



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	51,966.0	(0.1)	0.2	0.5	8.1
S&P 500	7,690.7	0.4	(1.5)	0.5	12.3
FTSE 100	10,764.7	(1.1)	1.0	1.0	8.4
AS30	8,975.7	0.4	0.4	0.6	(0.5)
CSI 300	4,174.5	0.1	(2.6)	(7.4)	(9.8)
FSSTI	5,412.0	(0.1)	(0.1)	(4.3)	16.5
HSCEI	8,128.3	0.3	(0.2)	(1.2)	(8.8)
HSI	24,186.8	0.5	(0.1)	(2.3)	(5.6)
JCI	4,996.6	(3.6)	(15.8)	(22.4)	(42.2)
KLCI	1,595.8	(0.7)	(1.4)	(4.2)	(5.0)
KOSPI	5,768.0	1.8	(9.7)	(16.3)	36.9
Nikkei 225	64,916.7	(0.6)	(6.0)	(0.2)	29.0
SET	1,571.7	(0.1)	0.1	(0.8)	24.8
TWSE	46,822.1	(0.6)	(5.0)	(0.8)	61.7
BDI	2,546	1.4	(10.7)	(24.5)	35.6
CPO (RM/mt)	4,380	(1.0)	(2.1)	(5.6)	11.4
Brent Crude (US\$/bbl)	110	(0.3)	2.7	5.5	80.0

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Sharing Session on Global Vegetable Oil Markets with S&P Global Energy	Singapore	19 Oct	19 Oct
Small & Mid-Caps Corporate Day	Singapore	21 Oct	21 Oct

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
Foreign Reserves	Malaysia	22 Oct
PMI	Malaysia	2 Nov
BNM OPR	Malaysia	6 Nov

Top Stories

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- MAA's 9M26 TIV expanded 4.2% yoy to 603,990 units on strong mass-market demand and deeper EV penetration. Consequently, we raise our full-year forecast to 810,000 units (-1.2% yoy). Meanwhile, stricter import rules are accelerating localised assembly, highlighted by BYD's strategic CKD partnership with Inokom. Maintain MARKET WEIGHT with Bermaz Auto as our sector pick.

Market Spotlight

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- The FBMKLCI continued to slide by 12.01pt to close at 1,595.75 yesterday amid persistent selling pressure across index counters.
- US stocks were mixed after the close on Monday, as gains in the consumer services, technology and consumer goods sectors led shares higher while losses in the utilities, telecommunications and financials sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLII Index Outlook

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- Trading Buy Range: RM0.73-0.735

Orkim | ORKIM MK

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- Trading Buy Range: RM0.81-0.815

SSF Home Group | SSF MK

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- Trading Buy Range: RM0.375-0.38

Automobile

9M26 TIV Remains Resilient; Raising TIV Forecast To 810,000 Units

Highlights

- MAA's 9M26 TIV expanded 4.2% yoy to 603,990 units, driven by resilient mass-market demand, aggressive promotional campaigns and higher EV penetration. However, volume growth is concentrated in select marques like Proton, Mazda, and Chery, while other major players face modest contractions due to intensifying competition.
- BYD's strategic CKD partnership with Inokom solidifies its long-term commitment in Malaysia, although earnings contribution is expected to be minimal for Sime Darby and Bermaz Auto.
- Raise our 2026 TIV forecast to 810,000 units (previously: 790,000 units), as we expect vehicle sales to remain resilient, underpinned by a favourable fuel subsidies mechanism alongside a robust pipeline of new model rollouts. Maintain MARKET WEIGHT on the sector.

MAA Sep 26 TIV

	Sep 26	mom % chg	yoy % chg	9M26	yoy % chg
Passenger	64,835	(5.1)	21.5	564,919	5.4
Commercial	4,774	8.6	(7.7)	37,714	(13.1)
TIV	70,111	(4.2)	19.8	603,990	4.2

Source: MAA, UOB Kay Hian

Analysis

- Sales moderated mom, cumulative 9M26 TIV remained robust.** Malaysia Automotive Association's (MAA) Sep 26 total industry volume (TIV) registered sales of 70,111 units (-4.2% mom, +19.8% yoy). The sequential softening was expected following aggressive Merdeka promotional campaigns in August. Cumulatively, 9M26 TIV sustained strong structural momentum, rising 4.2% yoy to 603,990 units on the back of resilient demand in the mass market segment and a steady stream of new model launches. That said, underlying volume growth remains highly asymmetric, with gains heavily concentrated in select marques like Proton, Mazda, and Chery, while other major players faced modest contractions due to intensifying competition.
- Competition is intensifying in the affordable mass-market segment.** Proton delivered 18,149 units (-9.9% mom, +44.4% yoy) in Sep 26, expanding its 9M26 market share to 25% (vs. 19% in 9M25), mainly driven by robust volumes for the Proton Saga MC3 and e.MAS 5. Conversely, despite posting a 19% yoy volume increase to 27,838 units, Perodua's 9M26 market share fell from 44% to 41%. Lacking fresh core model refreshes, Perodua has been forced to deploy heavier discounting even on its top-selling models, as well as significant price cuts on the Perodua QEV. With the next-generation Myvi potentially launching only in mid-27, we expect Proton to continue capturing market share from Perodua over the coming quarters.

Peer Comparison

Company	Ticker	Rec	Share Price 19 Oct 26 (RM)	Target Price (RM)	Upside To TP (%)	Last Year End	PE FY26 (x)	PE FY27F (x)	PE FY28F (x)	Yield FY27F (%)	ROE FY27F (%)	Market Cap (RM)	Price/ NAV ps (x)
Bermaz Auto	BAUTO MK	BUY	0.90	1.30	44.4	Apr-27	9.1	7.3	7.1	8.8	15.6	1,055.2	1.4
Sime Darby	SIME MK	HOLD	2.44	2.67	9.4	Jun-27	10.7	11.1	10.7	5.7	7.8	16,632.1	0.9
Pecca Group	PECCA MK	HOLD	1.34	1.42	5.9	Jun-27	18.6	15.8	15.4	4.4	24.0	1,007.1	4.2

Source: Bloomberg, UOB Kay Hian

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MARKET WEIGHT (Maintained)

Segmental Rating

Segment	Rating
Malaysia	MARKET WEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Bermaz Auto	BAUTO MK	BUY	0.90	1.30

Source: Bloomberg, UOB Kay Hian

- **Structural EV adoption continues to accelerate.** The domestic electric vehicle (EV) segment continued its rapid structural expansion, with 9M26 EV sales reaching 42,971 units to account for 7% of TIV (up from 5% in 9M25). Driven by affordable EV options from national brands, we expect full-year EV penetration to hit 9% in 2026 before accelerating over the medium term as localised production ramps up. Stricter completely built-up rules, which enforce a minimum cost, insurance and freight price threshold of RM200,000, have catalysed a swift transition towards local assembly, prompting major Chinese players like XPeng, Leapmotor, and MG to commence and expand their CKD footprints.
- **BYD-Inokom partnership.** BYD has appointed Inokom Corporation (Inokom) as its local contract assembly partner, with CKD operations expected to commence within the next few months. Inokom is currently running at an 80% utilisation rate, with the recent commissioning of its Paint Shop 3 effectively doubling its total paint capacity to 100,000 units p.a.. We view this development positively as it secures recurring assembly fee revenue for Inokom. Importantly, this solidifies BYD's long-term commitment to Malaysia, and strengthens its relationship with distributor Sime Motors. Furthermore, the localisation strategy could revive BYD's monthly sales volumes, which have languished below the 1,000-unit threshold for the past two consecutive months. The earnings contribution, however, is expected to be minimal at below 1% for both Sime Darby (51% stake in Inokom) and Bermaz Auto (29% stake).
- **Raise our 2026 TIV forecast to 810,000 units (previously: 790,000 units).** As 9M26 TIV exceeded our initial run-rates, we **upgrade our 2026 TIV forecast to 810,000 units**, implying a milder full-year contraction of 1.2% yoy (compared with our initial projection of a 3.6% yoy decline). Looking ahead, we expect vehicle sales to remain resilient particularly in the mass market segment, as the government remains committed to implementing the fuel subsidies mechanism through the RM40b allocation announced in Budget 2027, alongside a robust pipeline of attractive new model rollouts. That said, our TIV forecast remains lower yoy as the previous' year sales were inflated by front-loaded purchases of EVs in 4Q25 ahead of the expiry of tax incentives.

Valuation/Recommendation

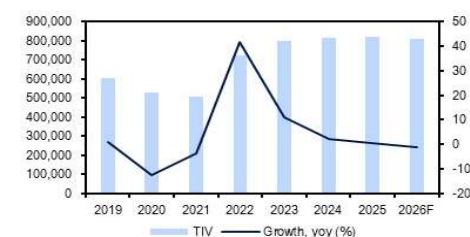
- **Maintain MARKET WEIGHT.** Our sector outlook assumes vehicle sales will hold steady at a high level of 810,000 units for 2026 (-1.2% yoy), as strong mass-market demand continues to delay the expected drop after three record years. The sector currently trades at 11x 2026F PE, which is line with its historical average with earnings recovery largely priced in. We remain neutral on the sector due to the lack of catalysts to drive demand growth and higher stock valuation.
- **Our top pick is Bermaz Auto (BUY/Target: RM1.30)**, which is forecasted to deliver a 25% yoy earnings growth in FY27, supported by robust demand for the Mazda 3, additional sales contribution from the new CX-5 as well as margin recovery from the previous heavy discounting. The stock currently trades at an undemanding valuation of 7.3x PE (below -0.5SD to PE of 8x) and offers an attractive dividend yield of 8.8%.

Top Key Marques (9M26)

Make	Sales (units)		Market Share (%)		Ranking	
	Jan-Sep 26	Jan-Sep 25	Jan-Sep 26	Jan-Sep 25	Jan-Sep 26	Jan-Sep 25
Perodua	247,397	255,094	41.0	44.0	1	1
Proton	153,316	110,151	25.4	19.0	2	2
Toyota	60,811	70,417	10.1	12.2	3	4
Honda	38,720	48,697	6.4	8.4	4	3
Chery	29,009	23,996	4.8	4.1	5	5
Mitsubishi	9,958	10,251	1.6	1.8	6	6
BYD	8,973	9,319	1.5	1.6	7	7
Mazda	8,526	6,057	1.4	1.0	8	9
Others	8,209	2,103	1.4	0.4	n.a.	n.a.
Passenger	564,919	536,085	93.5	92.5		
Commercial	37,714	43,400	6.2	7.5		
TIV	603,990	579,485	100.0	100.0		

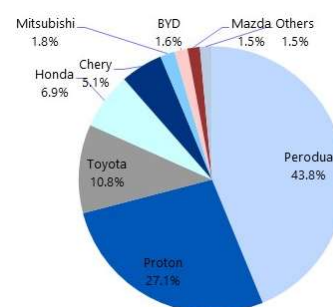
Source: MAA, UOB Kay Hian

Yearly TIV Numbers



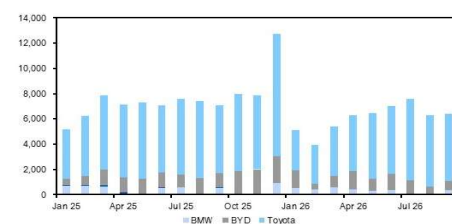
Source: MAA, UOB Kay Hian

Market Share As Of Sep 26



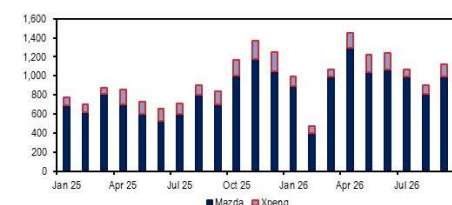
Source: MAA, UOB Kay Hian

Sime Darby's Monthly Sales Volume (Units)



Source: MAA, UOB Kay Hian

Bermaz Auto's Monthly Sales Volume (Units)



Source: MAA, UOB Kay Hian

Market Spotlight

Market News

The FBMKLCI continued to slide by 12.01pt to close at 1,595.75 yesterday amid persistent selling pressure across index counters. Meanwhile, Asian stocks were mixed on Monday as South Korea's KOSPI rebounded from last week's technology-led rout, while Indonesian equities extended their slump amid concerns over a possible loss of emerging-market status. The FBMKLCI's top gainers were Press Metal Aluminium Holdings (+2.8%), YTL Power International (+2.1%) and Petronas Chemicals Group (+1.9%), while the top losers were Mr D.I.Y. Group (M) (-4.9%), MISC (-4.7%) and Axiata Group (-3.6%). In the broader market, losers outpaced gainers 741 to 322 with 481 counters unchanged. Turnover was 2.49b shares valued at RM2.39b.

US stocks were mixed after the close on Monday, as gains in the consumer services, technology and consumer goods sectors led shares higher while losses in the utilities, telecommunications and financials sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average fell 0.07%, while the S&P 500 Index gained 0.41%, and the NASDAQ Composite Index gained 1.11%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,761 to 945 and 89 ended unchanged; on the Nasdaq Stock Exchange, 1,865 fell and 1,506 advanced, while 206 ended unchanged. (Sources: *Investing.com*)

FBMKLCI, FCPO & FKLI Index Outlook

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,595.75
Expected moving range: 1,600-1,630

Technical View:

The FBMKLCI formed a bearish Marubozu bar and continued its pullback and penetrated the psychological support 1,600 and closed lower at 1,595.75 yesterday. The correction looks set to continue as selling pressure grows as reflected by the negative reading in RSI. The index slipped below the BBI lines yesterday, suggesting the short-term trend remains vulnerable to further corrections. The support and resistance levels are revised as follows:

Support: 1,590, 1,585

Resistance: 1,624, 1,651

FCPO



Source: TradingView

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

Technical BUY with +1.8% potential return

Trading BUY range: RM4,500-4,550
Last price: RM4,797
Target price: RM4,826, RM4,879
Support: RM4,685
Stop-loss: RM4,684

BUY with a target price of RM4,879 and stop-loss at RM4,684. Based on the chart, FCPO hit our previous first target before formed a pullback 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 new targets at RM4,826 and RM4,879 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 -0.91% downside

Trading SELL range: 1,600-1,610
Last price: 1,589.5
Target price: 1,581, 1,576
Resistance: 1,600
Stop-loss: 1,601

SELL with a target price of 1,576 and stop-loss at 1,601. Based on the chart, FKLI hit our both targets at 1,591 and 1,586 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 1,581 and 1,576 in the near term.

Expected timeframe: One day to three days

Traders' Corner



Source: UOBKH ChartGenie



Source: UOBKH ChartGenie

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Lac Med LACMED MK

Technical BUY on breakout with +24.7% potential return

Trading BUY range:	RM0.73-0.735
Last price:	RM0.695
Target price:	RM0.855, RM0.91
Support:	RM0.655
Stop-loss:	RM0.645

BUY on breakout with a target price of RM0.91 and stop-loss at RM0.645. Based on the daily chart, share price has recovered gradually and moved above the 7- and 21-day EMAs following yesterday's spike to RM0.695. This is supported by an uptick in the RSI and bullish crossover in MACD. Currently, DMI is on the verge of making a golden cross to the positive signal. We peg our targets RM0.855 and RM0.91 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Orkim ORKIM MK

Technical BUY on breakout with +22.8% potential return

Trading BUY range:	RM0.81-0.815
Last price:	RM0.80
Target price:	RM0.895, RM0.995
Support:	RM0.765
Stop-loss:	RM0.76

BUY on breakout with a target price of RM0.995 and stop-loss at RM0.76. A successful closing above the BBI line on the back of higher trading volumes points to improving sentiments as ORKIM looks set to resume the bullish momentum. Upticks in both the RSI and the MACD suggest strong momentum that will push up share price in the near term. We expect ORKIM to continue moving towards our targets at RM0.895 and RM0.995 once it manages to penetrate above the breakout level of RM0.81.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

SSF Home Group SSF MK

Technical BUY on breakout with +18.7% potential return

Trading BUY range:	RM0.375-0.38
Last price:	RM0.36
Target price:	RM0.41, RM0.445
Support:	RM0.34
Stop-loss:	RM0.335

BUY on breakout with a target price of RM0.445 and stop-loss at RM0.335. Yesterday, the stock closed above the BBI line, indicating upside potential in the near term. Currently, the DMI shows buying momentum has overcome selling momentum. This is supported by an uptick in the RSI, indicating positive momentum would strengthen in the near term. Moving forward, we expect SSF will continue the bullish movement towards our targets at RM0.41 and RM0.465 once it manages to penetrate above the breakout level of RM0.375.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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