UOBKayHian

Country Daily | Malaysia

Friday, 13 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,297.1	(0.4)	1.5	0.9	8.8
S&P 500	7,592.4	(0.4)	3.2	(2.8)	10.9
FTSE 100	10,863.1	0.3	0.7	1.9	9.4
AS30	9,274.2	(0.2)	0.7	4.0	2.8
CSI 300	4,043.9	(0.8)	(1.7)	(5.4)	(12.7)
FSSTI	5,282.7	(0.1)	0.3	(2.7)	13.7
HSCEI	8,056.8	(1.4)	(3.7)	(1.4)	(9.6)
HSI	24,008.6	(1.3)	(3.2)	(1.1)	(6.3)
JCI	5,250.9	2.7	4.4	(11.4)	(39.3)
KLCI	1,586.0	(0.6)	(1.9)	(2.3)	(5.6)
KOSPI	5,342.7	(0.6)	(0.8)	(11.5)	26.8
Nikkei 225	60,819.4	(0.7)	(0.4)	(10.3)	20.8
SET	1,499.1	(0.2)	0.1	(4.6)	19.0
TWSE	43,091.9	(2.6)	3.6	(10.9)	48.8
BDI	3,020	2.1	10.2	5.9	60.9
CPO (RM/mt)	4,122	3.4	(4.0)	(7.8)	4.8
Brent Crude (US$/bbl)	96	3.4	(2.4)	(10.0)	57.7

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 | Hartalega (HART MK/**HOLD**/RM1.06/Target: RM0.93) Page 2 →

- 2QFY27 results' weakness reflects higher input costs arising from the Iran war, which have weighed on profitability and margins. While ASPs have since moderated to US$22/'000 pcs and input costs such as raw material prices and natural gas tariffs continue to be elevated, we expect a sequentially weaker 2HFY27. The mid- and long-term outlooks also remain muted given oversupply dynamics and intensifying competition from China. Maintain HOLD with a lower target price of RM0.93 as the risk-reward dynamic appears neutral.

Market Spotlight

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- The FBMKLCI dropped 9.23pt to close at 1,585.96 yesterday as investors remain cautious over the uncertain global environment and lack of fresh local catalysts.
- US stocks were lower after the close on Thursday, as losses in the basic materials, industrials and healthcare sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 6 →

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Alam Maritim Resources | AMRB MK Page 8 →

- Trading Buy Range: RM0.235-0.24

CTOS Digital | CTOS MK Page 8 →

- Trading Buy Range: RM0.455-0.46

United U-Li Corporation | UULI MK Page 9 →

- Trading Buy Range: RM1.41-1.42

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.

Hartalega Holdings (HART MK)

2QFY27: Mounting Cost Pressures Earnings Outlook

Highlights

- 2QFY27 earnings declined significantly as higher volume sales (+1% qoq) and ASPs (+4% qoq) are largely offset by higher raw material costs.
- Upcoming 2HFY27-FY28 results may see further margin compression as ASPs largely normalised, while minimum wage impacts and elevated raw material and energy costs will start to kick in.
- Structurally, competition from China and oversupply dynamics continue to impact earnings. Maintain HOLD with a lower target price of RM0.93.

2QFY27 Results

Year to 31 Mar	2QFY27 (RMm)	qoq % chg	yoy % chg	Comments
Revenue	**644.7**	**6.4**	**19.5**	Surged qoq on higher volume sales (+1%) and ASP (+4%)
Operating expenses	(604.3)	14.9	14.9	Higher raw material prices lift production cost
EBITDA	**86.2**	**(34.9)**	**34.0**	Declined qoq vs RM132m in 1QFY27
EBIT	**43.5**	**(52.0)**	**84.6**	
Finance costs	(0.3)	486.4	355.3	
PBT	**43.1**	**(52.3)**	**83.8**	
Taxation	(10.4)	(49.1)	85.2	
Core net profit	**28.0**	**(61.1)**	**74.7**	Weaker earnings, within expectations
Margins	**%**	**+/- ppt**	**+/- ppt**	
EBITDA margin	13.4	(8.5)	1.5	
Effective tax rate	(24.0)	(1.5)	(0.2)	
Core net margin	4.3	(7.5)	1.4	Margin declined qoq on higher input costs

Source: Hartalega, UOB Kay Hian

Analysis

- **Within expectations.** Hartalega Holdings (Hartalega) registered a 2QFY27 core net profit of RM28m (1QFY27: RM72m), after stripping out exceptional items. 1HFY27 earnings accounted for 68% and 60% of our and consensus' full-year estimates respectively, but are deemed within expectations as we foresee weaker earnings in 2HFY27.

Key Financials

Year to 31 Mar (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	2,585.6	2,135.4	3,134.2	3,130.4	3,153.9
EBITDA	200.7	281.0	364.7	342.4	356.5
Operating profit	50.0	117.3	193	170	181
Net profit (rep./act.)	25.8	84.3	147	128	135
Net profit (adj.)	36.9	72.0	147	128	135
EPS	1.1	2.1	4.3	3.8	4.0
PE (x)	97.4	55.4	24.4	28.0	26.6
P/B (x)	0.8	0.9	0.8	0.8	0.8
EV/EBITDA (x)	13.3	10.2	6.8	7.3	7.0
Dividend yield (%)	11.0	1.5	2.2	2.0	2.1
Net margin (%)	1.0	4.0	4.7	4.1	4.3
Net debt/(cash) to equity (%)	(21.3)	(25.7)	(25.1)	(29.5)	(31.7)
Interest cover (x)	97.2	946.1	626.3	355.0	264.7
ROE (%)	0.8	2.5	3.3	2.8	3.0
Consensus net profit	n.a.	n.a.	166.8	170.4	190.9
UOBKH/Consensus (x)	n.a.	n.a.	0.88	0.75	0.71

Source: Hartalega, Bloomberg, UOB Kay Hian

Analyst(s)

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HOLD (Maintained)

Share Price	RM1.06
Target Price	RM0.93
Upside	-12.3%
Previous TP	RM1.06

Stock Data

Sector	Health Care
Bloomberg ticker	HART MK
Shares issued (m)	3,407.5
Market cap (RMm)	3,611.9
Market cap (US$m)	885.6
3-mth avg daily t'over (US$m)	2.8

Price Performance (%)

52-week high/low				RM1.38/RM0.8
1mth	**3mth**	**6mth**	**1yr**	**YTD**
2.9	3.9	(21.5)	(10.9)	7.1

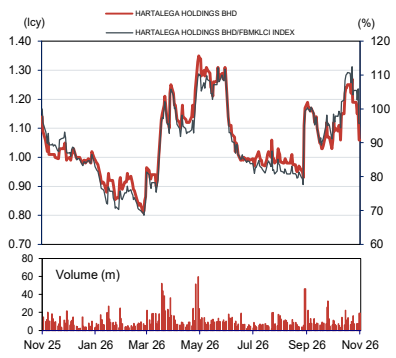
Major Shareholders (%)

Hartalega Industries Sdn Bhd	34.49
Budi Tenggara Sdn Bhd	8.66
KWAP	6.07

Balance Sheet Metrics

FY27 NAV/Share (RM)	1.32
FY27 Net Debt/Share (RM)	(0.3)

Price Chart



Source: Bloomberg

Company Description

Hartalega Holdings is the world's leading nitrile glove manufacturer.

- **Stronger qoq revenue, but profitability dipped on weaker margins.** Hartalega's revenue increased 20% yoy and 6% qoq in 2QFY27, reflecting: a) higher volume sales (+1% qoq); b) higher ASPs in US dollar terms (+4% qoq) to US$26.80/'000 pieces; and c) marginal strengthening of the US dollar against the ringgit (+1.5% qoq). Nevertheless, profitability fell due to higher raw material and operating costs which lowered net margin (-7.5ppt qoq).
- **Operating matrixes mixed, with margins declining on higher input cost.** In 2QFY27, Hartalega charted a higher utilisation rate of 65% (1QFY27: 64%) based on an adjusted capacity of around 36b. This mainly reflects stronger demand and customers' inventory replenishment, besides rising ASP (+4% qoq) to US$26.80/'000 pieces. Nevertheless, ETBIDA margin fell to 13.4ppt (-8.5ppt qoq), dragged by higher raw material prices during the onset of Iran war in March-April.

2QFY27 Operating Metrics

	2QFY27	qoq % chg	yoy % chg	Comments
Gloves (b pcs.)	5,939	1.0	-0.7	Increased qoq on stronger demand
Utilisation rate (%)	65%	1.6	-4.0	Stronger demand lifting utilisation rate.
Blended ASP (US$)	26.8	4.3	25.6	ASPs increased 4% qoq in US dollar terms
Exchange rate	4.06	1.4	-3.8	US dollar strengthened 1.5% qoq against ringgit
COG/ '000 gloves (RM)	102.0	14.1	16.0	Cost per unit surged on higher input cost

Source: Hartalega, UOB Kay Hian

- **Sequentially weaker 2HFY27 expected.** Following the de-escalation of the Iran war, ASP moderated swiftly from a peak of US$26-27/'000 pcs in 1HFY27 to US$22/'000 pcs for October-November shipments. Meanwhile, Hartalega is guiding for potential margin compression in 2HFY27-FY28, as various input costs such as raw material prices, natural gas tariffs and minimum wages have seen steep upward revisions. Overall, management guided for additional costs of US$2.50-3.00/'000 pcs of gloves arising from these higher costs, which may not be fully passed through to customers given current oversupply industry dynamics. We opine that softer ASP and higher input costs will result in weaker earnings through the rest of FY27 for Hartalega.
- **Stiff competition from China glovemakers remains as a structural threat.** Given the severity of the current US tariffs on China-made medical gloves (147% in 2026), China glovemakers have largely reduced their exposure to the US market and re-channelled their sales to regions like Europe and Asia with more competitive price-cutting strategies. This has resulted in more challenging dynamics and declining profitability (lower ASPs and margins) for non-US sales. Over a mid- to long-term horizon, China glovemakers' further expansion in Indonesia and Vietnam would likely continue to exert competitive pressures, indirectly capping ASP trends and profitability for Malaysian glovemakers. This also results in a structural de-rating on valuations.
- **Operational efficiency and capacity expansion.** Hartalega set aside RM250m for 2026-27 to further automate its production lines to optimise overall efficiency. Hence, margins could marginally recover in FY27 off FY25's low base, coupled with an improvement in utilisation rate on better demand beginning 1QFY27 (Apr-Jun 26). The full commission of production lines in its Plant 9 which leverages automation and vision systems will also drive higher yields and lower labour costs. In FY27, management intends to restart and upgrade its Plant 3, lifting running capacity from the current 27b pieces annually (after hibernating Plant 3 and 4) to 30b pieces by end-26.

Valuation/Recommendation

- **Maintain HOLD with a lower target price of RM0.93 (from RM1.06).** Our target price is ascribed to 24.0x 2027F PE (five-year mean).

Earnings Revision/Risk

- **Reduced our FY27-28 earnings forecasts by 16-20%** as we adjust our natural gas tariffs and labour costs assumptions higher following recent developments.

Assumptions

	FY26	FY27F	FY28F
Revenue (RMm)	**2,135**	**3,134**	**31,30**
Growth yoy (%)	(17)	47	0
ASP growth yoy (%)	3	16	(9)
Volume growth (%)	4	9	7
Profit (RMm)	**84**	**147**	**128**
Growth yoy (%)	226	75	(13)
Profit margin (%)	4	5	4

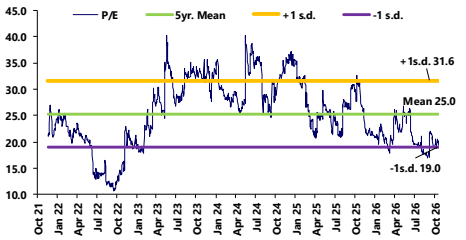
Source: UOB Kay Hian

Global Gloves Demand (b' pieces)



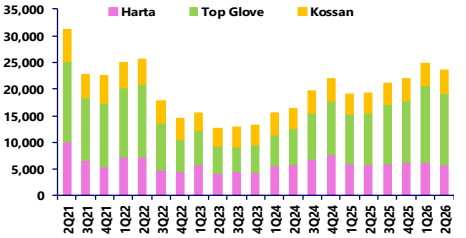
Source: Hartalega, International Trade Center (ITC)

Five-Year Forward PE Band



Source: Bloomberg, UOB Kay Hian

Malaysian Glove Players' Quarterly Sales Volume (m' pcs)



Source: Bloomberg, UOB Kay Hian

Environmental, Social, Governance (ESG) Updates

Environmental

- Commits to reduce its carbon footprint with reduction in greenhouse gas (GHG) emission intensity by 2026.

Social

- Social compliance policy is in accordance with local and international standards including the International Labour Organisation's (ILO) 11 indicators of Forced Labour.

Governance

- Five board members are independent directors, amounting to 63% of the board members.

Source: Hartalega, UOB Kay Hian

Profit & Loss

Year to 31 Mar (RMm)	2026	2027F	2028F	2029F
Net turnover	**2,135**	**3,134**	**3,130**	**3,154**
EBITDA	281	365	342	356
Deprec. & amort.	164	171	173	176
EBIT	117	193	170	181
Total other non-operating income	0	(0)	(0)	(0)
Associate contributions	0	0	0	0
Net interest income/(expense)	0	(1)	(1)	(1)
Pre-tax profit	**105**	**193**	**169**	**179**
Tax	(21)	(46)	(41)	(45)
Minorities	1	1	1	1
Net profit	**84**	**147**	**128**	**135**
Net profit (adj.)	72	147	128	135

Balance Sheet

Year to 31 Mar (RMm)	2026	2027F	2028F	2029F
Fixed assets	2,610	2,443	2,444	2,433
Other LT assets	374	409	383	368
Cash/ST investment	1,144	1,141	1,362	1,488
Other current assets	768	1,009	1,010	1,015
Total assets	**4,897**	**5,002**	**5,199**	**5,304**
ST debt	0	0	0	0
Other current liabilities	288	318	450	485
LT debt	8	15	23	31
Other LT liabilities	184	184	184	184
Shareholders' equity	4,417	4,484	4,542	4,603
Minority interest	(1)	0	1	1
Total liabilities & equity	**4,897**	**5,002**	**5,199**	**5,304**

Cash Flow

Year to 31 Mar (RMm)	2026	2027F	2028F	2029F
Operating	**322**	**113**	**302**	**308**
Pre-tax profit	105	193	169	179
Tax	(21)	(46)	(41)	(45)
Deprec. & amort.	164	171	173	176
Associates	0	0	0	0
Working capital changes	97	(206)	1	(4)
Non-cash items	(43)	0	0	0
Other operating cashflows	21	1	1	1
Investing	**(86)**	**(35)**	**(18)**	**(114)**
Capex (growth)	(3)	(35)	(18)	(114)
Proceeds from sale of assets	369	369	369	369
Others	(329)	(369)	(369)	(369)
Financing	**(10)**	**(81)**	**(63)**	**(68)**
Dividend payments	0	(80)	(70)	(74)
Proceeds from borrowings	4	0	8	8
Loan repayment	(3)	0	0	0
Others/interest paid	(11)	(1)	(1)	(1)
Net cash inflow (outflow)	226	(3)	221	126
Beginning cash & cash equivalent	923	1,144	**1,141**	**1,362**
Changes due to forex impact	(5)	0	0	0
Ending cash & cash equivalent	**1,144**	**1,141**	**1,362**	**1,488**

Key Metric

Year to 31 Mar (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	13.2	11.6	10.9	11.3
Pre-tax margin	4.9	6.1	5.4	5.7
Net margin	4.0	4.7	4.1	4.3
ROA	2.1	3.0	2.5	2.6
ROE	2.5	3.3	2.8	3.0
Growth				
Turnover	(17.4)	46.8	(0.1)	0.8
EBITDA	40.0	29.8	(6.1)	4.1
Pre-tax profit	144.0	83.9	(12.4)	6.2
Net profit	226.4	104.0	(13.0)	5.5
Net profit (adj.)	226.4	104.0	(13.0)	5.5
EPS				
Leverage	0.2	0.3	0.5	0.7
Debt to total capital	0.2	0.3	0.5	0.7
Debt to equity	(25.7)	(25.1)	(29.5)	(31.7)
Net debt/(cash) to equity	946.1	626.3	355.0	264.7
Interest cover	13.2	11.6	10.9	11.3

Market Spotlight

Market News

The FBMKLCI dropped 9.23pt to close at 1,585.96 yesterday as investors remain cautious over the uncertain global environment and lack of fresh local catalysts. Meanwhile, Asian stocks came under pressure on Thursday as uncertainty over Nvidia's leadership unsettled the artificial intelligence trade, while investors tracked a shift towards domestic semiconductor suppliers in China amid growing US scrutiny of the sector. The FBMKLCI's top gainers were IOI Corporation (+2.7%), SD Guthrie (+2.7%) and MISC (+2.0%), while the top losers were YTL Power International (-8.1%), YTL Corporation (-5.6%) and CelcomDigi (-4.7%). In the broader market, losers outpaced gainers 799 to 318 with 476 counters unchanged. Turnover was 3.06b shares valued at RM2.56b.

US stocks were lower after the close on Thursday, as losses in the basic materials, industrials and healthcare sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average declined 0.36%, while the S&P 500 Index lost 0.35%, and the NASDAQ Composite Index fell 0.39%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 2,225 to 644 and 45 ended unchanged; on the Nasdaq Stock Exchange, 2,563 fell and 916 advanced, while 131 ended unchanged. (*Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

Analyst(s)

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,585.96
Expected moving range:	1,590-1,610

Technical View:

The FBMKLCI continued to slide lower yesterday and penetrated the previous support level to close lower at 1,585.96. Nevertheless, the weekly chart analysis shows the selling pressure has not yet been fully absorbed, thus paving the way for a possible downward move ahead. We believe the index would slide lower in the near term. The support and resistance levels are revised as follows:

Support: 1,572, 1,560

Resistance: 1,636, 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:	RM4,200-4,230
Last price:	RM4,426
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 continues the bullish movement and closed higher at RM4,426 yesterday. This bullish movement is supported by an uptick in RSI and bullish crossover in both MACD and DMI indicators. We maintained our 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 BUY with +1.5% potential return

Trading BUY range:	1,590-1,600
Last price:	1,581.5
Target price:	1,584, 1,604
Support:	1,571
Stop-loss:	1,569

BUY with a target price of 1,604 and stop-loss at 1,569. Based on the chart, FKLI hit our both targets at 1,584 and 1,581 before formed a rebound to the current level. This bearish movement is supported by an uptick in the RSI and bullish crossovers in both MACD and DMI indicators. We peg our new targets at 1,592 and 1,604 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Analyst(s)

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Source: UOBKH ChartGenie

Alam Maritim Resources
AMRB MK

Technical BUY on breakout with +25.5% potential return

Trading BUY range:	RM0.235-0.24
Last price:	RM0.225
Target price:	RM0.275, RM0.295
Support:	RM0.20
Stop-loss:	RM0.195

BUY on breakout with a target price of RM0.295 and stop-loss at RM0.195. Based on the daily chart, share price is recovering gradually and moving above the 7- and 21-day EMAs. This is supported by the rising RSI and DMI, which indicate positive momentum would strengthen in the near term. We expect AMRB to continue its bullish movement once it penetrates the breakout level of RM0.235.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

CTOS Digital
CTOS MK

Technical BUY on breakout with +30.8% potential return

Trading BUY range:	RM0.455-0.46
Last price:	RM0.43
Target price:	RM0.545, RM0.59
Support:	RM0.36
Stop-loss:	RM0.355

BUY on breakout with a target price of RM0.59 and stop-loss at RM0.355. Based on the chart, share price has recovered gradually and moved above the 7- and 21-day EMAs yesterday, effectively reversing its sideways movement. This is supported by the rising RSI and MACD indicators, which show that positive momentum will strengthen in the near term. We peg our targets at RM0.545 and RM0.59 once it manages to penetrate the breakout level of RM0.455.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

United U-Li Corporation
UULI MK

Technical BUY on breakout with +9.2% potential return

Trading BUY range:	RM1.41-1.42
Last price:	RM1.39
Target price:	RM1.51, RM1.54
Support:	RM1.34
Stop-loss:	RM1.33

BUY on breakout with a target price of RM1.54 and stop-loss at RM1.33. We expect a positive follow-through to validate a new up-leg if UULI penetrates above the breakout level of RM1.41. This is supported by an uptick in the RSI. The rising momentum, as shown by a bullish crossover in the 7- and 21-day EMAs, along with bullish crossover in MACD suggests upward continuation from here on. We peg our targets at RM1.51and RM1.54 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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