UOBKayHian

Country Daily | Malaysia

Thursday, 12 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,486.5	0.5	(1.6)	1.6	9.2
S&P 500	7,619.4	1.3	(0.9)	(2.5)	11.3
FTSE 100	10,835.5	0.8	0.1	2.7	9.1
AS30	9,291.3	0.3	3.8	4.0	3.0
CSI 300	4,075.7	0.4	(0.6)	(5.0)	(12.0)
FSSTI	5,289.7	0.6	0.4	(2.3)	13.8
HSCEI	8,171.5	(1.1)	1.4	0.0	(8.3)
HSI	24,315.9	(1.0)	1.7	0.4	(5.1)
JCI	5,115.0	(0.2)	4.0	(13.8)	(40.8)
KLCI	1,595.2	(0.6)	(1.6)	(1.4)	(5.1)
KOSPI	5,375.4	2.6	(5.4)	(15.8)	27.6
Nikkei 225	61,248.6	1.3	(1.5)	(11.3)	21.7
SET	1,502.1	0.4	0.0	(4.4)	19.2
TWSE	44,257.2	3.6	3.0	(10.2)	52.8
BDI	2,959	3.4	9.8	1.4	57.6
CPO (RM/mt)	3,985	(2.8)	(8.7)	(10.9)	1.3
Brent Crude (US$/bbl)	93	1.3	(2.1)	(11.5)	52.3

Source: Bloomberg

Corporate Events

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

Corporate and Macro Calendar

Economic Indicator/Event	Country/Region	Date
GDP 3Q26	Malaysia	18 Nov
Trade Balance	Malaysia	18 Nov
CPI	Malaysia	19 Nov

Top Stories

Company Results | Heineken Malaysia (HEIM MK/**BUY**/RM13.32/Target: RM21.80) Page 2 →

- Heineken's 9M26 results broadly met expectations. Positively, while revenue and profit remained soft in 3Q26, the majority of the inventory adjustment was completed within the quarter and earnings should improve going into 4Q26. The seasonal boost to sales ahead of the year-end festivities should also lift earnings as the earlier CNY in 2027 should see more sell-in captured within 4Q26. Maintain BUY and target price of RM21.80 as the current price post-selldown offers an attractive entry point.

Company Results | SP Setia (SPSB MK/**HOLD**/RM0.605/Target: RM0.60) Page 5 →

- SP Setia's results missed our expectations due to a weak performance from the property development segment. Management trimmed its 2026 launch target for the second consecutive quarter to RM3.99b amid softer residential demand, while pivoting towards industrial and commercial developments. Downgrade to HOLD with a lower target price of RM0.60 (from RM1.06), as we lift our discount to RNAV from 65% to 80% to reflect slower execution timelines, including its REIT listing that is now expected to happen in 3Q27.

Market Spotlight

Page 8 →

- The FBMKLCI continued to slide by 8.88pt to close at 1,595.19 yesterday amid persistent selling pressure across index counters.
- Wall Street ended solidly higher on Wednesday on the back of technology stocks, as an upbeat financial outlook from neocloud firm CoreWeave, solid demand for Anthropic's initial public offering, and surging revenue at OpenAI revived optimism around artificial intelligence.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 9 →

Traders' Corner Page 11 →

Globaltec Formation | GBLF MK Page 11→

- Trading Buy Range: RM0.885-0.89

Mclean Technologies | MTB MK Page 11 →

- Trading Buy Range: RM0.695-0.70

Thong Guan Industries | TGI MK Page 12 →

- Trading Buy Range: RM1.51-1.52

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.

Heineken Malaysia (HEIM MK)

3Q26: Soft As Expected, Potentially Turning The Corner

Highlights

- Heineken's 9M26 results broadly met expectations. Despite earnings remaining soft, sales are expected to pick up going into the year-end.
- Positively, a majority of the inventory adjustment was resolved in 3Q26, signalling that sales volume may see a recovery in the coming quarter.
- Maintain BUY with an unchanged target price of RM21.80. Current prices post-selldown offer an attractive entry point with Heineken trading at a single-digit PE based on 2027F.

3Q26 Results

Year to 31 Dec	3Q26 (RMm)	qoq % chg	yoy % chg	9M26 (RMm)	yoy % chg
Revenue	**539.1**	**24.0**	**(17.8)**	**1,638.1**	**(16.4)**
EBITDA	117.2	28.7	(41.7)	373.0	(29.0)
EBIT	94.8	39.2	(37.3)	304.3	(28.6)
PBT	91.2	36.8	(38.7)	295.4	(29.5)
Core net profit	**68.7**	**32.6**	**(39.5)**	**225.3**	**(29.5)**
Margins	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**
EBIT margin	17.6	1.9	(5.5)	18.6	(3.2)
PBT margin	16.9	1.6	(5.8)	18.0	(3.4)
Effective tax rate	(24.1)	0.0	(0.0)	(24.1)	(0.0)
Core Net Margin	12.7	0.8	(4.6)	13.8	(2.6)

Source: Heineken, UOB Kay Hian

Analysis

- **Broadly in line.** Heineken Malaysia (Heineken) reported a core net profit of RM225.3m (-29.5% yoy) with revenue of RM1.6b (-16.4% yoy) in 9M26. We arrive at this after stripping out RM1.1m in provisions for inventory write-offs. While this only accounts for 65% of our and 67% of consensus full-year forecasts, we deem this within expectations as sales volume is expected to pick up in 4Q26 ahead of the festive season.

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	2,797	2,798	2,307	2,816	2,880
EBITDA	510	502	468	597	601
Operating profit	418	406	381	511	515
Net profit (rep./act.)	467	459	347	433	447
Net profit (adj.)	448	463	347	433	447
EPS (sen)	148.3	153.2	114.8	143.2	148.0
PE (x)	8.8	8.5	11.3	9.1	8.8
P/B (x)	7.3	7.4	7.4	7.4	7.4
EV/EBITDA (x)	7.5	8.2	8.6	6.7	6.7
Dividend yield (%)	11.9	11.8	8.8	11.0	11.4
Net margin (%)	16.7	16.4	15.0	15.4	15.5
Net debt/(cash) to equity (%)	8.8	25.4	16.2	16.8	17.8
Interest cover (x)	46.3	47.7	31.5	41.1	737.7
ROE (%)	102.5	101.9	76.9	95.9	99.2
Consensus net profit	-	-	337	381	407
UOBKH/Consensus (x)	-	-	1.03	1.13	1.10

Source: Heineken, Bloomberg, UOB Kay Hian

Analyst(s)

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BUY (Maintained)

Share Price	RM13.32
Target Price	RM21.80
Upside	67.4%

Stock Data

GICS sector	Consumer Staples
Bloomberg ticker	HEIM MK
Shares issued (m)	302.1
Market cap (RMm)	4,023.9
Market cap (US$m)	988.1
3-mth avg daily t'over (US$m)	1.5

Price Performance (%)

52-week high/low				RM25.30/RM12.68
1mth	**3mth**	**6mth**	**1yr**	**YTD**
0.3	(21.9)	(41.5)	(39.3)	(42.0)

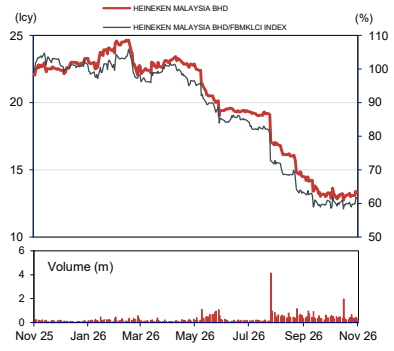
Major Shareholders (%)

GAPL Pte Ltd	51.0
Vanguard Group Inc/T	1.8
Hong Leong Co Malays	1.6

Balance Sheet Metrics

FY26 NAV/Share (RM)	1.8
FY26 Net Debt/Share (RM)	2.0

Price Chart



Source: Bloomberg

Company Description

Market leader in the malt liquor market, led by key driving brands, lager beer Tiger and Heineken, and stout Guinness Anchor.

- **Sales adjustment continued to drag 3Q26…** Heineken reported core net profit of RM68.7m (+32.6% qoq, -39.5% yoy) on revenue of RM539.1m (+24.0% qoq, -17.8% yoy). Overall, volumes contracted significantly compared with 3Q25 as the impact of the inventory adjustment continued to weigh on the group. Recall that Heineken previously faced an issue with soft consumption and high distributor stockpiles which resulted in slower-than-expected inventory churn.
- **…but signs of life as inventory normalises.** Heineken commented that the inventory adjustment has been largely completed as of 3Q26. We note that sequentially, results showed a marked improvement over 2Q26 while inventory levels have also dropped 17% qoq. While volumes are unlikely to fully recover within the next quarter, we believe Heineken may have turned the corner and expect 4Q26 results to come in strong as both the inventory normalisation and seasonal factor kick in.
- **VMY extension a boon for brewers.** As part of Budget 2027, the government announced that Visit Malaysia Year (VMY) would be extended to 2027 as the Iran war had disrupted this year's campaign. We view this as broadly positive for brewers as our previous ground checks indicated that VMY did result in an uptick in consumption prior to the Iran war escalation. Broader measures such as the increased cash handouts and higher wages should also help bolster sentiment with impact on the brewers expected to be minimal given most of its workforce earns above the minimum wage.

Valuation/Recommendation

- **Maintain BUY with an unchanged DCF-based target price of RM21.80.** We use a WACC estimate of 7.8% and terminal growth rate of 2.7% to arrive at our fair value estimates. Our DCF-derived target price implies 15.2x 2027F PE, in line with its five-year mean.
- We view the current depressed price as an attractive entry point. The group now trades near -3.0SD to its mean PE with an expected dividend yield of 11.0% over 2027-28 offering a degree of defensiveness.

Earnings Revision/Risk

- None.

Environment, Social, Governance (ESG) Updates

Environmental

- **Water management.** Water efficiency has gradually improved over the years. It is now 16% more efficient relative to 2014.
- **Emissions.** Zero waste to landfill. Aims to reduce CO2 emissions by 40% in production compared with 2008.

Social

- **Product services responsibility.** More than 10% of Heineken's media budget is committed to advocating responsible consumption.

Governance

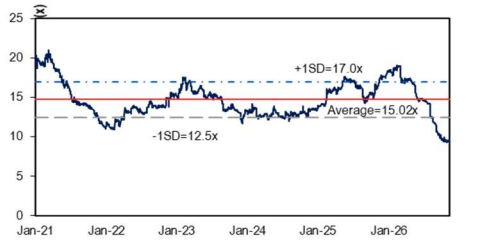
- **Board gender diversity.** Women are well-represented on the board, with a 57:43 male to-female ratio.
- **Management gender diversity.** Among employees, Heineken has a 50:50 male-to female ratio in middle to senior management positions.

Key Assumptions

	2026F	2027F	2028F
Revenue (RMm)	**2,307**	**2,816**	**2,880**
yoy growth (%)	-20.2	22.1	2.3
Volume yoy (%)	**-25.0**	**20.0**	**2.0**
ASPs yoy (%)	**6.4**	**1.7**	**0.2**
Core profit (RMm)	**335**	**418**	**433**
yoy growth (%)	-27.6	24.8	3.5

Source: UOB Kay Hian

12-Month Forward PE Band



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**2,260**	**2,272**	**2,335**	**2,367**
EBITDA	508	511	546	571
Deprec. & amort.	59	60	61	63
EBIT	450	451	485	508
Associate contributions	36	38	40	42
Net interest income/(expense)	(3)	2	2	3
Pre-tax profit	**483**	**491**	**527**	**553**
Tax	(106)	(108)	(116)	(121)
Minorities	(2)	(5)	(6)	(6)
Net profit	**376**	**378**	**406**	**425**
Net profit (adj.)	376	378	406	425

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	347	324	332	341
Other LT assets	191	221	221	221
Cash/ST investment	25	47	66	96
Other current assets	486	483	495	501
Total assets	**1,049**	**1,075**	**1,114**	**1,158**
ST debt	25	15	5	5
Other current liabilities	658	655	663	665
Other LT liabilities	40	40	40	40
Shareholders' equity	321	354	390	427
Minority interest	5	10	16	21
Total liabilities & equity	**1,049**	**1,075**	**1,114**	**1,158**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**370**	**443**	**468**	**490**
Pre-tax profit	483	491	527	553
Tax	(106)	(108)	(116)	(121)
Deprec. & amort.	59	60	61	63
Working capital changes	(62)	0	(4)	(4)
Non-cash items	0	0	0	0
Other operating cashflows	(4)	0	0	0
Investing	**(56)**	**(66)**	**(69)**	**(72)**
Capex (maintenance)	(68)	(66)	(69)	(72)
Proceeds from sale of assets	0	0	0	0
Others	13	0	0	0
Financing	**(373)**	**(355)**	**(380)**	**(388)**
Dividend payments	(311)	(345)	(370)	(388)
Proceeds from borrowings	(52)	(10)	(10)	0
Loan repayment	n.a.	n.a.	n.a.	n.a.
Others/interest paid	(11)	0	0	0
Net cash inflow (outflow)	**(59)**	**22**	**19**	**29**
Beginning cash & cash equivalent	**85**	**25**	**47**	**66**
Changes due to forex impact	(1)	0	0	0
Ending cash & cash equivalent	**25**	**47**	**66**	**96**

Key Metric

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	22.5	22.5	23.4	24.1
Pre-tax margin	21.4	21.6	22.6	23.3
Net margin	16.6	16.6	17.4	18.0
ROA	43.9	43.5	45.7	46.8
ROE	118.6	113.4	115.6	115.1
Growth				
Turnover	(4.9)	0.5	2.8	1.4
EBITDA	7.3	0.5	6.9	4.5
Pre-tax profit	7.8	1.6	7.4	4.8
Net profit	11.4	0.6	7.4	4.8
Net profit (adj.)	11.4	0.6	7.4	4.8
EPS	11.4	0.6	7.4	4.8
Leverage				
Debt to total capital	7.8	4.2	1.3	1.2
Debt to equity	7.9	4.3	1.4	1.2
Net debt/(cash) to equity	0.1	(8.9)	(15.6)	(21.1)
Interest cover (x)	201.5	n.a.	n.a.	n.a.

SP Setia (SPSB MK)

3Q26: Results Miss; Slower Execution Timelines Drag Earnings

Highlights

- The results missed our expectations due to a weak performance from the property development segment.
- SP Setia has trimmed its 2026 launch target for the second consecutive quarter to RM3.99b amid softer residential demand, while pivoting towards industrial and commercial developments.
- Downgrade to HOLD with a lower target price of RM0.60 (from RM1.06), as we lift our discount to RNAV from 65% to 80% to reflect slower execution timelines, including its REIT listing that is now expected to happen in 3Q27.

3Q26 Results

Year to 31 Dec (RMm)	3Q26	qoq%	yoy%	9M26	yoy%
Revenue	672.6	(18.1)	(22.9)	2,320.5	(10.3)
Gross Profit	254.3	(20.5)	(21.7)	817.7	(17.2)
EBIT	186.9	(32.9)	(30.6)	691.1	(15.2)
PBT	93.1	(51.1)	(42.1)	391.3	(21.4)
PATAMI	32.6	(66.7)	(52.1)	161.8	(31.1)
Core PATAMI (before RCPS)	37.9	(43.5)	(50.5)	151.2	(40.9)
Margins	**%**	**+/- ppt**	**+/- ppt**	**%**	**+/- ppt**
GP	37.8	(1.2)	0.6	35.2	(3.0)
EBIT	27.8	(6.1)	(3.1)	29.8	(1.7)
PBT	13.8	(9.3)	(4.6)	16.9	(2.4)
Core PATAMI (before RCPS)	5.6	(2.5)	(3.1)	6.5	(3.4)

Source: SP Setia, UOB Kay Hian

Analysis

- **Results miss.** SP Setia's 3Q26 core PATAMI was RM38m (-44% qoq, -51% yoy) on the back of RM672m in revenue (-18% qoq, -23% yoy). This brings 9M26 core PATAMI to RM151m (-41% yoy), accounting for 39%/46% of our and consensus full-year forecasts respectively. We attribute the results miss to its weak property development segment, including the slower-than-expected recognition of the Setia Alaman industrial land sales. As of end 3Q26, unbilled sales stood at RM3.9b (-1% qoq; -4% yoy).

Key Financials

Year to 31 Dec (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	5,294	4,218	3,330	4,398	4,567
EBITDA	1,610	1,466	1,031	1,383	1,434
EBIT	1,564	1,426	991	1,344	1,396
Net profit (rep./act.)	576	510	280	432	449
Net profit (adj.)	622	697	280	432	449
Net profit (adj. after RCPS)	525	615	190	343	360
EPS (sen) (adj. after RCPS)	11.1	12.3	3.8	6.9	7.2
PE (x)	5.4	4.9	15.9	8.8	8.4
P/B (x)	0.2	0.2	0.2	0.2	0.2
EV/EBITDA (x)	7.8	8.6	12.4	9.5	9.5
Dividend yield (%)	4.8	4.2	1.5	2.7	2.8
Net margin (%)	11.7	16.5	8.4	9.8	9.8
Net debt/(cash) to equity (%)	37.3	36.1	36.8	38.0	39.2
Interest cover (x)	5.5	5.7	4.0	4.8	4.8
ROE (%)	3.6	4.2	1.3	2.3	2.4
Consensus net profit			349	409	443
UOBKH/Consensus (x)			0.5	0.8	0.8

Source: SP Setia, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Downgraded)

Share Price	RM0.605
Target Price	RM0.600
Upside	-0.1%
Previous TP	RM1.060

Stock Data

Sector	Real Estate
Bloomberg ticker	SPSB MK
Shares issued (m)	5,003.4
Market cap (RMm)	5,904.0
Market cap (US$m)	1,502.1
3-mth avg daily t'over (US$m)	2.9

Price Performance (%)

52-week high/low				RM1.3/RM0.72
1mth	**3mth**	**6mth**	**1yr**	**YTD**
39.6	24.9	44.8	1.7	61.6

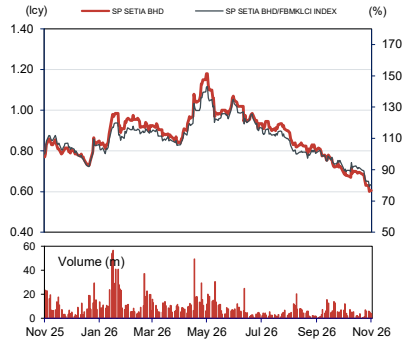
Major Shareholders (%)

PNB	48.8
EPF	15.7
KWAP	8.4

Balance Sheet Metrics

FY26 NAV/Share (RM)	2.92
FY26 Net Debt/Share (RM)	1.07

Price Chart



Source: Bloomberg

Company Description

SP Setia is one of the leading property developers in Malaysia with vast landbanks in Klang Valley, Penang and Iskandar.

- **Management has cut its 2026 launch target for the second consecutive quarter** to RM3.99b from RM4.4b in 2Q26 and RM5.36b earlier this year, citing a softer residential market. Ytd sales stood at RM2.96b as of 10 Nov 26 (9M26: RM2.34b), representing 64% of its RM4.6b sales target. The remaining ~RM1b sales are expected from Vietnam (RM230m), Sapphire Tower 2 in Melbourne (RM183m), Setia Alam shoplots (RM180m), Setia Alaman industrial plots (>RM100m) and Setia EcoHill (RM88m). Looking into 2027, management expects the domestic market to remain soft and will only launch products with proven demand.
- **Property development margins weakened despite stable gross margins.** 3Q26 PBT margin for the property development segment dropped to 11.2% (-7.1ppt yoy; -13.8ppt qoq), despite a stable gross margin of 37% (3Q25: 37.4%). The drop was mainly due to the absence of land sales recognition and slower domestic sales conversion. Management expects to recognise the Glengowrie land sale to Mah Sing by year-end, with an estimated net gain of RM35m, alongside partial recognition of Setia Alaman land sales, subject to the issuance of land titles. Given the limited time remaining in 2026, we conservatively pencil in RM30m earnings from Setia Alaman in 4Q26, with the remaining recognition falling into 2027.
- **Long-term targets.** SP Setia expects domestic sales to remain stable at RM3b-4b a year over the next five years. International earnings will be lumpy, as recognition is largely tied to project completion. According to management, Vietnam projects recognise 50% progressively and the balance upon completion, while Australia's profit contribution will only come from 2029.
- **REIT listing pushed back again.** The listing is now targeted for 3Q27 (2Q27 previously), with submission to Securities Commission by year-end, as management opted to include a Johor asset jointly held with a partner, which should improve the REIT's target yield. The indicative initial portfolio would comprise six assets valued at slightly below RM2b. Beyond the initial portfolio, the pipeline includes a student accommodation tower at Carlton in Melbourne and industrial assets from its managed industrial parks, which should lift recurring income to ~10% of earnings by 2030.
- **Battersea Phase 3C: Steady sales progress.** Phase 3C, which was soft-launched in May 26, has achieved a take-up rate of 54% to date. Selling prices have risen to around £1,700psf from ~£800psf previously, commanding a premium to surrounding area, supported by demand from Middle Eastern buyers amid heightened geopolitical uncertainties. Management remains confident in clearing the remaining units in due course. Meanwhile, the completed inventory at Phases 2 and 3A are nearly cleared, with only two units remaining (Jul 26: eight units). On the commercial front, occupancy at 50 Electric Boulevard improved to 59% (2Q26: 53%), while the BPS mall remains 98% leased.

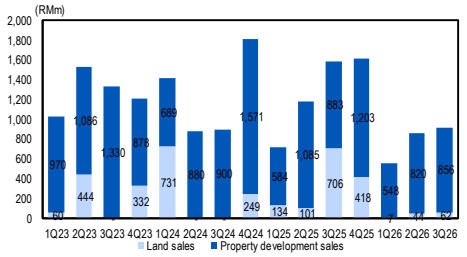
Valuation/Recommendation

- **Downgrade to HOLD with a lower target price of RM0.60 (from RM1.06),** as we increase our discount to RNAV from 65% to 80% to reflect the slower-than-expected execution timelines, including its REIT listing. Our target price implies 8.8x 2027F PE and 0.2x 2027F P/B.

Earnings Revision/Risk

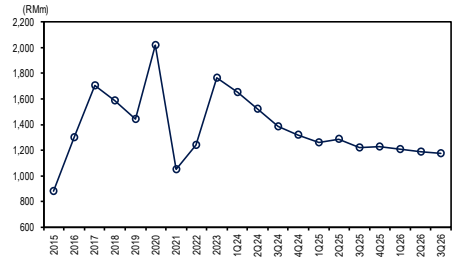
- We cut our earnings forecasts by 28%/14%/14% for 2026-28 respectively to factor in a slower launch pipeline.

Quarterly Sales



Source: SP Setia, UOB Kay Hian

Inventory Level



Source: SP Setia, UOB Kay Hian

RNAV-Based Valuation

NPV of Development Profits	(RMm)
Central Region	1,240.5
Northern Region	289.1
Southern Region	214.9
Eastern Region	71.5
Battersea Power Station	268.8
Australia, Vietnam & Others	144.3
Total	**2,229.2**
Shareholders' Funds	14,797.8
RNAV	**17,027.0**
Existing Share Base (m)	5,051.7
RCPS-i A	375.2
RCPS-i C	209.4
Enlarged Sharebase (m)	5,636.3
RNAV/share (RM)	3.02
Discount (%)	80%
Target Price (RM/share)	0.60

Source: SP Setia, UOB Kay Hian

Environment, Social, Governance (ESG) Updates

Environmental

- Energy intensity ratio decreased to 12.6kW/h from 17.9kW/h.

Social

- Total investment for communities by S P Foundation: RM405,154.

Governance

- Good company transparency along with an anti-bribery and anti-corruption policy.

Profit & Loss

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Net turnover	**4,217.8**	**3,330.0**	**4,398.4**	**4,567.0**
EBITDA	1,465.6	1,030.7	1,382.9	1,434.4
Deprec. & amort.	40.1	39.3	38.9	38.6
EBIT	1,425.6	991.3	1,344.0	1,395.8
Associate contributions	(101.7)	(96.6)	(96.6)	(96.6)
Net interest income/(expense)	(256.3)	(257.0)	(286.6)	(301.2)
Pre-tax profit	**969.1**	**637.8**	**960.9**	**998.1**
Tax	(365.5)	(279.3)	(420.7)	(437.0)
Minorities	(93.6)	(78.9)	(108.0)	(112.2)
Net profit	**510.0**	**279.6**	**432.1**	**448.8**
Net profit (adj. after RCPS)	615.1	190.4	342.8	359.5

Balance Sheet

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Fixed assets	12,415.2	12,951.0	13,706.6	14,474.8
Other LT assets	3,799.2	3,702.6	3,606.0	3,509.4
Cash/ST investment	2,572.1	2,739.8	2,838.6	2,951.6
Other current assets	8,296.9	7,722.2	8,413.7	8,522.9
Total assets	**27,083.4**	**27,115.6**	**28,564.9**	**29,458.8**
ST debt	3,031.2	3,031.2	3,031.2	3,031.2
Other current liabilities	2,547.8	2,150.8	2,797.5	2,898.1
LT debt	4,887.0	5,174.6	5,571.8	5,975.3
Other LT liabilities	528.7	528.7	528.7	528.7
Shareholders' equity	16,088.7	16,230.3	16,635.7	17,025.5
Minority interest	1,290.8	1,369.7	1,477.7	1,589.9
Total liabilities & equity	**27,083.4**	**27,115.6**	**28,564.9**	**29,458.8**

Cash Flow

Year to 31 Dec (RMm)	2025	2026F	2027F	2028F
Operating	**1,458.8**	**929.1**	**917.4**	**988.8**
Pre-tax profit	969.1	637.8	960.9	998.1
Tax	(365.5)	(279.3)	(420.7)	(437.0)
Deprec. & amort.	40.1	39.3	38.9	38.6
Associates	101.7	96.6	96.6	96.6
Working capital changes	333.3	177.7	(44.8)	(8.5)
Other operating cashflows	380.2	257.0	286.6	301.2
Investing	**(655.8)**	**(575.1)**	**(794.5)**	**(806.8)**
Capex (growth)	(795.4)	(575.1)	(794.5)	(806.8)
Investments	0.0	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	139.6	0.0	0.0	0.0
Financing	**(1,291.9)**	**(186.3)**	**(24.1)**	**(69.0)**
Dividend payments	(258.3)	(216.9)	(134.8)	(171.2)
Issue of shares	1.1	0.0	0.0	0.0
Proceeds from borrowings	0.0	0.0	0.0	0.0
Loan repayment	(668.3)	287.5	397.3	403.4
Others/interest paid	(366.5)	(257.0)	(286.6)	(301.2)
Net cash inflow (outflow)	**(489.0)**	**167.7**	**98.8**	**113.0**
Beginning cash & cash equivalent	**3,141.5**	**2,572.1**	**2,739.8**	**2,838.6**
Changes due to forex impact	(80.4)	0.0	0.0	0.0
Ending cash & cash equivalent	**2,572.1**	**2,739.8**	**2,838.6**	**2,951.6**

Key Metric

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	34.7	31.0	31.4	31.4
Pre-tax margin	23.0	19.2	21.8	21.9
Net margin	12.1	8.4	9.8	9.8
ROA	2.2	0.7	1.2	1.2
ROE	4.2	1.3	2.3	2.4
Growth				
Turnover	(10.9)	(29.7)	(7.1)	(3.5)
EBITDA	143.3	71.1	129.6	138.1
Pre-tax profit	69.9	11.8	68.5	75.0
Net profit	22.0	(33.1)	3.4	7.4
Net profit (adj.)	17.2	(69.1)	80.1	4.9
EPS	17.2	(69.1)	80.1	4.9
Leverage				
Debt to total capital	49.2	50.6	51.7	52.9
Debt to equity	53.5	55.2	56.8	58.3
Net debt/(cash) to equity	36.1	36.8	38.0	39.2
Interest cover (x)	5.7	4.0	4.8	4.8

Market Spotlight

Market News

The FBMKLCI continued to slide by 8.88pt to close at 1,595.19 yesterday amid persistent selling pressure across index counters. Meanwhile, Asian stocks advanced on Wednesday as a rebound in artificial intelligence-linked shares spread across the region, with South Korea and Japan leading gains after strong results from AI infrastructure provider CoreWeave revived confidence in demand for data-centre computing. The FBMKLCI's top gainers were Axiata Group (+2.5%), CelcomDigi (+2.4%) and IOI Corporation (+2.3%), while the top losers were MISC (-3.6%), Public Bank (-3.2%) and Hong Leong Bank (-2.3%). In the broader market, gainers outpaced losers 695 to 426 with 473 counters unchanged. Turnover was 2.90b shares valued at RM2.33b.

Wall Street ended solidly higher on Wednesday on the back of technology stocks, as an upbeat financial outlook from neocloud firm CoreWeave, solid demand for Anthropic's initial public offering, and surging revenue at OpenAI revived optimism around artificial intelligence. The Nasdaq soared 1.6% to close at 25,466.19 points, while the S&P jumped 1.3% to settle at 7,616.75 points. The blue-chip Dow Jones Industrial Average lagged its peers, adding 0.5% to conclude at 52,484.76 points. (*Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,595.19
Expected moving range:	1,590-1,610

Technical View:

The FBMKLCI formed a bearish Marubozu bar and continued its pullback to close lower at 1,595.19 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 still maintained as follows:

Support: 1,593, 1,585

Resistance: 1,651, 1,683

FCPO



Source: TradingView

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

Technical BUY with +3.4% potential return

Trading BUY range:	RM4,200-4,230
Last price:	RM4,448
Target price:	RM4,518, RM4,599
Support:	RM4,312
Stop-loss:	RM4,311

BUY with a target price of RM4,599 and stop-loss at RM4,311. Based on the chart, FCPO hit our both targets at RM4,399 and RM4,452 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 RM4,518 and RM4,599 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 -0.69% downside

Trading SELL range:	1,590-1,600
Last price:	1,592
Target price:	1,584, 1,581
Resistance:	1,605
Stop-loss:	1,606

SELL with a target price of 1,581 and stop-loss at 1,606. Based on the chart, FKLI hit our both targets at 1,589 and 1,584 before formed a rebound 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 1,584 and 1,581 in the near term.

Expected timeframe: One day to three days

Traders' Corner

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Source: UOBKH ChartGenie

Globaltec Formation
GBLF MK

Technical BUY on breakout with +17.5% potential return

Trading BUY range:	RM0.885-0.89
Last price:	RM0.805
Target price:	RM0.995, RM1.04
Support:	RM0.78
Stop-loss:	RM0.775

BUY on breakout with a target price of RM1.04 and stop-loss at RM0.775. Following a correction from the recent high, GBLF has established strong support at the RM0.78 level in the past few days. This is consistent with renewed buying interest as indicated by an uptick in the RSI and a bullish crossover in both the MACD and the DMI. We peg our targets at RM0.995 and RM1.04 once it manages to penetrate above the breakout level of RM0.885.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Mclean Technologies
MTB MK

Technical BUY on breakout with +20.1% potential return

Trading BUY range:	RM0.695-0.70
Last price:	RM0.695
Target price:	RM0.785, RM0.835
Support:	RM0.585
Stop-loss:	RM0.58

BUY on breakout with a target price of RM0.835 and stop-loss at RM0.58. Based on the daily chart, share price has recovered gradually and moved above the 7- and 21-day EMA after it spikes to close at RM0.695 yesterday. This is supported by an uptick in the RSI and a bullish crossover in the MACD, indicating the positive momentum would strengthen in the near term. We peg our targets at RM0.785 and RM0.835 if the stock penetrates above the breakout level of RM0.695.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Thong Guan Industries
TGI MK

Technical BUY with +11.9% potential return

Trading BUY range:	RM1.51-1.52
Last price:	RM1.51
Target price:	RM1.64, RM1.69
Support:	RM1.40
Stop-loss:	RM1.39

BUY with a target price of RM1.69 and stop-loss at RM1.39. Based on the daily chart, TGI penetrated the breakout level of RM1.51 with higher trading volume yesterday. This is supported by positive readings in the RSI and a bullish crossover on the MACD and the DMI. We peg our targets RM1.64 and RM1.69 in near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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