



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,475.1	0.2	(0.7)	1.9	9.2
S&P 500	7,744.0	0.3	(0.2)	0.8	13.1
FTSE 100	10,694.5	0.1	(0.5)	0.1	7.7
AS30	8,971.4	0.0	0.2	1.0	(0.5)
CSI 300	4,083.9	0.8	(0.7)	(6.0)	(11.8)
FSSTI	5,397.9	0.0	(0.3)	(5.5)	16.2
HSCEI	7,791.6	0.3	(1.9)	(4.7)	(12.6)
HSI	23,094.8	0.2	(2.4)	(6.3)	(9.9)
JCI	5,282.3	0.3	(0.9)	(13.7)	(38.9)
KLCI	1,613.9	0.1	0.7	(1.8)	(3.9)
KOSPI	6,012.4	6.6	4.8	(12.5)	42.7
Nikkei 225	63,954.2	1.1	(1.0)	(2.3)	27.0
SET	1,566.1	(0.6)	0.7	(1.8)	24.3
TWSE	47,035.6	2.0	0.5	(1.3)	62.4
BDI	2,652	1.9	(1.0)	(18.8)	41.3
CPO (RM/mt)	4,407	(1.2)	(1.5)	(1.5)	12.0
Brent Crude (US\$/bbl)	115	1.3	6.0	9.5	89.5

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
Regional 1H2027 Strategy Conference	Malaysia	02 Dec	02 Dec

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
PMI	Malaysia	2 Nov
BNM OPR	Malaysia	5 Nov
Foreign Reserves	Malaysia	6 Nov

Top Stories

Company Results | Bursa Malaysia (BURSA MK/HOLD/RM8.00/Target: RM8.20) Page 3 →

- Bursa's reported 3Q26 earnings were in line with forecasts. We expect the current muted market sentiment to persist. Maintain HOLD with a target price of RM8.20.

Company Results | CTOS Digital (CTOS MK/HOLD/RM0.39/Target: RM0.48) Page 6 →

- CTOS' 3Q26 results were in line with expectations. It has contained the cybersecurity incident, but affected credit reporting services remain suspended following BNM's suspension of CCRIS access, with restoration subject to independent validation. The disruption affects 35% of weekly revenue (RM2.5m), reducing PATAMI by RM1.3m for each additional week of downtime, with an estimated total 2026 PATAMI impact of RM16m. Cut earnings by 16-18%. Maintain HOLD with lower target price of RM0.48.

What's Inside

Company Update | CIMB Group Holdings (CIMB MK/BUY/RM7.10/Target: RM8.60) Page 9 →

- CIMB Group's results were below expectations. The shortfall was driven by weaker-than-expected NIM and higher credit costs. CIMB Niaga also trimmed its NIM and ROE guidance by 10bp and 50bp, respectively. Maintain BUY on CIMB Group with a lower target price of RM8.60 from RM8.80 after the earnings revision.

Market Spotlight

Page 10 →

- The FBMKLCI surged 2.02pt to close at 1,613.87 yesterday, buoyed by strong gains in the index-linked counters as the market took cue from positive sentiment in the overnight US market.
- US stocks were higher after the close on Wednesday, as gains in the industrials, basic materials and technology sectors led shares higher.

Technical Analysis

FBMKLCI, FCPO & FKLII Index Outlook	Page 11 →
Traders' Corner	Page 13 →
Three- A Resources TARE MK Trading Buy Range: RM0.745-0.75	Page 13 →
Citaglobal CITAGLB MK Trading Buy Range: RM1.12-1.13	Page 13→
DPS Resources DPS MK Trading Buy Range: RM0.53-0.535	Page 14 →

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.

Bursa Malaysia (BURSA MK)

3Q26: Muted Near-term Outlook

Highlights

- Bursa reported 3Q26 net profit of RM70m (10% yoy, -2% qoq). Earnings were in line.
- Domestic politics and Middle East uncertainty continues to weigh on sentiment.
- Maintain HOLD and target price of RM8.20 (based on 24.0x FY27F PE).** The stock is currently trading close to its historical mean valuation, which we deem fair given the expected flattish earnings trajectory in 2027. Additionally, rising operating expenses amid a flattish ADV outlook are likely to constrain near-term earnings upside and cap share price outperformance.

3Q26 Results

Year to 31 Dec (RMm)	3Q26	3Q25	qoq % chg	yoy % chg	9M26	yoy % chg
Total revenue	216.4	179.9	2.6	20.3	641.5	19.5
EBITDA	106.9	95.5	(0.3)	12.0	322.3	14.5
EBITDA margin (%)	51.1%	54.9%	(1.3)	(3.8)	50.2%	(2.2)
PBT	96.3	86.3	(0.9)	11.6	292.0	15.1
Net profit	70.2	63.8	(2.2)	10.0	214.8	13.5
EPS (sen)	8.7	7.9	(2.2)	10.0	26.5	13.5
Average daily trading value (RMb)	3.27	2.94	(10.2)	13.5	3.18	28.2

Source: Bursa, UOB Kay Hian

Analysis

- In line.** Bursa Malaysia (Bursa) reported 3Q26 net profit of RM70.2m (+10.0% yoy, -2.2% qoq), bringing 9M26 earnings to RM214.8m (+13.5% yoy), which came in broadly in line with expectations at 76% of our full-year forecast. 9M26 revenue grew 19.5% yoy, driven by a 28.2% yoy increase in securities trading revenue, in line with stronger average daily value traded (ADV), alongside a 64% yoy surge in listing revenue supported by larger IPOs. However, earnings growth was relatively more muted at 13.5% yoy due to higher operating expenses, arising from the new regulatory fees payable to the Securities Commission Malaysia, effective 1 Jan 26 (capped at RM35m p.a. for 2026) and a 19% yoy spike in staff cost.
- 3Q26 trend: Moderated qoq on lower ADV.** 3Q26 earnings rose 10.0% yoy, driven primarily by a 21% increase in securities trading revenue, underpinned by a 14% yoy increase in average daily value traded (ADV). On a qoq basis, earnings dipped slightly (-2%) dragged down by a 10% qoq decline in ADV but partly offset by stronger derivative trading revenue (+24% qoq).

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	784	728	814	827	863
EBITDA	446	374	406	401	418
Operating profit	411	338	368	362	378
Net profit (rep./act.)	310	250	280	276	288
Net profit (adj.)	310	250	280	276	288
EPS	38.4	30.9	34.6	34.2	35.6
PE	20.9	25.9	23.1	23.4	22.4
P/B	7.4	8.1	7.9	7.8	7.7
EV/EBITDA	13.1	15.8	14.5	14.6	13.9
Dividend yield	5.5	3.5	4.1	4.1	4.2
Net margin	39.5	34.4	34.4	33.4	33.4
Net debt/(cash) to equity	(74.5)	(70.3)	(72.7)	(75.8)	(79.3)
Interest cover	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	36.6	29.9	34.7	33.6	34.5
Consensus net profit			284	298	309
UOBKH/Consensus (x)			0.99	0.93	0.93

Source: Bursa, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	RM8.00
Target Price	RM8.20
Upside	2.4%

Stock Data

Sector	Financial services
Bloomberg ticker	BURSA MK
Shares issued (m)	809.3
Market cap (RMm)	6,474.4
Market cap (US\$m)	1,586.9
3-mth avg daily t'over (US\$m)	1.5

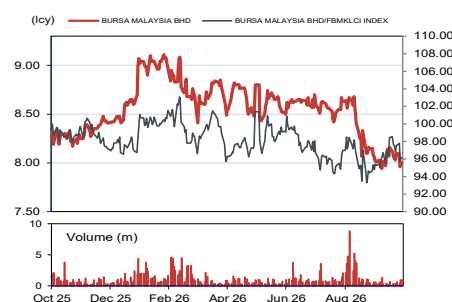
Price Performance (%)

52-week high/low			RM9.18 / RM7.48	
1mth	3mth	6mth	1yr	YTD
(1.8)	(7.5)	(7.0)	(4.3)	(5.0)

Major Shareholders (%)

Capital Market Development Fund	18.5
Kumpulan Wang Persaraan	11.2
EPF	10.3

Price Chart



Source: Bloomberg

Company Description

Bursa is a fully integrated stock exchange offering a wide range of exchange-related services. It also offers information services related to the Malaysian securities market.

- **Multiple headwinds to cap near-term outperformance.** Lingered geopolitical uncertainty in the Middle East, elevated interest rate outlook and the increasingly likely postponement of Malaysia's General Election (GE) to 2027 (versus earlier expectations of an end-26 election), are expected to weigh on investor sentiment well into 1H27. This is well baked into our 2027 ADV assumptions where we expect a rather flattish ADV trend in 2027 of RM2.83b similar to current run rates.

Valuation/Recommendation

- **Maintain HOLD and target price of RM8.20 (based on 24.0x FY27F P/E, +0.5SD to historical mean PBV).** The stock is currently trading close to its historical mean valuation, which we deem fair given the expected flattish earnings trajectory in 2027. Additionally, rising operating expenses amid a flattish ADV outlook are likely to constrain near-term earnings upside and cap share price outperformance.

Earnings Revision/Risk

- No changes.
- **Risks:** Escalation of the current Middle Eastern Crisis and its contagion effect on global macroeconomic growth and, consequently, market sentiment.

Share Price Catalyst

- Stronger than expected ADV.
- Stronger than expected derivative contract volumes.

Environment, Social, Governance (ESG) Updates

Environmental

- **Carbon neutrality and zero greenhouse gas emission targets.** Set a target to achieve carbon neutrality by 2022 and zero greenhouse gas emission by 2050.

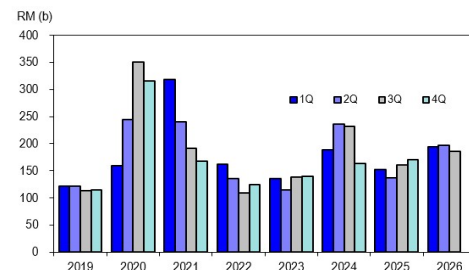
Social

- **Gender diversity.** Maintained 42% females in senior management.
- **Diversity, Equity and Inclusion (DEI).** Established a DEI Policy in 2021 to ensure that the organisation is steered by a diverse group of employees in terms of age, ethnicity and gender.

Governance

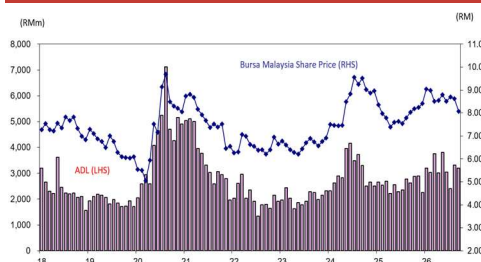
- **Non-independent board of directors composition.** Composition of Independent Non-Executive Directors (INED) – 90%.

Bursa Quarterly Value Traded



Source: Bursa Malaysia, UOB Kay Hian

Bursa Adv Vs Share Price



Source: Bloomberg

Bursa 2026 Adv Forecast

	2026F Average
Overall Market Capitalisation (RMb)	2,000
Market Velocity	35%
Total Value Traded (RMb) (Market Velocity x Market Cap)	700
Number of Trading Days	247
2025 estimated ADV (RMb)	2.83

Source: Bloomberg, UOB Kay Hian

Bursa PE Band



Source: Bloomberg

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	727.7	814.0	826.8	862.7
EBITDA	374.4	406.3	401.1	418.0
Deprec. & amort.	36.7	37.8	39.0	40.2
EBIT	337.6	368.4	362.1	377.9
Net interest income/(expense)	(0.5)	0.0	0.0	0.0
Pre-tax profit	337.1	368.4	362.1	377.9
Tax	(89.1)	(88.4)	(86.9)	(90.7)
Minorities	2.2	0.0	1.0	1.0
Net profit	250.2	280.0	276.2	288.2
Net profit (adj.)	250.2	280.0	276.2	288.2

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	243.7	371.0	369.3	383.3
Pre-tax profit	247.9	280.0	276.2	288.2
Deprec. & amort.	36.7	37.8	39.0	40.2
Working capital changes	(12.9)	18.0	19.0	20.0
Non-cash items	(28.1)	35.1	35.2	35.0
Investing	59.9	(79.0)	(78.0)	(77.0)
Capex (maintenance)	(28.4)	(79.0)	(78.0)	(77.0)
Investments	0.0	0.0	0.0	0.0
Others	88.3	0.0	0.0	0.0
Financing	(321.1)	(266.0)	(262.4)	(273.8)
Dividend payments	(323.7)	(266.0)	(262.4)	(273.8)
Issue of shares	0.0	0.0	0.0	0.0
Loan repayment	0.0	0.0	0.0	0.0
Others/interest paid	2.6	0.0	0.0	0.0
Net cash inflow (outflow)	(17.6)	26.0	29.0	32.6
Beginning cash & cash equivalent	367.4	349.7	380.7	415.6
Ending cash & cash equivalent	349.8	375.7	409.6	448.2

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	243.7	275.7	307.7	339.7
Other LT assets	142.5	146.3	158.3	170.3
Cash/ST investment	570.4	600.7	635.6	676.2
Other current assets	2,267.8	2,405.8	2,056.0	2,098.0
Total assets	3,224.5	3,428.4	3,157.6	3,284.2
ST debt	0.5	1.0	1.0	1.1
Other current liabilities	2,399.8	2,556.0	2,237.5	2,349.3
LT debt	7.4	7.4	7.4	7.4
Other LT liabilities	16.3	49.6	83.7	84.0
Shareholders' equity	800.1	814.1	827.9	842.3
Minority interest	0.3	0.3	0.0	0.0
Total liabilities & equity	3,224.5	3,428.4	3,157.6	3,284.2

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	51.4	49.9	48.5	48.5
Pre-tax margin	46.4	45.3	43.8	43.8
Net margin	34.4	34.4	33.4	33.4
ROA	6.6	8.4	8.4	8.9
ROE	29.9	34.7	33.6	34.5
Growth				
Turnover	(7.2)	11.9	1.6	4.3
EBITDA	(16.1)	8.5	(1.3)	4.2
Pre-tax profit	(17.9)	9.3	(1.7)	4.4
Net profit	(19.3)	11.9	(1.4)	4.3
Net profit (adj.)	(19.3)	11.9	(1.4)	4.3
EPS	(19.3)	11.9	(1.4)	4.3
Leverage				
Debt to total capital	1.0	1.0	1.0	1.0
Debt to equity	1.0	1.0	1.0	1.0
Net debt/(cash) to equity	(70.3)	(72.7)	(75.8)	(79.3)
Interest cover (x)	n.a.	n.a.	n.a.	n.a.

CTOS Digital (CTOS MK)

3Q26: Within Expectations; Trudging Across Choppy Seas

Highlights

- Results came in broadly within our expectations on a commendable qoq and yoy improvement.
- CTOS has contained the cybersecurity incident, but affected credit reporting services remain suspended following BNM's suspension of CCRIS access, with restoration subject to independent validation.
- The disruption affects approximately 35% of weekly revenue (RM2.5m), reducing PATAMI by RM1.3m for each additional week of downtime, with an estimated total 2026 PATAMI impact of RM16m.
- Cut earnings by 16-18% to reflect earnings impact from the disruption, potential customer attrition and additional cybersecurity costs. Maintain HOLD with lower target price of RM0.48.

3Q26 Results

Year to 31 Dec (RMm)	3Q26	qoq %	yoy %	9M26	yoy %
Revenue	87.6	0.8	5.5	256.0	7.5
Key Accounts (KA)	44.4	(1.9)	7.6	131.5	10.8
Commercial	33.0	7.1	3.4	92.9	1.8
Direct-to-consumer (D2C)	10.2	(5.8)	3.7	31.6	12.4
Gross Profit	58.9	4.6	5.7	170.3	5.3
EBITDA	25.8	18.1	2.4	68.0	7.3
PBT	29.3	15.9	14.5	75.3	19.5
Tax Expense	(1.6)	(34.3)	(12.9)	(6.3)	59.5
Net Profit	27.5	21.6	15.6	68.7	15.6
Core Net Profit	27.5	21.9	13.5	68.5	12.3
Margins	%	ppt chg	ppt chg	%	ppt chg
EBITDA	29.4	4.3	-0.9	26.5	(0.1)
PBT	33.4	4.3	2.6	29.4	2.9
Core net profit	31.4	5.4	2.2	26.8	1.1

Source: CTOS, UOB Kay Hian

Analysis

- Broadly within expectations.** CTOS Digital's (CTOS) 3Q26 core net profit came in at RM27.5m (+22% qoq, +14% yoy), bringing 9M26 core net profit to RM68.5m (+12%), accounting for 71% and 82% of both our and consensus full-year estimates respectively. CTOS has declared a third interim dividend of 0.70 sen.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	304.9	326.1	324.8	332.0	342.6
EBITDA	108.3	86.4	82.6	102.4	116.4
Operating profit	91.6	70.1	77.2	93.0	103.6
Net profit (rep./act.)	106.3	104.9	83.4	85.4	97.3
Net profit (adj.)	107.5	88.5	83.4	85.4	97.3
EPS	4.7	3.8	3.6	3.7	4.2
PE	8.4	10.2	10.8	10.6	9.3
P/B	1.4	1.5	1.5	1.5	1.5
EV/EBITDA	15.2	18.1	20.0	16.3	14.3
Dividend yield	8.3	6.9	5.6	5.7	6.5
Net margin	34.9	32.2	25.7	25.7	28.4
Net debt/(cash) to equity	13.7	0.9	15.1	17.0	17.3
Interest cover	11.1	7.3	8.4	9.5	13.3
ROE	18.8	18.8	14.9	15.3	17.2
Consensus Net Profit			83.9	90.1	99.8
UOBKH/Consensus (x)			0.99	0.95	0.97

Source: CTOS, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	RM0.39
Target Price	RM0.48
Upside	23.1%
Previous TP	RM0.78

Stock Data

Sector	Financial services
Bloomberg ticker	CTOS MK
Shares issued (m)	2,211.0
Market cap (RMm)	862.3
Market cap (US\$m)	210.8
3-mth avg daily t'over (US\$m)	0.8

Price Performance (%)

52-week high/low			RM0.95/RM0.335	
1mth	3mth	6mth	1yr	YTD
(36.1)	(44.1)	(45.8)	(57.1)	(52.4)

Major Shareholders (%)

Jade Vine Sdn Bhd	21.5
Employees Provident Fund Board	19.9
Abrdn Plc	14.9

Balance Sheet Metrics

FY26 NAV/Share (RM)	0.31
FY26 Net Debt/Share (RM)	0.06

Price Chart



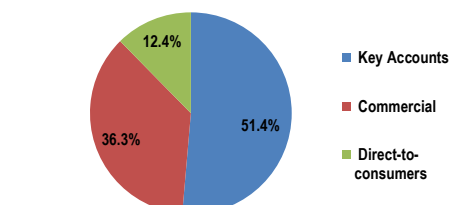
Source: Bloomberg

Company Description

CTOS is mainly involved in the business of credit reporting, digital software-related services, software development, outsourcing and training services, and investment holding. It also facilitates credit extension and commercializes credit risk management.

- **9M26 top-line growth remained intact (+8%),** mainly reflecting strong demand in the key accounts (+11% yoy) and direct-to-consumer (+12% yoy) segments. Bottom line profit grew by a wider 12% yoy, off the higher operating costs from last year's performance.
- **Cybersecurity incident contained; service restoration subject to validation.** CTOS recently disclosed unauthorised access to an environment supporting its consumer business, during which certain files containing a limited subset of processed consumer information were accessed. The incident has since been contained, with an independent forensic assessment indicating that no other environments were affected. Subsequently, Bank Negara Malaysia (BNM) has suspended CTOS' access to Central Credit Reference Information System, and affected credit reporting services remain unavailable. CTOS has completed an external scan and forensic review, and targets to complete the remaining independent assessments by end-Oct 26. Services will be restored only after validation by an independent forensic review. Management indicated that key financial institution contracts remain in force, with no customers having directly indicated an intention to terminate their contracts, although some have temporarily shifted to alternative providers or direct connections to BNM.
- **Financial impact.** Management estimates that the disruption affects around 35% of weekly revenue, equivalent to RM2.5m per week, with each additional week of downtime reducing PATAMI by RM1.3m. Its base case assumes affected services remain unavailable until the third week of October, followed by a 30-day gradual recovery. The estimated revenue and PATAMI impacts are RM3m and RM5m respectively in 3Q26, and RM13m and RM7m in 4Q26. Management also cited a total 2026 PATAMI impact of RM16m, comprising RM12m from business disruption and RM4m in IT-related costs.

9M26 Sales



Source: CTOS, UOB Kay Hian

Earnings Revision/Risk

- Following our model updates, we cut our 2026-28 earnings forecasts by 12-18% to reflect management's guidance on the financial impact of the disruption in 2026, as well as a more gradual recovery in transaction volumes, potential customer attrition to competing credit bureaus and additional cybersecurity costs in 2027 and 2028.

Valuation/Recommendation

- **Maintain HOLD with a lower target price of RM0.48 (from RM0.78),** based on a rollover 13x 2027F PE (from 18x 2026F PE), which is -2SD below its five-year mean.

Environment, Social, Governance (ESG) Updates

Environmental

- No environmental issues which may materially impact biodiversity or climate change in any significant way.

Social

- Conducted over 200 financial education roadshows for Malaysia's consumers

Governance

- Comprehended and applied Malaysian Code on Corporate Governance (MCCG).

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	326.1	324.8	332.0	342.6
EBITDA	86.4	82.6	102.4	116.4
Deprec. & amort.	16.3	5.4	9.4	12.7
EBIT	70.1	77.2	93.0	103.6
Associates	31.7	24.2	30.1	33.1
Net interest income/(expense)	(11.9)	(9.8)	(10.8)	(8.8)
Pre-tax profit	89.9	91.6	112.3	128.0
Tax	(7.9)	(8.2)	(27.0)	(30.7)
Minorities	0.5	0.0	0.0	0.0
Net profit	104.9	83.4	85.4	97.3
Net profit (adj.)	88.5	83.4	85.4	97.3

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	148.7	68.4	70.4	82.3
Pre-tax profit	89.9	91.6	112.3	128.0
Tax	(7.9)	(8.2)	(27.0)	(30.7)
Deprec. & amort.	14.5	5.4	9.4	12.7
Working Capital Changes	6.0	(5.6)	(1.3)	(0.3)
Other operating cashflows	(32.4)	(9.5)	(18.9)	(21.2)
Investing	63.7	(30.0)	(30.0)	(27.0)
Capex (growth)	(16.3)	(30.0)	(30.0)	(30.0)
Investments	0.0	0.0	0.0	1.0
Proceeds from Sale of Assets	80.0	0.0	0.0	1.0
Others	0.0	0.0	0.0	1.0
Financing	(170.5)	(50.0)	(51.2)	(58.4)
Dividend payments	(67.3)	(50.0)	(51.2)	(58.4)
Proceed from Borrowings	88.0	0.0	0.0	0.0
Loan repayment	(149.1)	0.0	0.0	0.0
Others/interest paid	(42.1)	0.0	0.0	0.0
Net cash inflow (outflow)	41.9	(11.6)	(10.8)	(3.1)
Beginning cash & cash equivalent	19.4	60.3	48.6	37.8
Changes due to forex impact	(1.0)	0.0	0.0	0.0
Ending cash & cash equivalent	60.3	48.6	37.8	34.7

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	526.7	571.0	590.3	606.3
Other LT assets	156.2	157.4	158.7	160.0
Cash/ST investment	60.3	48.6	37.8	34.7
Other current assets	79.012	91.037	87.233	89.594
Total assets	822.1	868.1	874.1	890.6
ST debt	0.0	0.0	0.0	0.0
Other current liabilities	87.8	85.8	87.1	90.2
LT debt	65.5	140.5	141.5	142.5
Other LT liabilities	23.4	23.4	23.4	23.4
Shareholders' equity	606.8	607.5	610.1	621.5
Minority interest	(0.9)	0.0	0.0	0.0
Total liabilities & equity	822.1	868.1	874.1	890.6

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	26.5	25.4	30.9	34.0
Pre-tax margin	27.6	28.2	33.8	37.4
Net margin	32.2	25.7	25.7	28.4
ROA	13.5	10.4	10.6	12.0
ROE	18.8	14.9	15.3	17.2
Growth				
Turnover	67.4	66.8	70.4	75.9
EBITDA	20.6	15.3	43.0	62.5
Pre-tax profit	5.2	7.3	31.5	49.8
Net profit	46.8	16.7	19.5	36.1
Net profit (adj.)	46.8	16.7	19.5	36.1
EPS	53.1	44.3	47.6	68.1
Leverage				
Debt to total capital	10.8	23.1	23.2	22.9
Debt to equity	10.8	23.1	23.2	22.9
Net debt/(cash) to equity	0.9	15.1	17.0	17.3
Interest cover	7.3	8.4	9.5	13.3

CIMB Group Holdings

(CIMB MK/BUY/RM7.10/Target: RM8.80)

3Q26: CIMB Niaga Results Disappoint

Highlights

- **CIMB Niaga 3Q26 results were below expectations.** 3Q26 net profit declined 42% yoy and 37% qoq to Rp1.06t, taking 9M26 earnings to Rp4.49t (-15% yoy), equivalent to just 63% of our and consensus full-year estimates. The shortfall was driven by weaker-than-expected NIM and higher credit costs. Niaga also trimmed its NIM and ROE guidance by 10bp and 50bp, respectively.
- **Elevated provisions mask improving asset quality.** Provisions surged 70% yoy and 64% qoq, primarily reflecting OJK's revised treatment of repossessed vehicles and pre-emptive overlays on consumer loans. These accounted for about 40% of 3Q26 provisions and should be largely non-recurring. Underlying asset quality continued to improve, with LAR, GIL and NPL ratios declining by 70bp, 50bp and 2bp qoq, respectively. Loss coverage remained adequate at 100-120%.
- **Margins under pressure, but recovery remains on the horizon.** Persistent NIM compression and a sharp decline in treasury income, which contributed to over 90% of the earnings shortfall, weighed on Niaga's performance. Further BI rate hikes and intense deposit competition could prolong margin pressure in the near term. However, the gradual repricing of loans should provide an offset and support a recovery into 2027. Meanwhile, fee income remains a relative bright spot, expanding 21% yoy over the past five quarters, while tighter cost controls should help strengthen operating leverage.

Valuation/Recommendation

- **Maintain BUY with a lower target price of RM8.60 (1.25x 2027F P/B, 11.5% ROE) from RM8.80** after the earnings revision. The stock offers a lush dividend yield of 6.6%-7.0% for 2026/26. Valuations also remain inexpensive at P/BV (1.02x vs 11.7% ROE). CIMB Group retains a strong capital management runway, underpinned by the potential upstreaming of excess capital from CIMB Thai and, potentially, CIMB Niaga, alongside further value-unlocking opportunities from the potential monetisation of its stake in Touch 'n Go.

Earnings Revision/Risk

- We trim CIMB Group 2026-28 earnings forecasts by 2% following lower-than-expected earnings from CIMB Niaga.

Share Price Catalyst

- Stronger-than-expected fee income.

CIMB Niaga – 3Q26 Results

Year to 31 Dec (Rpb)	3Q26	3Q25	qoq %	yoy %	9M26	yoy %
Net-interest income	3,307	3,455	(0.8)	(4.3)	9,861	(2.2)
Non-interest income	1,452	1,810	(17.4)	(19.8)	5,045	7.7
Operating expenses	(2,052)	(2,220)	(9.5)	(7.6)	(6,689)	2.2
Loan loss provision	(1,251)	(735)	64.2	70.2	(2,433)	65.2
PBT	1,457	2,310	(29.3)	(36.9)	5,785	(14.2)
Net income	1,056	1,814	(36.8)	(41.8)	4,492	(14.7)
Key Analysis (%)	3Q25	4Q25	1Q26	2Q26	3Q26	
Net interest margin	4.08	3.88	3.83	3.85	3.78	
Gross NPL ratio	2.0	1.8	1.9	1.8	1.8	
Gross loans growth (qoq %)	3.2	4.2	(1.3)	5.1	(1.5)	
LLC	113.6	112.3	112.0	106.3	103.1	
Cost/Income ratio	42.2	50.9	46.9	44.5	43.1	
ROE	13.6	11.6	12.7	12.5	7.6	

Source: CIMB Niaga, UOB Kay Hian

CIMB Group – Key Financials

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net interest income	11,319	11,340	11,895	12,683
Non-interest income	6,245	6,533	6,855	7,155
Net profit (rep./act.)	7,860	7,961	8,559	9,227
Net profit (adj.)	7,860	7,961	8,559	9,227
EPS (sen)	73.0	73.9	79.5	86.2
PE (x)	9.7	9.6	8.9	8.2
P/B (x)	1.1	1.0	1.0	1.0
Dividend yield (%)	6.6	6.6	7.1	7.6
Net int margin (%)	2.24	2.17	2.13	2.11
Cost/income (%)	47.2	47.3	46.4	45.5
Loan loss cover (%)	103.2	144.1	233.7	603.7
Consensus net profit	-	7,843	8,539	9,144
UOBKH/Consensus (x)	-	1.02	1.00	1.01

Source: CIMB Group, UOB Kay Hian

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Market Spotlight

Market News

The FBMKLCI surged 2.02pt to close at 1,613.87 yesterday, buoyed by strong gains in the index-linked counters as the market took cue from positive sentiment in the overnight US market. Meanwhile, Asian stocks rallied on Wednesday, led by South Korean shares after chipmaker SK Hynix reported a sharp increase in quarterly profit, bolstering optimism over artificial intelligence demand. The FBMKLCI's top gainers were YTL Corporation (+4.9%), Nestle (M) (+3.9%) and YTL Power International (+3.3%), while the top losers were Maxis (-3.8%), 99 Speed Mart Retail Holdings (-3.2%) and IOI Properties Group (-1.9%). In the broader market, gainers outpaced losers 658 to 418 with 524 counters unchanged. Turnover was 3.16b shares valued at RM2.29b.

US stocks were higher after the close on Wednesday, as gains in the industrials, basic materials and technology sectors led shares higher. At the close in NYSE, the Dow Jones Industrial Average rose 0.19%, while the S&P 500 Index climbed 0.28%, and the NASDAQ Composite Index gained 0.27%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,403 to 1,311 and 84 ended unchanged; on the Nasdaq Stock Exchange, 2,061 rose and 1,344 declined, while 195 ended unchanged. (Sources: *Investing.com*)

FBMKLCI, FCPO & FKLI Index Outlook

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,613.87
Expected moving range:	1,600-1,630

Technical View:

The FBMKLCI continued on a bullish movement and closed at 1,613.87 in yesterday's trading activity. This was supported by positive RSI readings and bullish crossovers in MACD indicator. We view that the short-term movement is on the upside and the mid-term movement should be in a sideways mode. Support and resistance levels are still maintained 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: RM4,667
Target price: RM4,769, RM4,852
Support: RM4,620
Stop-loss: RM4,619

BUY with a target price of RM4,852 and stop-loss at RM4,619. Based on the chart, FCPO continues the bullish movement and closed higher at RM4,667 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 RM4,769 and RM4,852 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 +0.93% potential return

Trading BUY range: 1,600-1,610
Last price: 1,612
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 1,612 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

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Three- A Resources TARE MK

Technical BUY on breakout with +11.4% potential return

Trading BUY range:	RM0.745-0.75
Last price:	RM0.74
Target price:	RM0.81, RM0.83
Support:	RM0.71
Stop-loss:	RM0.705

BUY on breakout with a target price of RM0.83 and stop-loss at RM0.705. Based on the daily chart, the share price has been trading above the BBI line. Given the profit-taking activity, TARE rebounded on yesterday's gain and established a new up-leg. Persistent buying interest as shown by the RSI and DMI should drive the share price higher. Additionally, MACD is currently on the verge of making a golden cross to the positive signal. We peg our targets at RM0.81 and RM0.83 once it penetrates the breakout level of RM0.745.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Citaglobal CITAGLB MK

Technical BUY on breakout with +19.6% potential return

Trading BUY range:	RM1.12-1.13
Last price:	RM1.09
Target price:	RM1.29, RM1.34
Support:	RM1.00
Stop-loss:	RM0.995

BUY on breakout with a target price of RM1.34 and stop-loss at RM0.995. Following the earlier correction, the share price has rebounded and moved above the BBI line, implying that the recent correction is over. The steady incline in the RSI points to a gradual rise in momentum. This is supported by the positive reading in the DMI. As such, we expect the upward movement to be sustainable, and thus peg our upside targets at RM1.29 and RM1.34 once it manages to penetrate above the breakout level of RM1.12.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

DPS Resources DPS MK

Technical BUY on breakout with +20.8% potential return

Trading BUY range:	RM0.53-0.535
Last price:	RM0.52
Target price:	RM0.615, RM0.64
Support:	RM0.49
Stop-loss:	RM0.485

BUY on breakout with a target price of RM0.64 and stop-loss at RM0.485. The upside trend is intact if the stock can break out of RM0.53. Currently, both the MACD and the DMI are showing positive signals to support the upward momentum. This is also supported by an uptick in the RSI, which suggests buying momentum has dominated selling momentum. We peg our targets at RM0.615 and RM0.64 for the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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