High Yields and Oil Spike Pressure Market Sentiment

Market Review

MY: The local bourse traded relatively muted amid escalating Middle East hostilities following strikes on Saudi energy sites. Sector-wise, Technology (+2.00%) outperformed, led by VITROX and INARI, while Health Care (-1.02%) lagged the most. IPO GTA debuted, closing at RM0.335 compared to its IPO price of RM0.35.

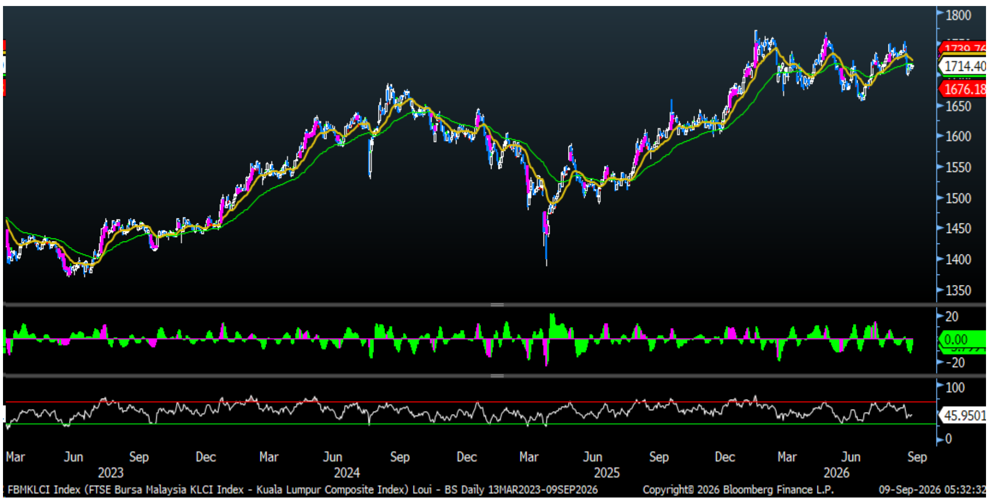
US: Wall Street closed lower as extended Middle East conflict drove oil prices higher, while elevated Fed rate-hike expectations and a sell-off in healthcare stocks further weighed on sentiment. The Dow, S&P 500, and Nasdaq retreated by 1.2%, 0.6%, and 1.3%, respectively, while Brent crude remained elevated above USD95/barrel.

The Day Ahead

US: Given the Brent oil spike nearer towards the USD100/bbl mark alongside 10-year Treasury yields pushing near two-decade highs, we expect Wall Street to maintain its cautious tone. Stock-wise, investors could monitor fabless semiconductor company Astera Labs (ALAB), as hyperscalers aggressively expand AI cluster deployments, which should drive high-margin demand for its PCIe 6.0 and CXL retimer connectivity hardware. Meanwhile, buying interest was also seen in Oracle (ORCL) following its gap-up, supported by its USD638bn Remaining Performance Obligation (RPO) backlog and 50%+ projected growth in Oracle Cloud Infrastructure (OCI). However, given that its price experienced a gap-up and faces resistance at its MA200, investors could wait for a pullback to a higher low as an entry level.

MY: Tracking Wall Street's negative overnight performance, we believe overall sentiment for the FBM KLCI may stay generally weaker. However, given the elevated oil prices, traders could look for energy-related plays for short-term trading opportunities, particularly HENGYUAN and PCHEM. Meanwhile, we favour both SAM and EIPOWER, with the former acting as a proxy for Applied Materials and seeing robust equipment orders as the broader semiconductor market enters an AI supercycle, while the latter is supported by accelerated revenue conversion from mission-critical DC power delivery and its expansion into Thailand.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI experienced a marginal retreat yesterday, with technical indicators remain soft. The MACD histogram continues to trade at its negative territory, while the RSI remains below the 50 level. Key resistance lies at 1,729–1,734, with support anchored at 1,694–1,699.

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Market Scorecard

Key Indices	Last price	Change (%)
Dow Jones	52,786.07	-1.18
S&P 500	7,673.52	-0.58
NASDAQ	26,421.41	-0.32
FBM KLCI	1,714.40	-0.02
FBM Small Cap	16,154.24	0.48
FBM ACE	5,272.23	0.26
Construction	315.08	1.93
Consumer	481.55	-0.12
Energy	818.77	1.18
Financial Services	20,147.47	-0.20
Healthcare	1,482.45	-1.02
Ind Products	187.42	0.25
Plantation	9,476.63	0.94
Property	1,076.61	-0.53
REITs	889.29	-0.17
Technology	74.07	2.00
Telco & Media	400.06	-0.20
Transport & Logist	1,020.07	-0.27
Utilities	1,800.52	-0.08
Trading Vol (m)	4,134.33	14.70
Trading Val (RM m	3,144.96	27.94
Gainers/ Losers rat	83%	
FKLI	1,679.00	-0.15
FCPO (RM)	4,949.00	-0.54
Brent oil (USD)	97.92	0.95
Gold (USD)	4,355.99	-0.05
USD	4.0623	-0.39
GBP	5.4968	-0.36
EURO	4.7179	-0.34
SGD	3.2091	-0.40

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

Institution	Retail	Foreign
-210.7	541.5	-217.2

Source: Bloomberg, Bursa Market Place

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Company Briefs

Public Bank Bhd (PBBANK) is proposing to privatise its 73.23%-owned Hong Kong-listed subsidiary Public Financial Holdings Ltd (PFHL) for HK$2.50 per share, or about RM1.29, in cash. The deal will cost the bank about HK$734.75m to acquire the remaining 26.77% stake. It will be carried out via a court-sanctioned scheme of arrangement, under which all shares held by minority shareholders will be cancelled and new shares issued to Public Bank, making PFHL a wholly-owned subsidiary. (The Edge)

Malayan Banking Bhd (MAYBANK) has received Bank Negara Malaysia approval to acquire the remaining 30.95% stake in Maybank Ageas Holdings Bhd, the holding company of Etiqa, from Belgian insurer Ageas SA for RM4.83bn. Following the approval on Sept 1, Maybank has entered into an unconditional share purchase agreement with Ageas. The acquisition will be funded entirely through Maybank's internally generated funds. (The Edge)

Hektar REIT (HEKTAR) has appointed Datuk Seri Jamil Bidin, 69, as chairman, effective immediately, filling the position that has been vacant since 2023 following Hasli Hashim's resignation. Jamil has held senior positions at several listed companies, including as managing director and CEO of Putera Capital Bhd, where he oversaw manufacturing, construction, property development and engineering businesses. (The Edge)

More boardroom changes were seen at companies linked to **Zetrix AI Bhd** (ZETRIX) founder Wong Thean Soon, better known as TS Wong. At **Cuscapi Bhd** (CUSCAPI), newly appointed independent director Datuk Faizal Abdullah was redesignated as chairman, days after being appointed chairman of **Sersol Bhd** (SERSOL) on Sept 3. Cuscapi also saw the departures of executive director Datuk Seri Khazali Ahmad and independent directors Datuk Sheah Kok Fah and Mohaini Mohd Yusof.

Over at **HeiTech Padu Bhd** (HTPADU), former **NexG Bhd** (NEXG) director Badrul Hisham Abdul Aziz, who also chairs **Kanger International Bhd** (KANGER), joined the board as a non-independent non-executive director .Meanwhile, Wong trimmed his stake in **Excel Force MSC Bhd** (EFORCE) after disposing of 104.21m shares on Aug 28 and Sept 1, reducing his direct stake to 7.234%, or 44.12m shares. He also holds an indirect stake of 6.772%. (The Edge)

Information communication and technology service provider **Theta Edge Bhd** (THETA) has secured a five-year contract from Prasarana Malaysia Bhd to develop, operate and maintain telecommunications infrastructure along the LRT3 corridor. Its wholly-owned subsidiary Theta Telecoms Sdn Bhd will act as the network operator and strategic partner for the project. Prasarana will receive the higher of RM500,000-a-year or 13% of gross project revenue, with the balance going to Theta Telecoms. (The Edge)

Crane manufacturer **Favelle Favco Bhd** (FAVCO) has secured four contracts worth RM131.7m to supply cranes. Its wholly-owned units Favelle Favco Cranes (M) Sdn Bhd and Favelle Favco Cranes Pty Ltd will each supply a tower crane, with delivery expected by end-2026. Favco Cranes (M) will also supply two offshore cranes. One is expected to be delivered by mid-2027, while the other will be delivered on a staggered basis from the second to third quarter of 2027. (The Edge)

TRC Synergy Bhd (TRC) has secured a RM149.98m subcontract from **Gamuda Bhd's** (GAMUDA) engineering arm for underground services works at a hyperscale data centre. The contract, awarded to TRC's wholly-owned subsidiary TRC Construction Sdn Bhd by Gamuda Engineering Sdn Bhd, commenced on Aug 14 and is scheduled for completion by Nov 25. (The Edge)

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QES Group Bhd (QES) said its 70%-owned subsidiary QES (Singapore) Pte Ltd has agreed to acquire two freehold office units in Singapore for S$5.47m (RM17.48m) cash. The units are located at the Space Nova development on New Industrial Road and designated for clean industrial use. (The Edge)

Qualcomm Technologies (QCOM) shares were up 3% following the announcement of a landmark multi-generational collaboration with Amazon. Under the agreement, Qualcomm will issue a warrant to Amazon to purchase up to 25m shares of QCOM common stock, aligning the two tech giants for the long haul. (Investing.com)

Advanced Micro Devices (AMD) shares jumped 5% on Tuesday after management outlined an aggressive artificial-intelligence growth strategy at the Citi Global TMT Conference, anchored by a new $2tn total addressable market estimate by 2030. (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	170.5	187.5	190.0	190.0	170.0	167.5	338.4	98.4%	Initiated on 30/5/2025
2	PWRWELL	25-Sep	0.6	0.6	0.7	0.7	0.6	0.5	1.1	88.5%	Initiated on 25/9/2025
3	PEKAT	3-Oct	1.8	2.0	2.1	2.1	1.7	1.7	2.1	13.1%	Initiated on 3/10/2025
4	MU	24-Oct	212.2	229.2	233.4	227.3	194.0	192.0	1000.3	371.4%	Initiated on 24/10/2025
5	CCJ	4-Dec	89.3	110.2	138.4	138.4	86.1	79.3	102.0	14.2%	Initiated on 4/12/2025
6	TIGO	19-Dec	50.6	58.4	59.4	59.4	49.8	49.8	96.0	89.7%	Initiated on 19/12/2025
7	SNDK	13-Feb	610.5	693.0	700.0	700.0	542.0	536.0	1738.0	184.7%	Initiated on 13/2/2026
8	HKB	11-Mar	0.2	0.3	0.4	0.4	0.2	0.2	0.6	215.4%	Initiated on 9/4/2026
9	CORAZA	10-Apr	0.6	0.7	0.9	0.9	0.6	0.6	1.1	77.8%	Initiated on 10/4/2026
10	MSC	16-Apr	2.0	2.2	2.7	2.7	2.0	2.0	2.2	9.9%	Initiated on 16/4/2026
11	MCLEAN	23-Apr	0.6	0.7	0.7	0.7	0.6	0.5	0.7	24.2%	Initiated on 23/4/2026
12	SUNCON	14-May	7.0	7.6	7.7	7.7	7.0	6.9	8.0	14.0%	Initiated on 14/5/2026
13	DUFU	29-May	1.8	2.2	2.7	2.7	1.8	1.7	2.8	52.2%	Initiated on 29/5/2026
14	NTAP	16-Jun	161.6	192.8	230.4	230.4	159.3	154.9	189.1	17.1%	Initiated on 16/6/2026
15	ANET	1-Jul	165.6	179.6	195.7	195.7	157.3	154.0	195.0	17.8%	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	42.1%	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	1.7	36.0%	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	680.7	9.9%	Initiated on 13/8/2026
22	AUMAS	26-Aug	0.4	0.5	0.6	0.6	0.4	0.4	0.4	-7.4%	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	3.357	4.000	4.130	3.380	3.250	3.190	3.450	2.8%	Initiated on 7-Apr-2026
2	CBHB	7/4/2026	0.495	0.760	0.795	0.630	0.605	0.590	0.955	92.9%	Initiated on 7-Apr-2026
3	KGB	7/4/2026	4.872	9.000	9.500	7.780	7.420	7.270	8.690	78.4%	Initiated on 7-Apr-2026
4	MNHLDG	7/4/2026	1.800	3.400	3.500	2.740	2.590	2.540	3.720	106.7%	Initiated on 7-Apr-2026
5	NE	7/4/2026	0.740	1.300	1.400	1.020	0.940	0.920	1.080	45.9%	Initiated on 7-Apr-2026
6	OSK	7/4/2026	1.586	2.200	2.300	1.870	1.800	1.760	1.910	20.4%	Initiated on 7-Apr-2026
7	SCGBHD	7/4/2026	1.865	2.600	2.700	2.230	2.130	2.090	2.730	46.4%	Initiated on 7-Apr-2026
8	SLVEST	1/7/2026	2.990	3.380	3.500	2.950	2.880	2.820	3.550	18.7%	Initiated on 7-Apr-2026
9	BMGREEN	1/7/2026	1.870	2.150	2.280	1.670	1.540	1.510	1.670	-10.7%	Initiated on 1-Jul-2026
10	EG	1/7/2026	1.830	2.200	2.310	1.720	1.600	1.570	1.790	-2.2%	Initiated on 1-Jul-2026
11	KOBAY	1/7/2026	2.570	3.200	3.500	2.330	2.160	2.120	2.280	-11.3%	Initiated on 1-Jul-2026
12	SPRITZER	1/7/2026	2.920	3.300	3.500	2.700	2.500	2.450	3.800	30.1%	Initiated on 1-Jul-2026
13	TIMECOM	1/7/2026	6.170	6.800	7.000	6.000	5.860	5.740	5.870	-4.9%	Initiated on 1-Jul-2026
	Average Return									31.8%	

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