Factor Focus – August 2026

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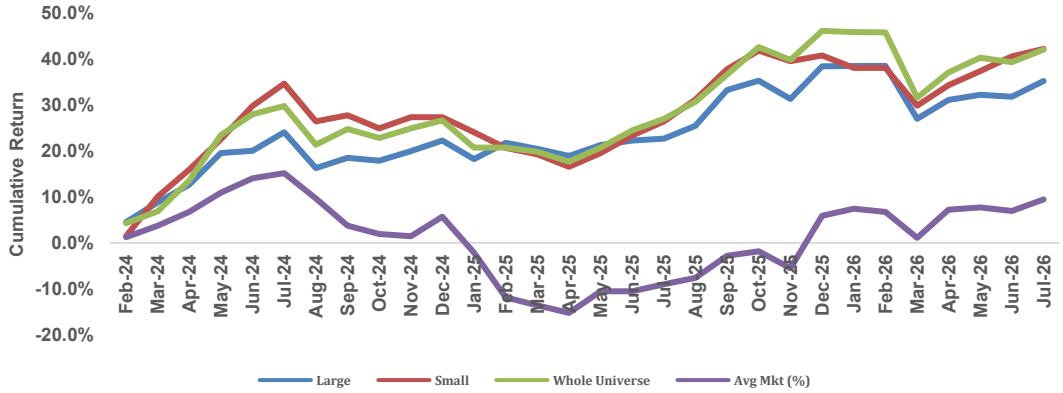
Summary

Despite ongoing geopolitical tensions and volatility in oil prices, our local bourse recovered in July 2026, led by the banking and plantation heavyweights. While the FBMKLCI and FBMSCAP recorded gains of 3.7% and 2.0% respectively, our Large- and Small-cap portfolios' gains came in lower at 2.3% and 0.2%. Cumulatively, our Large, Small, and Combined portfolios managed to outperform the broader indices, recording 35.1%, 42.1%, and 41.9% in returns since inception.

Factor strategy and performance

Our strategy integrates quality and momentum factors. The momentum score is derived from the price change over 6 and 12 months, while the quality scores result from a combination of financial ratios. Since the inception, most of the picks were able to deliver better results as compared to the average benchmark returns.

Table 1: Factor Focus Picks Performance (February 2024 –July 2026)



Source: M+ Research, Bloomberg

Table 2: July 2026 Factor Focus Picks Performance

Big Cap Picks		Small Cap Picks		Whole Universe Picks	
PMETAL	3.65%	EG	0.55%	PMETAL	3.65%
TMK	7.59%	THMY	6.21%	TMK	7.59%
SUNCON	6.59%	BAUTO	-1.22%	SUNCON	6.59%
KGB	3.88%	BAT	-5.35%	KGB	3.88%
GASMSIA	-1.51%	VSTECS	-4.49%	GASMSIA	-1.51%
HLIND	-5.64%	CBHB	-0.75%	HLIND	-5.64%
IOIPG	-3.81%	PHARMA	2.61%	IOIPG	-3.81%
VITROX	12.11%	MNHLDG	1.04%	VITROX	12.11%
KPJ	-4.62%	PEKAT	3.49%	EG	0.55%
MI	15.77%	IAB	-9.87%	THMY	6.21%
SUNWAY	2.72%	INNO	6.86%	BAUTO	-1.22%
RANHILL	3.57%	SPTOTO	4.65%	BAT	-5.35%
UMSINT	-10.11%	SWKPLNT	11.55%	VSTECS	-4.49%
LHI	1.32%	DUFU	5.33%	CBHB	-0.75%
RHBBANK	3.26%	NE	-16.96%	PHARMA	2.61%
Average return	**2.32%**	**Average return**	**0.24%**	**Average return**	**1.36%**

Source: M+ Research

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Table 3: August 2026 Factor Focus Picks

Large Cap Picks					Small Cap Picks					Combined Picks				
Ticker	Q	M	S	Rating	Ticker	Q	M	S	Rating	Ticker	Q	M	S	Rating
SUNCON	7.3	9.8	7.2	SP	EG	7.9	9.8	7.8	SP	SUNCON	7.3	9.8	7.2	SP
TMK	7.3	9.8	7.2	SP	BAUTO	7.5	9.5	7.2	SP	TMK	7.3	9.8	7.2	SP
SCGBHD	8.0	8.9	7.1	SP	THMY	7.1	9.8	7.0	SP	SCGBHD	8.0	8.9	7.1	SP
KGB	6.8	9.8	6.7	SP	PEKAT	7.8	8.5	6.7	SP	KGB	6.8	9.8	6.7	SP
VITROX	6.5	9.8	6.3	SP	VSTECS	6.5	9.8	6.4	SP	VITROX	6.5	9.8	6.3	SP
GCB	8.2	7.7	6.3	SP	CBHB	6.3	9.7	6.1	SP	GCB	8.2	7.7	6.3	SP
PMETAL	7.9	7.9	6.2	SP	MSC	7.3	8.2	5.9	SP	PMETAL	7.9	7.9	6.2	SP
KPJ	7.0	8.8	6.1	SP	MNHLDG	5.9	9.8	5.8	SP	KPJ	7.0	8.8	6.1	SP
HLIND	6.6	9.2	6.1	SP	HENGYUAN	8.5	6.6	5.6	SP	EG	7.9	9.8	7.8	SP
GASMSIA	6.7	9.0	6.0	SP	EXSIMHB	5.6	9.8	5.5	SP	BAUTO	7.5	9.5	7.2	SP
LHI	9.0	6.7	6.0	SP	DUFU	5.4	9.8	5.3	SP	THMY	7.1	9.8	7.0	SP
IOIPG	6.2	9.7	6.0	SP	DRBHCOM	7.6	6.9	5.2	SP	PEKAT	7.8	8.5	6.7	SP
MI	6.0	9.8	5.9	SP	SAMAIDEN	6.2	8.3	5.2	SP	VSTECS	6.5	9.8	6.4	SP
UTDPLT	6.5	9.1	5.9	SP	SPTOTO	8.2	6.1	5.0	SP	CBHB	6.3	9.7	6.1	SP
UMSINT	5.8	9.8	5.7	SP	INNO	6.6	7.5	4.9	SP	MSC	7.3	8.2	5.9	SP

Q: Quality, M: Momentum, S: Score, SP: Strong Positive

Source: M+ Research

Added stocks: SCGBHD, GCB, LHI, MI, UTDPLT, UMSINT, EXSIMHB, SAMAIDEN

Removed stocks: BKAWAN, 99SMART, MRDIY, SIME, SUNREIT, PHARMA, SWKPLNT, KEYFIELD

Table 4: Performance Statistics

Period	Large	Small	Whole Universe	Avg Mkt (%)	FBMKLCI	FBM70	FBMSCAP	FBMACE
Oct-24	-0.6%	-2.7%	-1.7%	-1.8%	-2.9%	1.2%	-2.3%	-3.3%
Nov-24	2.1%	2.5%	2.1%	1.4%	-0.5%	1.5%	2.0%	2.5%
Dec-24	2.3%	0.0%	1.8%	4.3%	3.0%	5.5%	3.9%	4.8%
Jan-25	-7.5%	-5.3%	-8.6%	-5.1%	-5.2%	-6.7%	-5.1%	-3.4%
Feb-25	3.5%	-3.4%	0.0%	-4.8%	1.1%	-5.4%	-6.6%	-8.4%
Mar-25	-1.3%	-1.4%	-0.9%	-1.8%	-3.9%	-2.2%	-2.1%	1.1%
Apr-25	-1.8%	-3.1%	-2.1%	-1.4%	1.8%	-2.0%	-1.6%	-3.7%
May-25	2.5%	3.2%	3.0%	-0.4%	-2.1%	1.6%	0.7%	-1.7%
Jun-25	1.0%	3.8%	3.7%	0.0%	1.6%	1.2%	-0.9%	-1.8%
Jul-25	0.4%	3.1%	2.5%	1.5%	-1.3%	1.3%	2.8%	3.3%
Aug-25	2.8%	4.7%	3.7%	1.4%	4.1%	-0.8%	0.1%	2.2%
Sep-25	7.8%	6.6%	5.9%	4.8%	2.3%	1.6%	5.8%	9.5%
Oct-25	2.2%	4.0%	6.3%	0.7%	-0.2%	1.8%	0.1%	1.0%
Nov-25	-4.0%	-2.3%	-2.8%	-3.7%	-0.3%	-1.2%	-5.7%	-7.6%
Dec-25	6.4%	0.9%	5.4%	1.4%	4.7%	-0.3%	0.4%	1.0%
Jan-26	0.6%	-2.2%	0.3%	1.6%	3.6%	4.2%	1.5%	-3.1%
Feb-26	0.0%	0.0%	0.0%	-0.7%	-1.4%	0.2%	-1.5%	-0.1%
Mar-26	-11.5%	-8.2%	-14.2%	-5.6%	-1.5%	-3.9%	-7.1%	-10.0%
Apr-26	4.5%	4.8%	5.9%	6.1%	1.9%	7.2%	6.6%	8.7%
May-26	1.2%	3.2%	3.3%	0.5%	-2.3%	2.2%	-1.0%	3.2%
Jun-26	0.2%	4.1%	-0.2%	-0.8%	-1.1%	-3.1%	-0.4%	1.3%
Jul-26	2.3%	0.2%	1.4%	2.5%	3.7%	1.2%	2.0%	3.1%
Average	1.2%	1.4%	1.4%	0.3%	0.5%	0.6%	-0.1%	0.3%
Cumulative	35.1%	42.1%	41.9%	9.4%	14.1%	19.5%	-4.0%	8.2%

Source: M+ Research

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BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned