Global Tech Rebound to Support Bursa

Research Team
research@msec.com.my
(603) 2201 2100

Market Review

MY: The local bourse finished on a cautious note on Monday following the collapse of US–Canada trade talks, with heavyweights YTL (-7.0 sen) and IHH (-13.0 sen) weighing on the key index. Transportation (+0.91%) outperformed, led by MISC (+35.0 sen) and MTTSL (+6.0 sen), while Utilities (-1.71%) lagged the most.

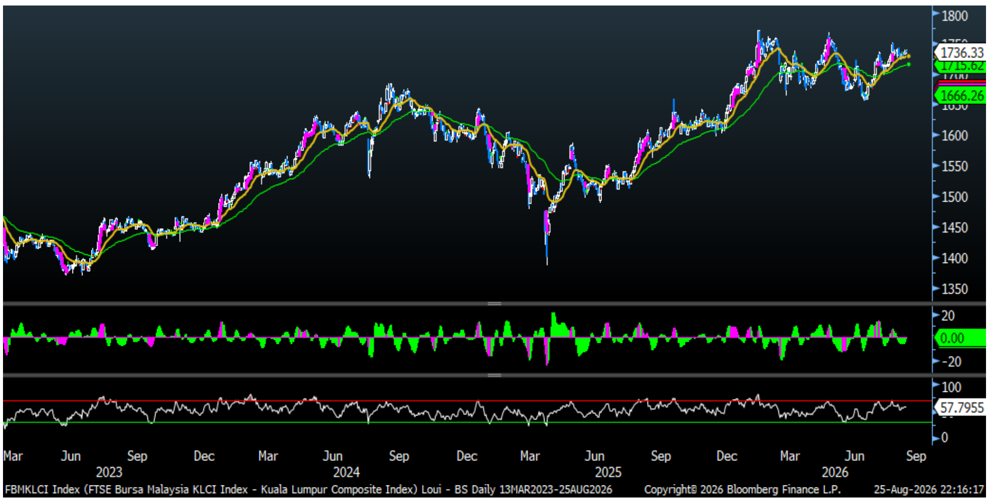
US: Wall Street rebounded on Tuesday as technology stocks recovered from the previous sell-off ahead of Nvidia's results. Lower oil prices and Treasury yields also eased pressure on equities, with Brent crude falling 3.6% to below USD88/bbl while longer-dated Treasury yields declined for a second consecutive session.

The Day Ahead

US: We expect Wall Street to stay positive, supported by easing Treasury yields and oil prices. We believe investors are likely to stay focused on Nvidia's 2QFY27 results for confirmation of sustained AI demand and data centre spending. Stock-wise, we favour NVDA, AMD, and AVGO as potential beneficiaries of renewed momentum in the AI and semiconductor space. Investors will also monitor upcoming PCE inflation data for further clues on the Fed's rate trajectory, while geopolitical developments remain a key risk. Also, we like BE and related power utility generation stocks that could benefit from the data centre and AI theme.

MY: Closer to home, the FBM KLCI is expected to open firmer following Wall Street's overnight rebound, supported by easing Treasury yields and softer oil prices. The Technology sector may benefit from recovering semiconductor sentiment. Meanwhile, AUMAS, CPETECH, MCLEAN, and NATGATE have each staged technical breakouts, underpinned by their respective catalysts: AUMAS by elevated gold prices, CPETECH by stronger 4QFY26 earnings and capacity expansion, MCLEAN by continued earnings momentum following a 36.3% YoY rise in 2QFY26 profit, and NATGATE by potential benefits from proposed US restrictions on Chinese-made optical transceivers, strengthening its data centre positioning

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI closed flattish on Monday despite technical indicators showing encouraging signals. The MACD histogram is displaying a rounding bottom pattern, while the RSI continues to hold above the 50 level. Overhead resistance is located around 1,751–1,765, with support anchored at 1,706–1,721.

Market Scorecard

Key Indices	Last price	Change (%)
Dow Jones	53,577.40	0.30
S&P 500	7,677.28	0.32
NASDAQ	26,151.30	0.66
FBM KLCI	1,736.33	-0.01
FBM Small Cap	16,052.22	0.07
FBM ACE	5,298.58	-0.66
Construction	300.84	-0.46
Consumer	494.68	0.31
Energy	777.44	0.05
Financial Services	20,270.42	0.02
Healthcare	1,516.75	-0.16
Ind Products	187.06	-0.09
Plantation	9,510.43	0.74
Property	1,100.95	-0.52
REITs	914.01	0.22
Technology	75.25	-1.43
Telco & Media	414.10	0.63
Transport & Logist	1,053.57	0.91
Utilities	1,768.29	-1.71
Trading Vol (m)	3,608.47	-7.84
Trading Val (RM m	3,039.72	-8.57
Gainers/ Losers rat	68%	
FKLI	1,739.00	-0.14
FCPO (RM)	4,946.00	-1.43
Brent oil (USD)	88.58	-3.89
Gold (USD)	4,657.17	0.07
USD	4.0427	-0.01
GBP	5.5162	-0.08
EURO	4.7173	-0.04
SGD	3.1829	-0.03

Trading participation 5-day trend and value ('m)

Institution	Retail	Foreign
468.8	22.6	-291.3

Source: Bloomberg, Bursa Market Place

Company Briefs

Kuala Lumpur Kepong Bhd (KLK) posted a net loss of RM1.34bn for the third quarter after booking a RM1.62bn impairment on its stake in UK-listed Synthomer plc, reflecting the associate's weak market value. The non-cash adjustment was aimed at removing earnings drag, with no impact on cashflow or dividends. Excluding the one-off charge and Synthomer losses, KLK's quarterly profit would have risen 28% to RM444.8m. The impairment also pushed parent **Batu Kawan Bhd** (BKAWAN) into a RM653.17m quarterly loss, compared with a RM182.92m profit previously. (The Edge)

Khee San Bhd's (KHEESAN) largest shareholder Datuk Seri Ngu Tieng Ung has resigned as executive chairman with immediate effect, citing personal reasons. His departure comes three days after six bank accounts of a key subsidiary were frozen under an anti-money laundering probe (The Edge)

Foodie Media Bhd (FOODIE), via its unit Good Foodie Media Sdn Bhd, has signed an MOU with Tourism Malaysia to support the Visit Malaysia 2026–2027 campaign. Under the deal, GFM will create digital content and provide event coverage, while Tourism Malaysia will share tourism information, permit logo use and invite GFM to selected events. (The Edge)

Sime Darby Property Bhd (SIMEPROP) doubled its second quarter earnings to RM322m and raised its dividend policy to 40%-60% of net profit, excluding extraordinary items, from the previous 20%. Revenue rose 9.3% to RM1.16bn, supported by property development and new lease income from a data centre. A first interim dividend of 1.70 sen per share was declared, payable Oct 21. Meanwhile, Sime Darby Property said its growing investment and asset-management arm is boosting earnings visibility and recurring income, supporting a higher dividend policy. Group MD and CEO Datuk Seri Azmir Merican noted the shift aims to reduce reliance on cyclical property development, making results more predictable and enhancing shareholder returns. (The Edge)

WCE Holdings Bhd (WCEHB) is reviewing the viability of a proposed southern extension of the West Coast Expressway from Banting to Gelang Patah under a privatisation model, pending full details from the government. CEO Lyndon Alfred Felix said the project's attractiveness depends on funding, costs, land acquisition and government support, noting rising construction costs and land risks could make it too high-risk without state backing. (The Edge)

Sunway Construction Group Bhd (SUNCON) reported a 23.5% rise in net profit for the second quarter to RM103.59m, supported by stronger margins across all segments despite weaker construction revenue. Quarterly revenue fell 31.1% to RM1.02bn, mainly due to peak progress on several data centre projects recorded in the prior year. The group has secured RM6.85bn in new orders year to date, surpassing its FY2026 target of RM6bn. The group has raised its full-year replenishment goal to RM7bn-RM9bn, with an outstanding order book of RM10.5bn as of June 2026. (The Edge)

Zetrix AI Bhd (ZETRIX), formerly MyEG Services, posted a 35% rise in net profit for its second quarter to RM269.3m, supported by AI platforms, Web3 services and blockchain node and token sales. Revenue grew 38.6% year-on-year to RM426.7m. A first interim dividend of 0.25 sen per share was declared, payable Nov 20. (The Edge)

Guan Chong Bhd (GCB) posted record second quarter earnings of RM253.02m, a fivefold increase from RM48.2m a year earlier, as cost reductions outpaced weaker cocoa product prices. Lower borrowings also cut finance costs, though revenue fell 54% to RM1.8bn. Cocoa futures have rebounded from Iran war lows amid concerns over worsening weather in West Africa, which produces about 70% of global supply. Guan Chong is optimistic that chocolate demand is expected to recover gradually through the second half of 2026. (The Edge)

Cahya Mata Sarawak Bhd (CMSB) has delayed commissioning of its Samalaju yellow phosphorus plant to 4QFY2026 after equipment issues during testing. For its second quarter results, the group returned to profit with RM22.44m versus a RM11.32m loss a year earlier, supported by stronger cement and property earnings, better road maintenance contribution and reduced phosphate losses. Revenue rose 18.2% to RM291.97m on higher cement sales and property progress, partly offset by weaker oiltools demand. (The Edge)

Ajinomoto (Malaysia) Bhd (AJI) posted a 3.9% drop for its first quarter net profit to RM23.23m from RM24.17m a year earlier, as revenue eased 1.1% to RM178.91m. The decline was attributed to weaker exports amid a softer US dollar and Middle East geopolitical issues. (The Edge)

Pestec International Bhd (PESTEC) confirmed its fraud and conspiracy suit names ex-CEO Lim Pay Chuan, former company secretary Pan Seng Wee, former transmission head Han Fatt Juan and ex-CFO Teh Bee Choo. Two China-based suppliers, SPECO and Shandong Electrical Engineering & Equipment Group, are also defendants. The case involves alleged dubious transactions, inflated invoices and an unauthorised parent company guarantee. Pestec said the guarantee was never part of its records or audited accounts. (The Edge)

Jazz Pharmaceuticals plc (JAZZ) announced Tuesday that the U.S. FDA approved two Ziihera-containing regimens as first-line treatments for adults with unresectable locally advanced or metastatic HER2-positive gastroesophageal adenocarcinoma. Based on Phase 3 trial results showing reduced risk of disease progression or death by 35% compared to standard care, the approval expands treatment options for HER2+ stomach cancer patients, though prescribing information carries boxed warnings for severe diarrhea and embryo-fetal toxicity. (Investing.com)

Tetra Tech Inc. (TTEK) announced Monday that it secured a $16.8m, four-year contract from the U.S. Environmental Protection Agency's Office of Brownfields and Land Revitalization to support its national Land Revitalization Program. Under the contract, the company's technical experts will provide planning, engineering design, and site analysis services to assist local communities with the assessment, cleanup, and sustainable redevelopment of contaminated brownfield properties. (Investing.com)

Technical Focus Tracker

Technical Focus Tracker											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Long Term Target (RM)	Support (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	GOOGL	30-May	171.4	187.5	190.0	190.0	170.0	167.5	348.0	103.1%	Initiated on 30/5/2025
2	PWRWELL	25-Sep	0.6	0.6	0.7	0.7	0.6	0.5	1.1	82.9%	Initiated on 25/9/2025
3	PEKAT	3-Oct	1.8	2.0	2.1	2.1	1.7	1.7	1.9	2.7%	Initiated on 3/10/2025
4	MU	24-Oct	212.4	229.4	233.6	227.3	194.0	192.0	926.3	336.1%	Initiated on 24/10/2025
5	CCJ	4-Dec	89.3	110.2	138.4	138.4	86.1	79.3	104.9	17.5%	Initiated on 4/12/2025
6	TIGO	19-Dec	53.1	58.4	59.4	59.4	49.8	49.8	93.3	75.8%	Initiated on 19/12/2025
7	SNDK	13-Feb	610.5	693.0	700.0	700.0	542.0	536.0	1517.5	148.6%	Initiated on 13/2/2026
8	HKB	11-Mar	0.2	0.3	0.4	0.4	0.2	0.2	0.6	205.1%	Initiated on 9/4/2026
9	CORAZA	10-Apr	0.6	0.7	0.9	0.9	0.6	0.6	1.1	73.0%	Initiated on 10/4/2026
10	MSC	16-Apr	2.1	2.2	2.7	2.7	2.0	2.0	2.2	5.8%	Initiated on 16/4/2026
11	MCLEAN	23-Apr	0.6	0.7	0.7	0.7	0.6	0.5	0.8	32.8%	Initiated on 23/4/2026
12	SUNCON	14-May	7.2	7.6	7.7	7.7	7.0	6.9	8.1	12.2%	Initiated on 14/5/2026
13	DUFU	29-May	1.9	2.2	2.7	2.7	1.8	1.7	2.6	38.2%	Initiated on 29/5/2026
14	NTAP	16-Jun	162.1	192.8	230.4	230.4	159.3	154.9	189.1	16.7%	Initiated on 16/6/2026
15	ANET	1-Jul	165.6	179.6	195.7	195.7	157.3	154.0	190.8	15.3%	Initiated on 1/7/2026
16	99SMART	8-Jul	3.6	4.0	4.2	4.2	3.6	3.5	3.6	-0.8%	Cut loss on 28/7/2026
17	JTGROUP	22-Jul	0.7	0.7	0.8	0.8	0.7	0.6	0.9	39.1%	Initiated on 22/7/2026
18	MSC	3-Aug	2.0	2.2	2.3	2.3	1.9	1.8	2.2	11.1%	Take profit on 12/8/2026
19	NATGATE	4-Aug	1.3	1.4	1.4	1.4	1.1	1.1	1.5	19.2%	Initiated on 4/8/2026
20	LOGI	5-Aug	107.1	121.0	129.5	129.5	105.3	103.3	99.0	-7.6%	Cut loss on 18/8/2026
21	DE	13-Aug	619.6	639.1	674.4	674.4	608.1	596.8	632.6	2.1%	Initiated on 13/8/2026

Market Chat Tracker – 3Q26 Stock Picks

3Q26 Stock Picks											
No.	Companies	Report Date	Report Date Share Price (RM)	Resistance 1 (RM)	Resistance 2 (RM)	Support 1 (RM)	Support 2 (RM)	Cut Loss (RM)	Last Price (RM)	Change in Share Price (%)	Comments
1	99SMART	7/4/2026	3.380	4.000	4.130	3.380	3.250	3.190	3.410	0.9%	Initiated on 7-Apr-2026
2	CBHB	7/4/2026	0.495	0.760	0.795	0.630	0.605	0.590	0.895	80.8%	Initiated on 7-Apr-2026
3	KGB	7/4/2026	4.930	9.000	9.500	7.780	7.420	7.270	8.360	69.6%	Initiated on 7-Apr-2026
4	MNHLDG	7/4/2026	1.800	3.400	3.500	2.740	2.590	2.540	3.650	102.8%	Initiated on 7-Apr-2026
5	NE	7/4/2026	0.740	1.300	1.400	1.020	0.940	0.920	1.120	51.4%	Initiated on 7-Apr-2026
6	OSK	7/4/2026	1.640	2.200	2.300	1.870	1.800	1.760	2.020	23.2%	Initiated on 7-Apr-2026
7	SCGBHD	7/4/2026	1.880	2.600	2.700	2.230	2.130	2.090	2.530	34.6%	Initiated on 7-Apr-2026
8	SLVEST	1/7/2026	2.990	3.380	3.500	2.950	2.880	2.820	3.040	1.7%	Initiated on 7-Apr-2026
9	BMGREEN	1/7/2026	1.870	2.150	2.280	1.670	1.540	1.510	1.630	-12.8%	Initiated on 1-Jul-2026
10	EG	1/7/2026	1.830	2.200	2.310	1.720	1.600	1.570	1.750	-4.4%	Initiated on 1-Jul-2026
11	KOBAY	1/7/2026	2.570	3.200	3.500	2.330	2.160	2.120	2.240	-12.8%	Initiated on 1-Jul-2026
12	SPRITZER	1/7/2026	2.920	3.300	3.500	2.700	2.500	2.450	3.130	7.2%	Initiated on 1-Jul-2026
13	TIMECOM	1/7/2026	6.170	6.800	7.000	6.000	5.860	5.740	6.000	-2.8%	Initiated on 1-Jul-2026
	Average Return									26.1%	

Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.