UOBKayHian

Country Daily | Malaysia

Monday, 16 November 2026



Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	52,347.6	0.1	2.1	0.7	8.9
S&P 500	7,561.7	(0.4)	2.5	(1.3)	10.5
FTSE 100	10,902.6	0.4	2.1	0.2	9.8
AS30	9,204.5	(0.8)	0.7	3.0	2.1
CSI 300	4,016.3	(0.7)	(0.9)	(3.7)	(13.3)
FSSTI	5,231.8	(1.0)	(1.2)	(3.4)	12.6
HSCEI	7,937.5	(1.5)	(4.1)	(2.3)	(11.0)
HSI	23,637.6	(1.5)	(3.4)	(2.3)	(7.8)
JCI	5,344.4	1.8	5.8	3.1	(38.2)
KLCI	1,582.6	(0.2)	(3.3)	(1.6)	(5.8)
KOSPI	5,290.5	(1.0)	4.6	(6.7)	25.5
Nikkei 225	61,142.4	0.5	6.5	(6.4)	21.5
SET	1,504.9	0.4	2.7	(4.3)	19.5
TWSE	43,675.1	1.4	10.0	(7.3)	50.8
BDI	2,980	(1.3)	6.2	18.7	58.8
CPO (RM/mt)	4,160	0.9	(1.2)	(5.9)	5.8
Brent Crude (US$/bbl)	96	0.0	(2.5)	(9.3)	57.5

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

Sector Update | Construction Page 3 →

- While the worries over stricter restrictions on the US' AI chip exports due to the Nvidia affairs created an unprecedented selldown, this frontloaded pullback may be overdone as we assess DC exposure and risks for the companies under our coverage thoroughly. Their DC pipelines are mainly for US hyperscalers and non-China clienteles, hence procurement of AI chips will likely be uninterrupted. Maintain OVERWEIGHT. Our top picks are Gamuda, Suncon, IJM, Binastra and Kerjaya.

Sector Update | Plantation Page 5 →

- Speakers at the Indonesian Palm Oil Conference (IPOC) were bullish on 2027 but placed the rally after Jan 27, with record Malaysian stocks of 3.62m tonnes weighing on prices now. Lower Indonesian exports under the 50% biodiesel blend (B50), El Niño yield losses from 2Q27 and a drawdown in Malaysian stocks should support prices next year. We keep our CPO price forecasts at RM4,500 and RM4,700 per tonne for 2026 and 2027 respectively. Maintain OVERWEIGHT.

What's Inside

Strategy | US AI Chip Curbs: Selective Buying Opportunities in Malaysia's Data Centre Sell-Off Page 7 →

- The proposed US AI chip curbs have weighed on sentiment, with colocation providers, hyperscale and AI infrastructure players, cloud operators and EMS players down 10-15% wow. While the proposed US AI chip curbs could delay selected Malaysian DC projects, particularly colocation phases that depend on China-linked users accessing advanced US GPUs, our channel checks across the DC supply chain indicate limited identifiable direct exposure among the listed main contractors we cover.

Market Spotlight

Page 8 →

- The FBMKLCI surrendered 3.37pt to close at 1,582.59 last Friday due to selling pressure across the board.
- US stocks were mixed after the close on Friday, as gains in the oil & gas, financials and healthcare sectors led shares higher while losses in the technology, industrials and telecoms sectors led shares lower.

Technical Analysis

FBMKLCI, FCPO & FKLI Index Outlook Page 9 →

Traders' Corner Page 11 →

CB Industrial Product Holding | CBP MK Page 11 →

- Trading Buy Range: RM1.05-1.07

Malayan Flour Mills | MFL MK Page 11 →

- Trading Buy Range: RM0.615-0.62

Hextar Global | HAL MK Page 12 →

- Trading Buy Range: RM0.795-0.80

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.

Construction

Unwarranted, Collateral Damage From Nvidia Sequel

Highlights

- Concerns on tighter US AI chip regulations due to the Nvidia affairs may de-rail Malaysia's DC prospects have caused a staggering sector-wide selldown.
- Nevertheless, we assess that the clients of the companies under our coverage are mostly US hyperscalers or non-China-oriented, limiting impacts on AI chips procurement. There are some risks for colocation DC contractors.
- **Maintain OVERWEIGHT** on the sector's record-high orderbook and multi-year earnings visibility. Top picks are Gamuda, IJM Corporation (IJM), Sunway Construction Group (Suncon), Binastra Corporation (Binastra) and Kerjaya Prospek Group (Kerjaya).

Analysis

- **A sector-wide selldown following Nvidia fallout.** The KLCON Index marked a 5.1% decline (underperforming FBMKLCI's -1.8%) since the newsflow of Nvidia CEO Jensen Huang's affair with an alleged Chinese spy on 29 Oct 26. The affair provoked concerns on tightening regulations and licensing requirements for AI chips and Nvidia graphic processing units (GPU) into Malaysia, which could potentially result in delayed data centre projects' timeline and investments.
- **Tighter AI chip controls may slow down DC progress, but not broad-based...** While stricter legislation may be rolled out by the US administration, we deem that the main objectives will be to tighten control for China-linked entities from accessing Nvidia's AI chips, besides avoiding transshipment from neighbouring countries like Malaysia into China. Meanwhile, US-based DC hyperscalers which are asset owners and are not operating colocation DCs in Malaysia will likely have uninterrupted access to AI chips.
- **…with limited primary impact towards most domestic contractors under our coverage, except colocation DC contractors.** The DC contractors under our coverage are mainly involved in the designing, construction and infrastructure stages for US hyperscalers and non-China entities (not operators or owning assets). Hence, the viability of their DC pipeline likely remains intact. That said, we do not rule potential slowdown for colocation-oriented DCs with China-related offtakers, if the tightening AI chip controls delay chip procurements, financing, or impact demand and capacity.
- **Drawing parallels to the earlier AI diffusion framework introduced in Jan 25, which was then rescinded in May 25.** To recall, Malaysia was classified as a Tier 2 country under the AI diffusion framework and chip exports restriction introduced by former US President Joe Biden's administration. Under that proposal, Malaysia will be permitted to import only 50,000 GPUs over two years, while DC operators can only deploy a maximum of 7% of their computing capacity in the nation. There are no cancellations or scale-backs of major DC projects related to US hyperscalers during this period as their procurement of AI chips were largely uninterrupted.

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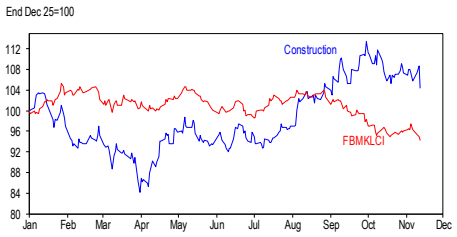
OVERWEIGHT (Maintained)

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Gamuda	GAM MK	BUY	4.56	6.26
Suncon	SCGB MK	BUY	7.81	8.44
IJM	IJM MK	BUY	2.51	3.15
Kerjaya	KPG MK	BUY	3.24	3.54
Binastra	Binastra MK	BUY	2.60	3.05

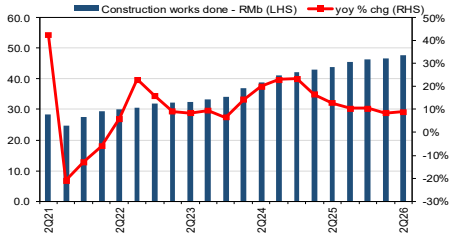
Source: Bloomberg, UOB Kay Hian

Construction Index vs FBMKLCI



Source: UOB Kay Hian

Value of Construction Works Done (in 6M26)



Source: Department of Statistics Malaysia, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Share Price 13 Nov 26 (RM)	Target Price (RM)	Market Cap (RMm)	PE FY25 (x)	PE FY26F (x)	PE FY27F (x)	ROE 2026F (%)	Price/NTA 2026F (%)	Div Yield 2026F (%)
Binastra Corporation	BNASTRA MK	BUY	2.60	3.05	2,837.6	31.3	21.3	15.5	58.2	9.6	3.0
Gamuda	GAM MK	BUY	4.56	6.26	26,695.2	25.8	24.1	19.2	10.2	2.1	2.5
IJM Corporation	IJM MK	BUY	2.51	3.15	8,800.6	28.5	19.2	17.3	4.3	0.9	7.1
Kerjaya Prospek Group	KPG MK	BUY	3.24	3.54	4,073.7	17.1	16.0	13.8	21.1	1.1	4.3
Malaysian Resources Corporation	MRC MK	BUY	0.25	0.39	1,117.5	22.7	20.8	15.6	3.7	0.3	4.0
Sunway Construction Group	SCGB MK	BUY	7.81	8.44	10,324.8	23.7	21.6	20.0	58.4	9.3	5.9
WCT Holdings	WCTHG MK	HOLD	0.27	0.42	421.2	6.6	7.5	7.5	1.3	0.1	0.0

Source: Bloomberg, UOB Kay Hian

- **Real DC impact on sector may not be as severe as market expects.** Based on our assessments, DC-related projects made up 0-75% of total orderbook for respective stocks within our coverage. Suncon has the most exposure in terms of DC pipelines (75% of current outstanding orderbook), followed by Binastra, Kerjaya, Gamuda. IJM and WCT Holdings. Meanwhile, Malaysian Resources Corporation has no direct exposure to DC projects.

Existing Orderbook And Exposure To Data Centre

Companies	Estimated outstanding DC orderbook (RM'm)	Total Orderbook (RM'm)	% of DC to total orderbook	Share price decline since Nvidia affairs on 29th Oct (%)
Gamuda	8800	61200	14%	-8.8%
Suncon	10019	13400	75%	3.0%
IJM	2400	18200	13%	-4.6%
Binastra	1302	6200	21%	-2.3%
Kerjaya	911	5800	16%	-6.9%
MRCB	0	8500	0%	-3.9%
WCT	2400	18200	0%	-3.6%

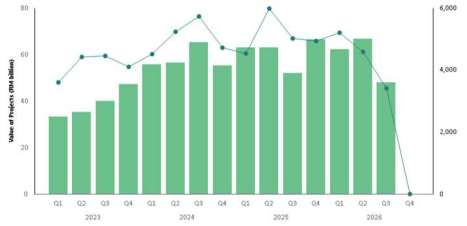
Source: Respective companies, UOB Kay Hian

- **MIDA's statistics revealed robust approvals for DC and cloud-computing projects in 1H26.** Based on the Malaysian Investment Authority (MIDA), DC and cloud-computing projects attracted RM95.8b/44% investments out of 1H26's overall approved investment of RM218.5b (+12% yoy). As of end-2Q26, Malaysia's total electricity demand for DC had reached 8,350 MW for 61 DC projects. 42 of these projects are completed (5,650 MW). Meanwhile, total electricity demand for uncompleted projects is around 2,700MW (19 projects). Such robust DC investments will continue to support orderbook opportunities for local contractors with DC exposure, anchoring a multi-year earnings upcycle.
- **DC job flows remain strong; over RM11.8b in contracts awarded to companies under our coverage in 2H26 thus far.** Note that: a) Suncon secured four separate DC contracts worth (totalling RM4.72b) in August and November; b) Gamuda secured four DC contracts worth RM5.7b (three in Negeri Sembilan and one in Cyberjaya); c) Binastra secured a RM491m DC contract in Cheras; and d) Kerjaya secured two DC-related works worth RM911m in total (RM53m subcontract works for a Klang Valley DC, and RM858m engineering works in Johor).
- **Weak sentiment induced valuations' mean reversion; sector poses appealing capital upside.** Following the recent retracement with both foreign and local institutional funds suspected to be the main antagonists, the construction companies under our coverage pose palatable capital upside opportunities based on our forecasted earnings trajectories (refer to RHS table). The current valuations of the companies under our coverage (average 2027F PE of 15.6x) are now below their five-year mean PE (average of 17x) and are attractive given the multi-year high orderbook and rising optimism on the near-term earnings outlook.

Valuation/Recommendation

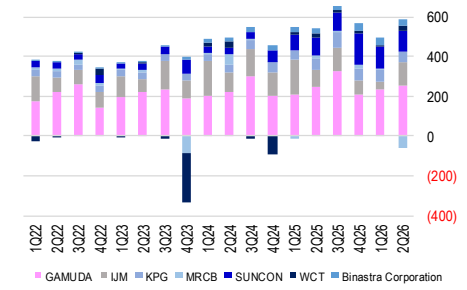
- **Maintain OVERWEIGHT on the sector.** While we do not rule out knee-jerk selldown if stricter AI chip regulations are imposed on Malaysia, further retracement offers opportunities to accumulate at attractive levels. This is given that most contractors under our coverage are poised to deliver resilient earnings throughout 2026-27, backed by record-high private job flows from the residential and DC segments.
- **Sector share prices have also proven resilient and swiftly rebounded from similar staggering selldowns** arising from the earlier AI diffusion framework (in Jan 25) and Chinese startup DeepSeek's new AI model release (in Jan 25) when market sentiment recovered.
- **Our sector top picks are** Gamuda (BUY/Target: RM6.26), Sunway Construction Group (BUY/Target: RM8.44), IJM Corporation (BUY/Target: RM3.15), Binastra Corporation (BUY/Target: RM3.05) and Kerjaya Prospek Group (BUY/Target: RM3.54). We like these companies for their DC growth aspects and internal project visibility.

Domestic Projects Awarded



Source: Construction Industry Development Board, UOB Kay Hian

Construction Firms' Earnings Trend



Source: Respective companies, UOB Kay Hian

Valuations and Target Price

Company	Ratings	Implied Valuations	Implied TP (RM)
Binastra Corporation	BUY	16x FY28F PE (mean)	3.05
Gamuda	BUY	21x FY28F PE (mean)	6.26
Sunway Construction Group	BUY	21.6x 2026F PE (+1SD above mean)	8.44
IJM Corporation	BUY	23.6x FY27F PE (+1SD above mean)	3.15
Kerjaya Prospek Group	BUY	15.1x 2026F PE (+1SD above mean)	3.54
WCT Holdings	HOLD	11.6x 2026F PE (slightly below mean)	0.42
Malaysian Resources Corporation	BUY	33x 2027F PE (mean)	0.39

Source: UOB Kay Hian

Plantation

IPOC 2026: Heavy Now, Tight From 2Q27

Highlights

- Speakers at the Indonesian Palm Oil Conference (IPOC) on 12-13 Nov 26 expect higher prices and lower Indonesian exports in 2027, but most placed the rally from Feb-Mar 27.
- We expect Indonesian exports to fall in 2027 due to requirement of the 50% biodiesel blend (B50) and El Niño-linked cut supply, and Malaysian stocks to draw down from October's record level.
- Maintain OVERWEIGHT. Sector picks: SD Guthrie (BUY/Target: RM8.30), Genting Plantations (BUY/Target: RM7.42) and Kuala Lumpur Kepong (BUY/Target: RM28.50).

Analysis

- **The 2026 El Niño rally came too early.** Bursa Malaysia Derivatives' (BMD) third-month futures fell to RM4,447 per tonne on 13 November from RM5,018 in late-Aug 26 as funds exited. Godrej International expects palms to stay in a high-yield phase until Jan 27, and the Pakistan Edible Oil Refiners Association (PEORA) sees prices at RM4,200-4,500 in 1Q27. We expect prices to stay range-bound in 1Q27.
- **The widest drought since 1981 hits yields from Feb 27.** Segi Enam Advisors estimates that 31% of Indonesian CPO in Jun-Oct 26 came from areas with at least three months of rainfall below 50mm (1997: 14%). S&P Global Energy (Platts) sees 2027 output down 8% in Indonesia and 6% in Malaysia. We expect a milder hit than most speakers, as two of the four past El Niño episodes we studied brought no meaningful yield loss.
- **B50 takes oil from exports, and its funding is tight.** The Indonesian Palm Oil Association (GAPKI) expects biodiesel use of 17.4m tonnes in 2027 (2026: 14.7m). Export levies fund B50 through the plantation fund (BPDP). At a Brent price of US$70 per barrel, the subsidy would absorb all levy income, according to the Institute for Economic and Social Research at Universitas Indonesia (LPEM FEB UI). A higher levy would push buyers towards Malaysian oil.
- **Buyers are shifting to Malaysian oil.** Malaysia overtook Indonesia as India's top palm oil supplier in Nov 25-Oct 26. Cargill expects China's imports of refined, bleached and deodorised (RBD) palm olein, mostly Indonesian, to fall to 1.6m tonnes in 2027 from 2.7m tonnes.
- **The Indonesian state is taking a bigger role.** From 1 Jan 27, a state-owned enterprise must approve every export contract under the single-gateway export system (DSI), and exporters must keep all export proceeds onshore for 12 months. Teething problems could slow shipments and tighten supply early in 2027.

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OVERWEIGHT (Maintained)

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Genting Plantations	GENP MK	BUY	4.87	7.42
Kuala Lumpur Kepong	KLK MK	BUY	20.86	28.50
SD Guthrie	SDG MK	BUY	6.04	8.30

Source: Bloomberg, UOB Kay Hian

CPO Price Assumptions (RM/Tonne)

	CPO Price (RM/tonne)
2021	4,408
2022	5,088
2023	3,810
2024	4,180
2025	4,306
Our Forecast:	
2026F	4,500
2027F	4,700
CPO Price:	
MPOB Oct 26 average	4,406
BMD 3rd Month Contract (13 Nov)	4,447

Source: MPOB, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Share Price 13 Nov 26 (RM)	Target Price (RM)	Upside To TP (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap (RMm)	Price/ NAV ps (x)
Hap Seng Plantations	HAPL MK	BUY	2.22	3.05	37.4	Dec-26	15.4	10.3	8.7	5.0	6.3	1,777.2	0.9
Genting Plantations	GENP MK	BUY	4.87	7.42	52.4	Dec-26	12.8	10.2	9.2	6.0	6.1	4,367.7	1.0
IOI Corporation	IOI MK	BUY	4.41	5.50	24.7	Jun-27	19.0	15.2	14.7	2.9	13.2	27,715.0	2.0
Kuala Lumpur Kepong	KLK MK	BUY	20.86	28.50	36.6	Sep-26	30.2	15.0	12.8	2.9	(4.3)	23,292.2	1.9
SD Guthrie	SDG MK	BUY	6.04	8.30	37.4	Dec-26	17.6	15.2	13.8	3.6	15.4	41,774.7	2.0

Source: Bloomberg, UOB Kay Hian

2027 Price Calls At IPOC 2026

Speaker	Call (per tonne)	Timing
Glenauk Economics	BMD CPO tests RM5,000	By mid-27
ISTA Mielke (Oil World)	RBD olein FOB Malaysia US$1,300	1H27
Godrej International	BMD CPO RM4,500-5,000, then higher	To Apr 27, then 2Q-3Q27
PEORA	BMD CPO RM4,200-4,500	1Q27
UOB Kay Hian	CPO RM4,500 / RM4,700	2026 / 2027 average

Note: FOB = free on board. BMD third-month RM4,447 per tonne at midday 13 Nov 26.
Source: IPOC 2026, Reuters, UOB Kay Hian

Speakers' Palm Oil Balance Forecasts, 2026F-2027F

(m tonne)	Forecaster	2026F	2027F	% chg
Indonesia				
Production (CPO+PKO)	GAPKI	61.8	59.9	(3.1)
Production (CPO)	Platts	54.55	50.15	(8.1)
Domestic use	GAPKI	27.1	30.2	11.4
- of which biodiesel	GAPKI	14.7	17.4	18.4
Exports	GAPKI	33.9	29.7	(12.3)
End stocks	Platts	5.28	3.28	(37.9)
Malaysia				
Production	Platts	20.6	19.4	(5.8)
End stocks	Platts	3.5	2.0	(42.9)

Note: PKO = palm kernel oil. Platts' Malaysian production is CPO.
Source: GAPKI, S&P Global Energy (Platts), IPOC 2026

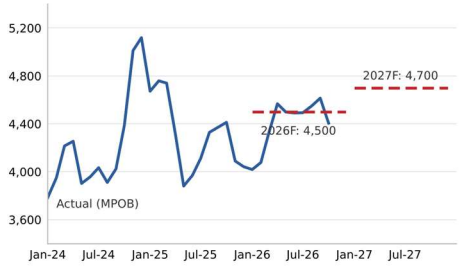
Valuation/Recommendation

- **Maintain OVERWEIGHT.** We remain constructive and keep our CPO price forecasts at RM4,500 and RM4,700 per tonne for 2026 and 2027 respectively. Three factors should support prices next year. Indonesia's B50 mandate lifts domestic biodiesel use and leaves less oil for export. El Niño yield losses should show from 2Q27, after Indonesia's widest drought since 1981. Malaysian stocks should draw down from record levels as buyers turn to Malaysian oil.
- **Top picks.** We like SD Guthrie as a liquid big cap play against the CPO backdrop, supported by its renewable energy and industrial park pivot. Kuala Lumpur Kepong is our laggard pick on a progressive downstream earnings recovery.

Sector Catalyst/Risk

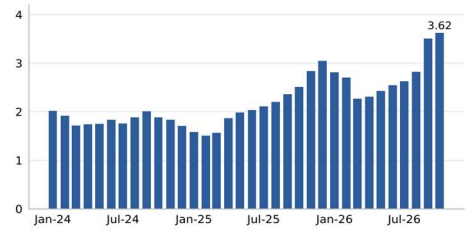
- **Catalyst: Malaysian Palm Oil Board (MPOB) November data, due around 10 Dec 26.** A smaller stock build than the market expects would point to a drawdown from early-27.
- **Catalyst: Indonesian yield data for Feb-Mar 27.** A sharp fall would add upside to our 2027 forecast.
- **Risk: A smaller El Niño impact.** If yields hold, Malaysian stocks would draw down more slowly and put our 2027 forecast at risk.
- **Risk: Indonesian levy cuts.** Indonesian cargoes surge when the levy falls, as Pakistan's record October arrivals showed.

CPO Price And Our Annual Forecasts (RM/Tonne)



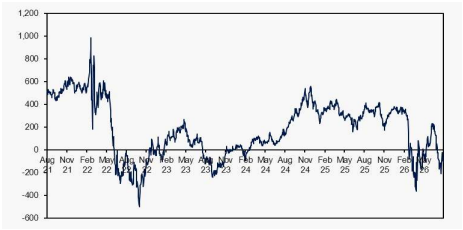
Note: Monthly MPOB local delivered average; dashed lines are our annual average forecasts.
Source: MPOB, UOB Kay Hian

Malaysian Palm Oil Stocks (M Tonnes)



Source: MPOB, UOB Kay Hian

Palm Oil – Gasoil Spread (US$/Tonne)



Source: Bloomberg, UOB Kay Hian

CPO Price Sensitivity (Per RM100/Tonne)

Company	Net Profit Impact (%)
Hap Seng Plantations	8-9
Genting Plantations	7-8
IOI Corporation	4-5
Kuala Lumpur Kepong	4-5
SD Guthrie	7-8

Source: UOB Kay Hian

Strategy

US AI Chip Curbs: Selective Buying Opportunities In Malaysia's Data Centre Sell-Off

Highlights

- The US Commerce Department is reportedly finalising a rule to restrict Chinese firms' remote access to advanced US AI chips through overseas data centres.
- Separately, congressional initiatives including the AI Overwatch Act, Chip Security Act, MATCH Act and Remote Access Security Act form part of a broader push to tighten semiconductor export controls. These efforts have intensified scrutiny of Malaysia, Singapore and Thailand, both as potential transit hubs for chip diversion and as locations where Chinese firms could rent computing capacity powered by restricted GPUs.
- Malaysia and Singapore have also initiated investigations into suspected chip shipment irregularities and server-related fraud, raising regulatory and compliance risks for the regional data centre ecosystem. Meanwhile, MITI of Malaysia clarified that it has not cleared Singapore-based Megaspeed International or its Malaysian affiliate, Speedmatrix, and that previous inspections were merely part of routine checks.

Analysis

- **Our view:** The proposed US AI chip curbs have weighed on sentiment, with colocation providers, hyperscale and AI infrastructure players, cloud operators and EMS players down 10-15% wow. While the proposed US AI chip curbs could delay selected Malaysian DC projects, particularly colocation phases that depend on China-linked users accessing advanced US GPUs, our channel checks across the DC supply chain indicate limited identifiable direct exposure among the listed main contractors we cover. Should affected tenants defer capacity take-up (if any), the most likely near-term impact would be slower land deal closures and contract awards, with fit-out and energisation milestones potentially slipping. In summary, the broad-based sell-down has presented bottom-up buying opportunity on selected names, highlighted below.

Sector Impact

Sector	Comments
Construction (Jack Goh)	Checks with contractors under coverage found no identified direct linkage to China-linked DC projects, with projects mainly tied to US hyperscalers, colocation providers and domestic clients. We expect limited disruption to US hyperscalers' chip procurement, and several contractors report no financing pullback or project slowdown among their DC customers. The sell-down in Malaysian construction stocks appears to price in more risk than our channel checks suggest. Further weakness could offer selective accumulation opportunities in contractors with US hyperscaler-heavy pipelines ie Gamuda, Sunway Construction Group and IJM Corporation.
MEP (Lee Cai Yu)	We see limited direct exposure to the proposed US AI chip curbs, as most MEP players supply or install power infrastructure such as substations, transformers, switchgear and cabling. The main risk (if any) – would be slower order flow if affected tenants defer taking up capacity, prompting data centre operators to push back construction, fit-out or expansion – but so far, there is no project slowdown/on hold, even from Chinese clients at this juncture. For DC-related MEP contractors, although visibility into ultimate tenants remains limited, exposure towards semiconductor, solar, commercial & industrial projects could help to cushion the impact of any slowdown/delays in Chinese-related DC works.
Property (Ng Jo Yee)	The first-order risk for DC-related property players (please reach out to Jo Yee for further details) is a longer lead time for new DC land transactions. For Mah Sing's RM617.9m Southville City sale to a DayOne subsidiary, management remains confident of deal completion, which includes Data Centre Task Force approval.
Solar (Chong Lee Len & Hifzhan Raziq)	The checks did not identify any listed solar player with confirmed material dependence on China-linked DC offtakers. Exposure is most relevant where a project's award, contracted volumes or power purchase agreement commencement depends on an affected campus phase proceeding on schedule.
EMS (Desmond Chong & Lee Cai Yu)	NationGate Holdings has stopped taking in new GPU chips since 2H25 and has been winding down its remaining GPU inventory, which now accounts for less than 2% of total inventory. CPU-related products account for around 98% of data computing sales, and we expect CPU sales mix to remain broadly stable with optical transceiver to spearhead earnings in 2027. Our earnings estimates and target price are around 20%+ below consensus, as we factor in only 50% of management's guidance for optical transceiver loadings. Our recent site visit suggests the ramp-up at Plants 11A and 11B, which underpin management's target, remains on track, with purchase orders from a leading US optics and photonics supplier coming in progressively. Following the 27% correction from its recent peak, NationGate Holdings offers 12% upside to our conservative target price.

Source: Respective companies, UOB Kay Hian

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Market Spotlight

Market News

The FBMKLCI surrendered 3.37pt to close at 1,582.59 last Friday due to selling pressure across the board. Meanwhile, Asian stocks lost ground on Friday, with technology stocks turning lower as investors digested the ramifications of a major leadership crisis at Nvidia. The FBMKLCI's top gainers were RHB Bank (+2.7%), Petronas Chemicals Group (+2.4%) and AMMB Holdings (+1.4%), while the top losers were IOI Properties Group (-4.0%), Gamuda (-2.6%) and Kuala Lumpur Kepong (-2.4%). In the broader market, losers outpaced gainers 686 to 369 with 497 counters unchanged. Turnover was 2.84b shares valued at RM2.37b.

US stocks were mixed after the close on Friday, as gains in the oil & gas, financials and healthcare sectors led shares higher while losses in the technology, industrials and telecoms sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average rose 0.10%, while the S&P 500 Index fell 0.40%, and the NASDAQ Composite Index lost 0.91%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 1,456 to 1,361 and 100 ended unchanged; on the Nasdaq Stock Exchange, 2,024 fell and 1,448 advanced, while 153 ended unchanged. (*Sources: Investing.com)*

FBMKLCI, FCPO & FKLI Index Outlook

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FBMKLCI



Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close:	1,582.59
Expected moving range:	1,500-1,600

Technical View:

The FBMKLCI registered a "spinning top" pattern which hinted at the indecisive trading last Friday. The index failed to recover from earlier gains to close at above the 7-day and 21-day EMA lines, thus forcing the short-term outlook to remain on a downside bias. The RSI line is still trading at 50pt despite a flat reading yesterday while weaker signals from DMI suggest a consolidation ahead. Support and resistance levels are still maintained 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 +3.1% potential return

Trading BUY range:	RM4,200-4,230
Last price:	RM4,462
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 RM4,462 last Friday. 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 RM4,518 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 +1.6% potential return

Trading BUY range:	1,590-1,600
Last price:	1,579.5
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 continues the bullish movement and closed higher at 1,579.5 last Friday. This bearish movement is supported by an uptick in the RSI and bullish crossovers in both MACD and DMI indicators. We maintained targets at 1,592 and 1,604 in the near term.

Expected timeframe: One day to three days

Traders' Corner

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Source: UOBKH ChartGenie

CB Industrial Product Holding
CBP MK

Technical BUY with +18.7% potential return

Trading BUY range:	RM1.05-1.07
Last price:	RM1.07
Target price:	RM1.19, RM1.27
Support:	RM0.98
Stop-loss:	RM0.975

BUY with a target price of RM1.27 and stop-loss at RM0.975. CBP has just passed the consolidation phase and managed to close above the BBI line last Friday. The uptick in the DMI, together with the increase in trading volumes, suggests buying momentum is set to continue in the near term. This is supported by positive readings in the RSI. We expect the stock to continue trending upwards towards our targets in the current up-leg.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Malayan Flour Mills
MFL MK

Technical BUY on breakout with +21.1% potential return

Trading BUY range:	RM0.615-0.62
Last price:	RM0.605
Target price:	RM0.695, RM0.745
Support:	RM0.575
Stop-loss:	RM0.57

BUY on breakout with a target price of RM0.745 and stop-loss at RM0.57. Last Friday's price movement has triggered a BUY on the back of the positive closing above the BBI line, a growing bullish divergence in the DMI and a bullish crossover in the MACD. With the consistent climb along the trendline, this is likely to increase MFL's probability of moving higher in the near term. As such, we peg our targets at RM0.695 and RM0.745 once the stock penetrates the breakout level of RM0.615.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading



Source: UOBKH ChartGenie

Hextar Global
HAL MK

Technical BUY on breakout with +12.6% potential return

Trading BUY range:	RM0.795-0.80
Last price:	RM0.785
Target price:	RM0.845, RM0.895
Support:	RM0.74
Stop-loss:	RM0.735

BUY on breakout with a target price of RM0.895 and stop-loss at RM0.735. Last Friday, the stock closed above the BBI line, indicating upward potential in the near term. This was supported by the 7-day EMA which crossed above the 21-day EMA, indicating a bullish signal. An uptick in the RSI and a bullish crossover in the MACD suggest stronger buying momentum ahead. We peg our target prices at RM0.845 and RM0.895 once it penetrates above the breakout level of RM0.795.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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