation ahead. We maintained our support and resistance levels as follows:

Support: 1,677, 1,652

Resistance: 1,753, 1,770

FCPO

Source: TradingView

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

Technical BUY with +3.4% potential return

Trading BUY range:	RM4,900-5,020
Last price:	RM4,931
Target price:	RM5,029, RM5,099
Support:	RM4,795
Stop-loss:	RM4,794

BUY with a target price of RM5,099 and stop-loss at RM4,794. Based on the chart, FCPO continued the bullish movement and closed higher at RM4,931 last Friday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We still maintained our targets at RM5,029 and RM5,099 in the near term.

Expected timeframe: One day to three days

FKLI

Source: TradingView

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

Technical BUY with 1.4% potential return

Trading BUY range:	1,650-1,670
Last price:	1,686
Target price:	1,699, 1,713
Support:	1,650
Stop-loss:	1,649

BUY with a target price of 1,713 and stop-loss at 1,649. Based on the chart, FKLI continued the bullish movement and closed higher at 1,686 last Friday. This bullish movement is supported by an uptick in the RSI and bullish crossovers in the MACD. We still maintained our targets at 1,699 and 1,713 in the near term.

Expected timeframe: One day to three days

Traders' Corner

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Source: UOBKH ChartGenie

Gagasan Nadi Cergas
GNCB MK

Technical BUY on breakout with +26.9% potential return

Trading BUY range:	RM0.335-0.34
Last price:	RM0.325
Target price:	RM0.395, RM0.425
Support:	RM0.30
Stop-loss:	RM0.295

BUY on breakout with a target price of RM0.425 and stop-loss at RM0.295. Based on the daily chart, GNCB managed to climb up from the low of RM0.30 to retrace its recent loss. This is supported by an uptick in the RSI on a higher trading volume last Friday. This bullish signal is also supported by the MACD and the DMI which are currently on a bullish crossover. We expect the stock to continue to move up towards our targets at RM0.395 and RM0.425 once it penetrates above the breakout level of RM0.335.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

NCT Alliance
NCT MK

Technical BUY on breakout with +23.4% potential return

Trading BUY range:	RM0.58-0.585
Last price:	RM0.57
Target price:	RM0.635, RM0.695
Support:	RM0.545
Stop-loss:	RM0.54

BUY on breakout with a target price of RM0.695 and stop-loss at RM0.54. Based on the daily chart, share price has since consolidated and last Friday's closing places NCT in new territory, suggesting renewed buying interest, which in our view will establish a new up-leg. This is supported by the MACD and DMI, which are both currently on a bullish crossover. We peg our targets at RM0.635 and RM0.695 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Pantech Group Holdings PGHB MK

Technical BUY with +15.8% potential return

Trading BUY range:	RM0.665-0.67
Last price:	RM0.66
Target price:	RM0.745, RM0.77
Support:	RM0.625
Stop-loss:	RM0.62

BUY with a target price of RM0.77 and stop-loss at RM0.62. A successful closing above the BBI line on last Friday's movement suggests improving sentiment as PGHB looks set to resume the upward movement. This is supported by an uptick in the RSI. The DMI is showing a bullish crossover, which will support the upward momentum. We expect PGHB to continue the upward movement to our targets once iot penetrate above the breakout level of RM0.665.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading