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Nvidia Print Drives Rally in Tech & AI Infrastructure

Market Review

MY: The local bourse ended the day on a negative note as global optimism over Nvidia's stellar earnings was offset by concerns over stubborn US inflation. Sector-wise, Construction (+1.29%) outperformed, led by GAMUDA and SUNCON, while Transportation (-0.90%) lagged the most.

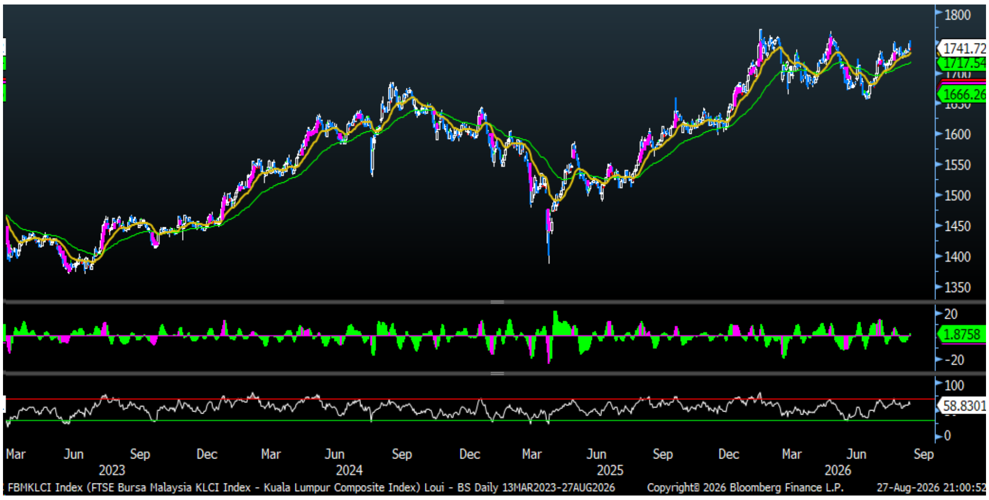
US: Wall Street closed higher on Thursday, brushing off US inflation worries as Nvidia's blockbuster earnings and a sharp rally in enterprise software stocks reinvigorated enthusiasm for the artificial intelligence trade. The Dow, S&P 500, and Nasdaq advanced by 0.2%, 0.7%, and 1.6%, respectively.

The Day Ahead

US: Following Nvidia's strong Q2 results and forward guidance that obliterated consensus models, the rebound on Wall Street is expected to sustain, with buying interest anticipated to flow towards AI networking and infrastructure peers. These include high-speed optical and networking infrastructure providers Arista Networks (ANET) and Lumentum (LITE), which will benefit from Nvidia's record GPU shipment volumes, as they directly translate into accelerated DC switch demand. We also continue to favour Micron Technology (MU) following its partnership with Google to design and produce custom, application-specific AI accelerators. Cybersecurity companies like Palo Alto Networks (PANW) and Fortinet (FTNT) also traded higher following strong demand for AI-driven security products and recent earnings beats.

MY: Tracking Wall Street's positive overnight performance, the FBM KLCI is expected to trade on a stronger footing, particularly the technology sector. Stock-wise, we continue to favour (i) SKYECHIP, supported by its ongoing strategic partnerships, including custom interface IP design with Cerebras Systems for wafer-scale AI platforms and design-token access expansion with Arm Holdings; (ii) THMY, which is experiencing surging demand for AI and DC automated-testing solutions alongside its factory expansion in Penang; and (iii) DNEX, which is expected to see higher ASPs and additional production capacity for its silicon photonics products.

FBMKLCI Technical Outlook



Bloomberg

While the FBM KLCI experienced a pullback yesterday, the technical indicators are still encouraging, with the MACD histogram expanded toward its positive territory, while the RSI is trading above 50. Key resistance lies within 1,756–1,761, with support expected around 1,721–1,726.

Market Scorecard

Key Indices	Last price	Change (%)
Dow Jones	53,569.44	0.20
S&P 500	7,730.99	0.72
NASDAQ	26,541.35	1.57
FBM KLCI	1,741.72	-0.39
FBM Small Cap	16,264.91	0.41
FBM ACE	5,352.22	-0.01
Construction	308.46	1.29
Consumer	494.67	-0.63
Energy	785.06	1.28
Financial Services	20,373.29	-0.40
Healthcare	1,530.82	0.64
Ind Products	189.38	0.73
Plantation	9,343.21	-0.86
Property	1,112.15	0.22
REITs	900.41	-0.32
Technology	77.77	1.20
Telco & Media	413.27	0.33
Transport & Logist	1,049.62	-0.90
Utilities	1,838.99	0.33
Trading Vol (m)	3,859.14	-7.52
Trading Val (RM m	3,467.30	-18.05
Gainers/ Losers rat	105%	
FKLI	1,747.00	0.20
FCPO (RM)	4,847.00	0.64
Brent oil (USD)	89.70	2.12
Gold (USD)	4,599.15	0.02
USD	4.0328	-0.17
GBP	5.4748	0.22
EURO	4.6948	0.04
SGD	3.1707	-0.02

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

Institution	Retail	Foreign
478.1	-243.9	-134.3

Source: Bloomberg, Bursa Market Place

Company Briefs

Tenaga Nasional Bhd (TENAGA) reported a 23% drop in second-quarter net profit to RM888.8m from RM1.16bn a year earlier, mainly due to foreign exchange losses, though lower taxation eased the impact. Revenue rose 8.3% to RM18.6bn, driven by stronger electricity sales and demand growth led by the commercial sector. An interim dividend of 25 sen per share was declared, with payment date to be determined later. (The Edge)

OSAT services provider **Inari Amertron Bhd** (INARI) posted its weakest quarterly results in 14 years, with fourth-quarter net profit plunging 88% to RM6.15m, following a fire incident that occurred on May 10 and lower revenue contributions. The company booked RM41.9m in provisions for asset and inventory write-offs tied to its Philippine plant. Revenue fell 5.8% to RM288.94m, mainly from reduced loading volume in its radio frequency segment. (The Edge)

Sunway Bhd (SUNWAY) posted a 16.7% rise in net profit to RM318.59m for 2QFY2026, supported by stronger property and healthcare segments despite weaker construction revenue. Revenue increased by 13.4% to RM2.91bn. The group declared a first interim dividend of three sen per share, payable on Oct 15. (The Edge)

Berjaya Food Bhd (BJFOOD) narrowed its losses in FY2026, supported by stronger Starbucks operations, cost optimisation and store rationalisation. Full-year net loss was RM105.7m versus RM287m a year earlier, while revenue rose 5% to RM503.7m. For the fourth quarter, net loss reduced to RM64.6m from RM185.8m, with revenue up 12% to RM130m. Lower impairment charges on underperforming stores also contributed to the improvement. (The Edge)

Internet services provider **Time dotCom Bhd** (TIMECOM) posted its strongest quarterly earnings in a decade, with net profit rising 29% to RM134.63m for the second quarter on higher data revenue and forex gains. Revenue was up by 7.2% to RM477.78m. The company declared a special dividend of 5.41 sen per share, payable on Sept 25, citing profitability and cash strength. (The Edge)

IOI Properties Group Bhd (IOIPG) doubled its FY2026 dividend to 16 sen per share (eight sen interim, eight sen special), after full-year net profit more than doubled and revenue hit a record RM4.44bn. 4QFY2026 net profit fell by 36.5% to RM523.11m despite a 55.8% revenue jump to RM1.39bn, as fair-value gains on investment properties dropped sharply. The group said it enters its new financial year with record unbilled sales of RM2.51bn, following RM3.91bn in sales during FY2026. (The Edge)

Capital A Bhd (CAPITALA) posted its second consecutive quarterly profit after disposing of its aviation business in January, while growth in aircraft maintenance and a turnaround in logistics offset softer travel demand. Net profit for the second quarter was RM23.87m, down sharply from RM1.45bn a year earlier, which was boosted by a RM1.66bn aviation gain. Sequentially, net profit rose 6.5% from RM22.45m. No dividend was declared. (The Edge)

Healthcare provider **IHH Healthcare Bhd** (IHH) recorded a 29.3% rise in 2QFY2026 net profit to RM573m, supported by sustained demand, a more complex patient mix and price adjustments. Revenue grew by 11.9% to RM7.05bn on higher patient volumes and improved inpatient revenue in select units. The group declared an interim dividend of 5.5 sen per share, payable on Oct 30. (The Edge)

Press Metal Aluminium Holdings Bhd (PMETAL) posted record 2QFY2026 earnings, with net profit rising 66% to RM801m, boosted by higher revenue and a one-off gain from dilution of an associate stake. Excluding the RM115.4m gain, core Patami was RM685.58m, up 42% year-on-year. Revenue climbed 12% to a record RM4.69bn, supported by higher realised metal prices. The group declared a second interim dividend of 2.5 sen per share, payable on Sept 29. (The Edge)

Petron Malaysia Refining & Marketing Bhd (PETRONM) stayed loss-making in 2QFY2026, posting a net loss of RM34.48m versus a RM40.51m profit a year earlier, due to reliance on imports during the Port Dickson refinery shutdown. This marked its second straight quarterly loss, despite revenue surging 44.7% to RM4.72bn, driven by higher oil prices. (The Edge)

Chin Hin Group Bhd (CHINHIN) reported a 63.9% drop in second-quarter net profit to RM7.68m, its weakest quarterly earnings in nearly five years, due to a RM19.8m fair value loss on other investments versus a RM8.98m gain a year earlier. Revenue rose by 10.3% to RM1.05bn, supported by stronger property, construction and building materials contributions. No dividend was declared. (The Edge)

Staple food producer **Malayan Flour Mills Bhd** (MFLOUR) posted a 53% rise in 2QFY2026 net profit to RM42.93m, driven by better margins in flour and grain trading and stronger joint venture contributions. EPS increased to 3.46 sen from 2.27 sen. Its joint venture profit quadrupled to RM13.38m, supported by poultry unit Dindings Tyson and PT Bungasari Flour Mills Indonesia. Revenue was flat at RM798.66m as lower selling prices offset higher volumes. A first interim dividend of two sen per share will be paid on Sept 25. (The Edge)

Hong Leong Bank Bhd (HLBANK) is keeping its FY2027 loan growth target at 6%-7%, citing inflationary pressures from Middle East conflict and strong deposit competition. The bank achieved 7.7% growth in FY2026, above guidance, but CEO Kevin Lam said it opted for prudence despite past performance, noting the aim is to avoid over-promising amid uncertainty. (The Edge)

Cosmetics retailer **Ulta Beauty** (ULTA) raised its annual sales and profit forecasts on Thursday, betting that marketing and product assortment investments would drive demand as it continues opening stores in the U.S. Net sales climbed 8.9% to USD3bn, lifted by comparable sales, the Space NK acquisition and 13 net U.S. store openings in the second quarter — nearly half of its first-half total. (Investing.com)

Workday (WDAY) reported a nearly 13% rise in revenue on Thursday and said its AI solutions were seeing strong adoption and driving customer wins, easing investor fears of artificial intelligence disruption to its business. The finance and human resources software provider has been embedding AI across its platform to automate tasks from payroll processing to financial forecasting, aiming to boost efficiency for its clients. (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	342.0	99.6%	Initiated on 30/5/2025
2	PWRWELL	25-Sep	0.6	0.6	0.7	0.7	0.6	0.5	1.1	86.3%	Initiated on 25/9/2025
3	PEKAT	3-Oct	1.8	2.0	2.1	2.1	1.7	1.7	1.9	3.3%	Initiated on 3/10/2025
4	MU	24-Oct	212.4	229.4	233.6	227.3	194.0	192.0	938.4	341.8%	Initiated on 24/10/2025
5	CCJ	4-Dec	89.3	110.2	138.4	138.4	86.1	79.3	107.4	20.3%	Initiated on 4/12/2025
6	TIGO	19-Dec	53.1	58.4	59.4	59.4	49.8	49.8	96.2	81.2%	Initiated on 19/12/2025
7	SNDK	13-Feb	610.5	693.0	700.0	700.0	542.0	536.0	1499.4	145.6%	Initiated on 13/2/2026
8	HKB	11-Mar	0.2	0.3	0.4	0.4	0.2	0.2	0.6	210.3%	Initiated on 9/4/2026
9	CORAZA	10-Apr	0.6	0.7	0.9	0.9	0.6	0.6	1.2	88.9%	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	34.5%	Initiated on 23/4/2026
12	SUNCON	14-May	7.2	7.6	7.7	7.7	7.0	6.9	8.2	14.0%	Initiated on 14/5/2026
13	DUFU	29-May	1.9	2.2	2.7	2.7	1.8	1.7	2.8	48.4%	Initiated on 29/5/2026
14	NTAP	16-Jun	162.1	192.8	230.4	230.4	159.3	154.9	193.9	19.6%	Initiated on 16/6/2026
15	ANET	1-Jul	165.6	179.6	195.7	195.7	157.3	154.0	202.3	22.2%	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	1.0	45.9%	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	1.8	44.8%	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	634.5	2.4%	Initiated on 13/8/2026
22	AUMAS	26-Aug	0.4	0.5	0.6	0.6	0.4	0.4	0.4	-2.5%	Initiated on 26/8/2026

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	3.380	0.0%	Initiated on 7-Apr-2026
2	CBHB	7/4/2026	0.495	0.760	0.795	0.630	0.605	0.590	0.910	83.8%	Initiated on 7-Apr-2026
3	KGB	7/4/2026	4.930	9.000	9.500	7.780	7.420	7.270	9.150	85.6%	Initiated on 7-Apr-2026
4	MNHLDG	7/4/2026	1.800	3.400	3.500	2.740	2.590	2.540	3.500	94.4%	Initiated on 7-Apr-2026
5	NE	7/4/2026	0.740	1.300	1.400	1.020	0.940	0.920	1.090	47.3%	Initiated on 7-Apr-2026
6	OSK	7/4/2026	1.640	2.200	2.300	1.870	1.800	1.760	2.050	25.0%	Initiated on 7-Apr-2026
7	SCGBHD	7/4/2026	1.880	2.600	2.700	2.230	2.130	2.090	2.520	34.0%	Initiated on 7-Apr-2026
8	SLVEST	1/7/2026	2.990	3.380	3.500	2.950	2.880	2.820	3.050	2.0%	Initiated on 7-Apr-2026
9	BMGREEN	1/7/2026	1.870	2.150	2.280	1.670	1.540	1.510	1.660	-11.2%	Initiated on 1-Jul-2026
10	EG	1/7/2026	1.830	2.200	2.310	1.720	1.600	1.570	1.950	6.6%	Initiated on 1-Jul-2026
11	KOBAY	1/7/2026	2.570	3.200	3.500	2.330	2.160	2.120	2.450	-4.7%	Initiated on 1-Jul-2026
12	SPRITZER	1/7/2026	2.920	3.300	3.500	2.700	2.500	2.450	3.220	10.3%	Initiated on 1-Jul-2026
13	TIMECOM	1/7/2026	6.170	6.800	7.000	6.000	5.860	5.740	6.010	-2.6%	Initiated on 1-Jul-2026
	Average Return									28.5%	

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