



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,361.6	0.3	0.8	1.0	8.9
S&P 500	7,676.8	0.7	(0.2)	(0.9)	12.1
FTSE 100	10,767.3	0.7	0.0	0.7	8.4
AS30	8,926.6	0.2	(0.5)	0.9	(1.0)
CSI 300	4,103.5	(0.0)	(1.7)	(7.6)	(11.4)
FSSTI	5,415.9	0.0	0.2	(5.2)	16.6
HSCEI	7,802.1	0.6	(4.0)	(4.5)	(12.5)
HSI	23,211.8	0.5	(4.0)	(5.3)	(9.4)
JCI	5,373.1	(1.2)	7.5	(13.9)	(37.9)
KLCI	1,604.4	(0.4)	0.5	(4.0)	(4.5)
KOSPI	5,469.5	(1.5)	(5.2)	(22.8)	29.8
Nikkei 225	62,189.7	(0.8)	(4.2)	(6.3)	23.5
SET	1,579.0	1.0	0.4	(1.8)	25.4
TWSE	46,041.4	(1.8)	(2.0)	(4.1)	59.0
BDI	2,628	(1.2)	3.2	(23.3)	40.0
CPO (RM/mt)	4,443	(0.2)	0.4	(3.7)	13.0
Brent Crude (US\$/bbl)	116	(0.8)	5.7	11.0	90.3

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Virtual Meeting with UUE Holdings Berhad (UUE MK)	Malaysia	10 Nov	10 Nov
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 and Macro Calendar

Economic Indicator/Event	Country/Region	Date
PMI	Malaysia	2 Nov
BNM OPR	Malaysia	6 Nov

Top Stories

Company Update | Gas Malaysia (GMB MK/BUY/RM5.35/Target: RM7.00)

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- We upgrade Gas Malaysia to BUY with a higher DDM-based target price of RM7.00. We raised long-term growth from 2% to 3%, suggesting that the stock will benefit from higher NG volumes as Malaysia races towards clean energy transition while housing 13GW of data centre power demand. Yan RGT is expected to lift EBITDA by 13% and lift market capitalisation by RM0.58/share.

Market Spotlight

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- The FBMKLCI surrendered 7.20pt to close at 1,604.36 yesterday due to selling pressure across the board.
- US stocks were higher after the close on Monday, as gains in the consumer goods, industrials and technology sectors led shares higher.

Technical Analysis

FBMKLCI, FCPO & FKL Index Outlook

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Cahaya Mata Sarawak | CMS MK

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- Trading Buy Range: RM0.90-0.91

KJTS Group | KJTS MK

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- Trading Buy Range: RM0.92-0.94

Texchem Resources | TEX MK

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- Trading Buy Range: RM0.92-0.93

Gas Malaysia (GMB MK)

Beneficiary Of Malaysia's NG Supply Reform

Highlights

- We upgrade the stock to BUY with a higher DDM-based target price of RM7.00. We raised long-term growth from 2% to 3%, suggesting that the stock will benefit from higher NG volumes as Malaysia races towards clean energy transition while housing 13GW of data centre power demand.
- We believe the stock is set to benefit from two key themes: a) energy transition requiring 8GW of gas-fired power plants to be built by 2031; and b) potential liberalisation of power sector NG supply chain – allowing power plants to secure NG independently from shippers such as Gas Malaysia. In addition, Gas Malaysia may also benefit from off-grid cogen opportunities as DCs “search” for more power supply in Malaysia.
- Yan RGT is expected to reach commercial operations by 1Q31 with a capacity of 500 mmscfd. We gather that up to 90% of the capacity may have been secured as we expect the project to lift EBITDA by 13% with a net present value (equity value) of RM0.58/share.

Analysis

- **NG reforms in Peninsular Malaysia...** Against the backdrop of energy transition (towards net-zero greenhouse gas emission by 2050) and Malaysia's aggressive 13GW data centre (DC) plant up, we identify Gas Malaysia as a thematic winner in Malaysia's natural gas (NG) supply chain reform. As a key transition fuel, NG is projected to account for 56% of Malaysia's total primary energy supply by 2050, up from 47% in 1H26.
- **...to benefit Gas Malaysia.** Key re-rating catalysts for the stock: a) earnings recovery in 2027; b) benefits from the government's NG roadmap, which is expected to be announced in 1H27; and c) ability to capture unregulated business opportunity as the Data Centre Task Force is now pushing DC operators to secure off-grid power supply. We note that Gas Malaysia has experience operating cogen plant in Penang. We upgrade the stock to BUY with a higher DDM-based target price of RM7.00, based on 3% growth rate vs 2% growth rate.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	8,045	7,337	8,858	10,007	10,440
EBITDA	692	632	647	751	825
Operating profit	582	514	520	611	673
Net profit (rep./act.)	441	382	380	444	489
Net profit (adj.)	441	377	380	444	489
EPS	34.3	29.3	29.5	34.5	37.9
PE (x)	15.3	17.9	17.8	15.2	13.8
P/B (x)	4.5	4.3	4.2	4.1	3.7
EV/EBITDA (x)	10.8	9.3	10.9	10.8	9.5
Dividend yield (%)	5.0	4.5	4.8	5.9	5.1
Net margin (%)	5.5	5.2	4.3	4.4	4.7
Net debt/(cash) to equity (%)	(26.2)	(20.7)	8.9	14.1	21.0
Interest cover (x)	n.a.	n.a.	n.a.	n.a.	n.a.
ROE (%)	30.7	24.9	23.9	27.1	28.2
Consensus net profit			383.8	429.0	438.0
UOBKH/Consensus (x)			0.99	1.04	1.12

Source: Gas Malaysia, Bloomberg, UOB Kay Hian

Analyst(s)

Chong Lee Len

leelen@uobkh.com

+603 2147 1992

BUY (Upgraded)

Share Price	RM5.35
Target Price	RM7.00
Upside	+30.8%
Previous TP	RM6.00

Stock Data

Sector	Utilities
Bloomberg ticker	GMB MK
Shares issued (m)	1,284.0
Market cap (RMm)	6,993.6
Market cap (US\$m)	1,669.3
3-mth avg daily t'over (US\$m)	1.4

Price Performance (%)

52-week high/low			RM6.04/RM4.08	
1mth	3mth	6mth	1yr	YTD
8.0	6.1	(3.2)	21.1	23.6

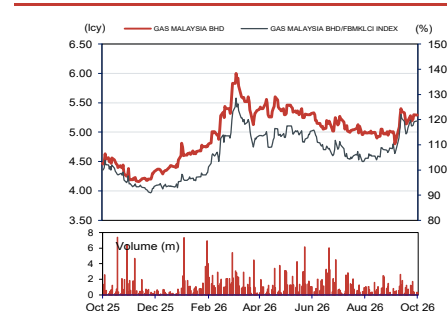
Major Shareholders (%)

Anglo Oriental Annuities	30.9
Khazanah Nasional	18.5
Amanah Saham Nasional	14.8

Balance Sheet Metrics

FY26F NAV/Share (RM)	1.29
FY26F Net Debt/Share (RM)	0.16

Price Chart



Source: Bloomberg

Company Description

Supplies natural gas to industries in Peninsular Malaysia.

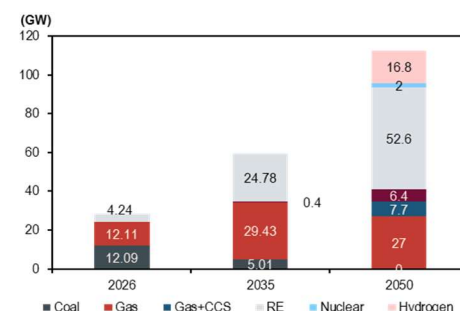
- **Yan RGT slated for commercial operations in 1H31...** The Energy Commission, in a consultation paper issued in May, cited indicative new gas-fired power generation capacity of more than 8GW requiring nearly 1,600 million standard cubic feet per day (mmscfd) of NG by 2031. This is almost double the current power sector NG consumption of 800-1,000 mmscfd. Against this backdrop, Gas Malaysia is building the country's 4th LNG regasification terminals in Yan, Kedah.
- **...which may lift Gas Malaysia's market capitalisation by RM0.58/share.** Together with Tokyo Gas Co and VTTI BV each holding 15%, the Yan RGT project – with a plant capacity of 500 mmscfd - is estimated to cost US\$250m-300m. The project is estimated to yield an equity value of RM0.58/share, based on project IRR of 10%. EBITDA uplift is forecast at 15% of the group's current EBITDA, assuming 50% JV stake.
- **NG roadmap in 1H27, potentially opening up the power sector to the NG supply chain...** The government initially aimed to launch Malaysia's NG Roadmap by 4Q26 with the objective of reshaping NG pricing, supply and regulation across Peninsular Malaysia, Sabah and Sarawak. We believe the policy may be deferred to 1H27 given that there are calls for greater certainty over contractual agreements with Gas Framework Agreement (GFA) expiring on 31 Dec 27.
- **...as the GFA Framework is set to expire on 31 Dec 27.** This may open up the power sector (which is currently served by Petronas Gas) to more shippers including Gas Malaysia. While this may invite more competition in the retail shipper market, we believe the pie will grow and provide room for NG players to capitalise on rising NG demand via LNG and RGT infrastructure within Peninsular Malaysia. As the largest NG shipper in Peninsular Malaysia – with a market share of 83% as of Jun 26, we believe Gas Malaysia stands to benefit from higher NG volume sold over time – see proposed NG market model under EC's Consultation Paper No. 1/26, titled "Gas Supply to the Power Sector Post GFA: Consultation on Future Market Agreements for Uncontracted Gas Volumes In Peninsular Malaysia".

The Three Proposed Market Models, After GFA Expires in Dec 27

Model	Mechanism	Main Advantage	Primary Risk/Challenge
1) Centralised Aggregation	A designated central shipper pools and allocates all uncontracted volumes.	Simplifies dispatch coordination and mitigates volume risks.	Preserves centralised bottlenecks; limits direct market competition.
2) Direct Bilateral Procurement	IPPs directly negotiate and purchase gas from their chosen licensed third-party shippers.	Encourages true market competition and cost optimisation.	Increases commercial complexity; multiple gas prices complicate plant dispatch logic.
3) Hybrid Model	Combines element of both, allowing specific core volumes to be aggregated while enabling bilateral sourcing for flexible or peak volumes.	Balances grid energy security with progressive market liberalisation.	Requires highly complex regulatory oversight to manage dual systems.

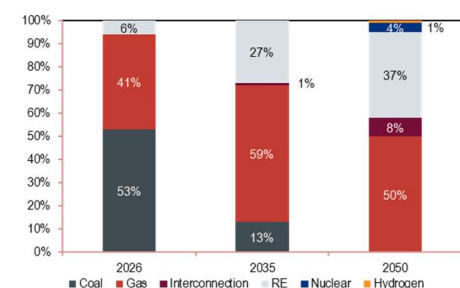
Source: Energy Commission

70% Clean Energy Capacity By 2050



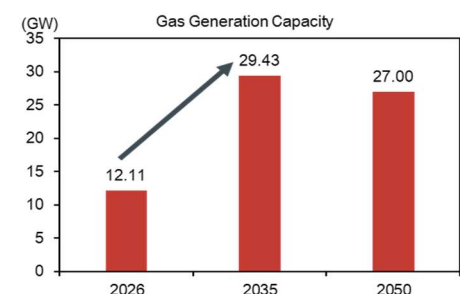
Source: Single Buyer, UOB Kay Hian

Transitioning Towards A Cleaner Energy Mix



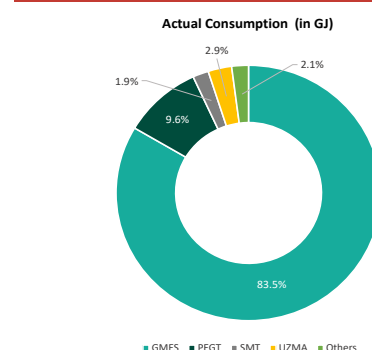
Source: Single Buyer, UOB Kay Hian

Gas Generation Capacity Forecast



Source: Single Buyer, UOB Kay Hian

Gas Malaysia Retail Market Share



Source: Gas Malaysia

Valuation/Recommendation

- **Upgrade to BUY with a higher DDM-based target price of RM7.00**, as we raise the long-term growth rate for the stock from 2% to 3%. We also include an equity value of RM0.58/share for the Yan RGT project, which is expected to kick off in 1Q31.
- An update on Yan RGT: a) 15 May 26: Gas Malaysia signed a joint development agreement with Tokio Gas and Vitol Group as key consortium owner of the Yan RGT project, and b) the project is advancing towards final investment decision while addressing the conditions imposed by the regulator.

Regasification Plants In Malaysia

LNG Regasification Plant	Capacity (tpa*)	Commercial Operation Date
Regasification Terminal in Sungai Udang, Melaka (RGTSU)	3.8m	2Q13
Regasification Terminal in Pengerang, Johor (RGTP)	3.5m	4Q17
Regasification Terminal in Lumut, Perak (RGT-3)	3.8m	2Q29
Gas Malaysia's Regasification Terminal in Yan, Kedah	6.0m	1Q31

* tpa = tonnes per annum

Source: UOB Kay Hian

Earnings Revision/Risk

- We expect to see an earnings recovery in 2027, driven by elevated NG prices from 4Q26 onwards. Management projects that NG prices will surge from RM36/mmbtu to mid-RM40/mmbtu in 2027.

Share Price Catalyst/Risk

- **Key re-rating catalysts** for the stock include: a) a prolonged period of heightened NG prices, b) an increase in NG retail market share for Gas Malaysia, and c) clarity on the Yan RGT project.

Environment, Social, Governance (ESG) Updates

Environmental

- The group generates electricity through gas-powered combined heat and power systems (CHP) through its JV entities, which are highly efficient and produce less emissions. CHP systems utilise 32% less fuel and have 50% less annual carbon emissions than coal.

Social

- Organised CSR programmes in collaboration with local communities which include planting fruit saplings, cleaning the river and distributing care packages to underprivileged families, with a focus on the Orang Asli community. Gas Malaysia contributed RM911,920 to this initiative.

Governance

- The board comprises seven members consisting of three Independent Directors. Meanwhile, women comprise 14% (one director) of the board.

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	8,045	7,337	8,858	10,007
EBITDA	692	632	647	751
Deprec. & amort.	118	127	139	151
EBIT	514	520	611	673
Associate contributions	4	4	4	4
Net interest income/(expense)	(2)	(5)	(8)	(10)
Pre-tax profit	521	519	607	667
Tax	(140)	(139)	(163)	(179)
Minorities	0	0	0	0
Net profit	382	380	444	489
Net profit (adj.)	377	380	444	489

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	244	607	652	663
Pre-tax profit	521	519	607	667
Tax	(140)	(139)	(163)	(179)
Deprec. & amort.	118	127	139	151
Associates	(4)	(4)	(4)	(4)
Working capital changes	(195)	105	73	27
Other operating cashflows	(57)	0	0	0
Investing	(340)	(375)	(375)	(375)
Capex (growth)	(375)	(375)	(375)	(375)
Others	35	0	0	0
Financing	(151)	(272)	(349)	(298)
Dividend payments	(306)	(322)	(399)	(348)
Issue of shares	4	0	0	0
Proceeds from borrowings	204	50	50	50
Others/interest paid	(53)	0	0	0
Net cash inflow (outflow)	(247)	(39)	(72)	(10)
Beginning cash & cash equivalent	706	459	419	348
Changes due to forex impact	0	0	0	0
Ending cash & cash equivalent	459	419	348	338
Operating	244	607	652	663

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	2,166	2,414	2,650	2,874
Other LT assets	273	273	273	273
Cash/ST investment	497	457	386	376
Other current assets	771	934	1,058	1,107
Total assets	3,708	4,079	4,367	4,630
ST debt	105	105	105	105
Other current liabilities	1,231	1,494	1,686	1,759
LT debt	530	580	630	680
Other LT liabilities	281	281	281	281
Shareholders' equity	1,560	1,618	1,663	1,804
Minority interest	0	0	0	0
Total liabilities & equity	3,708	4,079	4,367	4,630

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	8.6	7.3	7.5	7.9
Pre-tax margin	7.1	5.9	6.1	6.4
Net margin	5.2	4.3	4.4	4.7
ROA	10.3	9.8	10.5	10.9
ROE	24.9	23.9	27.1	28.2
Growth				
Turnover	(8.8)	20.7	13.0	4.3
EBITDA	(8.6)	2.3	16.1	9.9
Pre-tax profit	(12.1)	(0.5)	17.0	9.9
Net profit	(13.5)	(0.5)	17.0	9.9
Net profit (adj.)	(14.6)	0.7	16.9	9.8
EPS	(14.6)	0.7	16.9	9.8
Leverage				
Debt to total capital	40.7	42.4	44.2	43.5
Debt to equity	40.7	42.4	44.2	43.5
Net debt/(cash) to equity	(20.7)	8.9	14.1	21.0
Interest cover	n.a.	n.a.	n.a.	n.a.

Market Spotlight

Market News

The FBMKLCI surrendered 7.20pt to close at 1,604.36 yesterday due to selling pressure across the board. Meanwhile, Asian shares edged lower on Monday as concerns over the sustainability of AI spending weighed on semiconductor stocks, while investors braced for a busy week of corporate earnings and central bank decisions. The FBMKLCI's top gainers were PPB Group (+2.7%), Axiata Group (+1.9%) and CelcomDigi (+1.2%), while the top losers were YTL Power International (-6.8%), YTL Corporation (-5.3%) and Petronas Chemicals Group (-1.7%). In the broader market, gainers outpaced losers 549 to 514 with 508 counters unchanged. Turnover was 2.90b shares valued at RM2.15b.

US stocks were higher after the close on Monday, as gains in the consumer goods, industrials and technology sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average gained 0.29%, while the S&P 500 Index climbed 0.70%, and the NASDAQ Composite Index climbed 0.83%. Rising stocks outnumbered declining ones on the New York Stock Exchange by 1,411 to 1,294 and 91 ended unchanged; on the Nasdaq Stock Exchange, 1,807 fell and 1,600 advanced, while 169 ended unchanged. (*Sources: Investing.com*)

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

Mohd Fakhru Asyraq, MSTA, CFTe
mohdfakhruasyraq@uobkh.com
+603 21471994

FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,604.36
Expected moving range:	1,600-1,630

Technical View:

The FBMKLCI continued to form lower highs and lower lows on yesterday's movement, given the lack of domestic catalysts to bring the index back to its prior trend. This is further reinforced by the downtick in the RSI, which suggests that buying momentum would continue to ease over the next few days. But as such, we expect the index to resume its uptrend once the current consolidation phase ends. We still maintained our support and resistance levels 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 +3.9% potential return

Trading BUY range: RM4,500-4,550
Last price: RM4,732
Target price: RM4,879, RM4,918
Support: RM4,685
Stop-loss: RM4,684

BUY with a target price of RM4,918 and stop-loss at RM4,684. Based on the chart, FCPO continues the bullish movement and closed higher at RM4,732 yesterday. 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 RM4,879 and RM4,918 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 +1.5% potential return

Trading BUY range: 1,600-1,610
Last price: 1,603
Target price: 1,622, 1,627
Support: 1,591
Stop-loss: 1,589

BUY with a target price of 1,627 and stop-loss at 1,589. Based on the chart, FKLI continued the bullish movement and closed higher at 1,603 yesterday. This bullish movement is supported by an uptick in the RSI and bullish crossovers in both MACD and DMI indicators. We still maintained our targets at 1,622 and 1,627 in the near term.

Expected timeframe: One day to three days

Traders' Corner



Source: UOBKH ChartGenie



Source: UOBKH ChartGenie

Analyst(s)

Mohd Fakhru Asyraq, MSTA, CFTe
mohdfakhrulasyraq@uobkh.com
+603 21471994

Cahaya Mata Sarawak CMS MK

Technical BUY with +22.0% potential return

Trading BUY range: RM0.90-0.91
Last price: RM0.905
Target price: RM1.04, RM1.11
Support: RM0.883
Stop-loss: RM0.825

BUY with a target price of RM1.11 and stop-loss at RM0.825. Since correcting from a previous high, CMS has seen its share price recover gradually and move above the 7- and 21-day EMAs following yesterday's movement, effectively reversing its downtrend. Yesterday's gain was also accompanied by high trading volume as well as rising MACD and RSI indicators, indicating that positive momentum would strengthen in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

KJTS Group KJTS MK

Technical BUY with +25.5% potential return

Trading BUY range: RM0.92-0.94
Last price: RM0.965
Target price: RM1.09, RM1.18
Support: RM0.835
Stop-loss: RM0.83

BUY with a target price of RM1.18 and stop-loss at RM0.83. Based on the daily chart, the stock has gradually recovered to close above the 7-day and 21-day EMA lines, which suggests a potential uptrend ahead. The emergence of fresh buying interest, as shown by positive readings in both the RSI and the MACD, suggests upward continuation from here, leading to the creation of a new up-leg. We expect KJTS will continue the upward movement toward our targets at RM1.09 and RM1.18 in the near to medium term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Texchem Resources TEX MK

Technical BUY with +17.5% potential return

Trading BUY range:	RM0.92-0.93
Last price:	RM0.97
Target price:	RM1.07, RM1.14
Support:	RM0.83
Stop-loss:	RM0.825

BUY with a target price of RM1.14 and stop-loss at RM0.825. Based on the daily chart, share price has consolidated lower and traded sideways in the past few weeks. Positive readings in both the RSI and the MACD should translate into stronger momentum for share price. Currently, DMI is on the verge of making a golden cross to the positive signal. Moving forward, we expect TEX will continue the bullish movement toward the previous high of RM1.15 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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