Elevated Yields Keep Risk Appetite Muted

Market Review

MY: The local bourse traded on a cautious note as escalating US-Iran tensions around the Strait of Hormuz pushed Brent crude oil above US$100/bbl. Sector-wise, Health Care (+7.02%) outperformed, led by TOPGLOV (+13.5 sen) and HARTA (+18.0 sen), while Consumer Products (-0.82%) was the weakest performer.

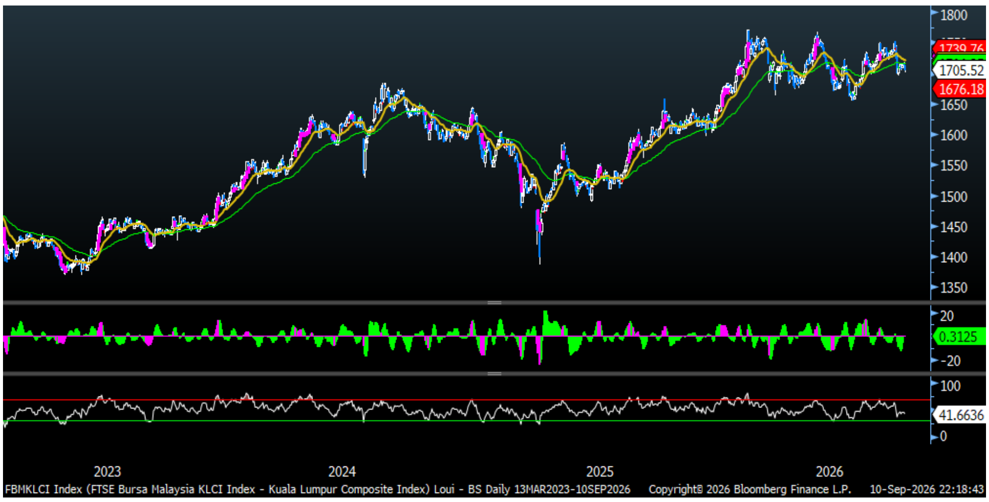
US: Wall Street closed lower on Thursday as Brent crude surged to US$107.63/bbl on heightened oil supply concerns. Meanwhile, August producer prices rose 0.4% MoM, reinforcing inflation concerns and pushing Treasury yields higher. Consequently, the S&P 500, Dow and Nasdaq fell 0.6%, 0.6% and 0.7%, respectively.

The Day Ahead

US: We expect Wall Street to remain risk-off as Brent crude stays above US$100/bbl and the US 10-year Treasury yield hovers near 5%, reinforcing inflation and higher-for-longer rate concerns ahead of the CPI release. We favour Exxon Mobil and Chevron as direct beneficiaries of elevated oil prices. Chubb could also benefit from higher investment yields, with 2Q26 adjusted net investment income reaching a record US$1.88bn (+11.4% YoY), alongside a strong 83.8% P&C combined ratio. Meanwhile, TD SYNNEX remains supported by record 2QFY26 results, while Twilio continues to benefit from 17% organic revenue growth and its raised FY26 guidance.

MY: Closer to home, we expect the FBM KLCI to trade cautiously amid elevated global yields and oil prices, while interest in the Data Centre theme should remain intact. PEKAT remains in focus after securing RM57.2m of new hyperscale data-centre subcontracts in Johor. YTLPOWR is supported by sequentially stronger 4QFY26 earnings and its proposed gigawatt-scale data-centre campus at Sedenak Tech Park. Meanwhile, JTGROUP remains well positioned to benefit from continued power infrastructure spending, following its RM69.5m TNB contract for a new 132/33kV GIS substation and 132kV overhead line in Tumpat, Kelantan, alongside its RM46.7m underground cable subcontract.

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI ended lower on Thursday as momentum indicators maintained a defensive tone. Backed by a negative MACD histogram and an RSI holding near 50, overhead resistance sits at 1,721–1,736, while near-term support is established at 1,676–1,691.

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Market Scorecard

Key Indices	Last price	Change (%)
Dow Jones	52,064.10	-0.60
S&P 500	7,591.70	-0.58
NASDAQ	26,081.72	-0.65
FBM KLCI	1,705.52	-0.51
FBM Small Cap	16,183.91	-0.27
FBM ACE	5,312.44	0.28
Construction	320.12	0.01
Consumer	476.94	-0.82
Energy	819.44	0.11
Financial Services	19,904.11	-0.72
Healthcare	1,584.29	7.02
Ind Products	188.88	0.44
Plantation	9,449.11	-0.01
Property	1,073.82	-0.03
REITs	885.36	-0.06
Technology	74.76	0.08
Telco & Media	402.02	0.41
Transport & Logist	1,019.08	-0.80
Utilities	1,829.69	0.23
Trading Vol (m)	3,987.79	8.72
Trading Val (RM m	3,144.70	-10.16
Gainers/ Losers rat	85%	
FKLI	1,683.50	0.06
FCPO (RM)	4,939.00	1.11
Brent oil (USD)	107.63	6.34
Gold (USD)	4,318.19	0.09
USD	4.065	0.11
GBP	5.5079	0.00
EURO	4.7297	0.01
SGD	3.2131	0.12

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

Institution	Retail	Foreign
-269.7	243.4	26.3

Source: Bloomberg, Bursa Market Place

Company Briefs

IHH Healthcare Bhd's (IHH) Singapore unit Northern TK Venture (NTK) has lost its lawsuit seeking more than ¥200bn (about RM5.3bn) in damages from Japanese drugmaker Daiichi Sankyo Co Ltd after the Tokyo District Court on Thursday dismissed all of NTK's claims and ordered the company to bear the litigation costs. However, IHH said NTK disagrees with the decision and is reviewing the judgment with its legal counsel while considering all available legal remedies. (The Edge)

Lim Seong Hai Capital Bhd (LSH) said the proposed Bandar Malaysia-Seri Kembangan Expressway (BSE) is estimated to cost RM1.75bn to build, with a proposed concession period of 60 years including four years for construction, after receiving a government letter informing it that the Cabinet had agreed in principle to the highway project. The company expects the project to be financed through a combination of internally generated funds, borrowings and other fundraising exercises. (The Edge)

Higher contributions from associate companies and stronger Mazda sales lifted **Bermaz Auto Bhd**'s (BAUTO) net profit nearly fivefold in the first quarter. Net profit for the first quarter ended July 31, 2026 (1QFY2027) rose to RM40.51m from RM8.28m a year earlier, while share of results from associates swung to a profit of RM1.06m from a loss of RM9.32m. Revenue increased 12.58% to RM553.08m from RM491.28m. BAuto declared a first interim dividend of 2 sen per share, with payment scheduled for Nov 4. (The Edge)

Alam Maritim Resources Bhd (ALAM) said an interim executive committee will oversee its operations after CEO Datuk Azmi Ahmad was placed on temporary garden leave amid graft charges. Azmi, who pleaded not guilty, remains a director of the company, which said it will continue operating as usual with support from senior strategic adviser Datuk Aloysius Albert Michael. (The Edge)

Paragon Globe Bhd (PGLOBE) has secured a RM45.16m contract from an unnamed data centre operator for earthworks and retaining wall works at a data centre development in Johor. The contract, to be undertaken by its wholly-owned unit PGBG Construction Sdn Bhd, is targeted for completion by the fourth quarter of 2026. (The Edge)

AME Elite Consortium Bhd (AME) has agreed to acquire four parcels of freehold land spanning 176.5 acres in Pontian, Johor, within the Johor-Singapore Special Economic Zone (JS-SEZ), for RM199.8m in cash. The land is intended for industrial development, but the company said it is too early to determine the project's development timeline, gross development value, costs, expected profits or funding requirements. (The Edge)

HE Group Bhd (HEGROUP) has secured an estimated RM25m purchase order to undertake power distribution system works for a Malaysian manufacturer of NAND flash memory products. The project, which commenced upon acceptance of the purchase order on Thursday, is expected to be completed within 20 weeks by its wholly-owned unit Hexatech Engineering Sdn Bhd. (The Edge)

Microsoft Corporation (MSFT) plans to expand its data center footprint to 38 gigawatts by 2032—more than tripling its current 12-gigawatt capacity—with AI-specific computing expected to grow from 2 gigawatts today to roughly a third of the total network. Supported by forecasted capital expenditures of $175bn for calendar 2026 and $50bn for fiscal Q1 2027, the tech giant aims to spread data center leases over 25 years to optimize annual reported capital costs as commercial demand for its cloud and AI services continues to pay off. (Investing.com)

Oracle Corporation (ORCL) reported fiscal first-quarter results that beat expectations, posting adjusted EPS of $1.92 on revenue of $19.35bn, driven by cloud infrastructure revenue that more than doubled to $7.4bn and delivered 850 megawatts of data center capacity. Boosted by over $30bn in new AI contracts that expanded remaining performance obligations to $664bn, the company raised its fiscal 2027 revenue target to at least $90bn despite ramping Q1 capital expenditures to $28.50bn to fund its infrastructure expansion. (CNBC)

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	328.8	92.8%	Initiated on 30/5/2025
2	PWRWELL	25-Sep	0.6	0.6	0.7	0.7	0.6	0.5	1.1	92.0%	Initiated on 25/9/2025
3	PEKAT	3-Oct	1.8	2.0	2.1	2.1	1.7	1.7	2.1	15.8%	Initiated on 3/10/2025
4	MU	24-Oct	212.2	229.2	233.4	227.3	194.0	192.0	986.8	365.1%	Initiated on 24/10/2025
5	CCJ	4-Dec	89.3	110.2	138.4	138.4	86.1	79.3	98.3	10.1%	Initiated on 4/12/2025
6	TIGO	19-Dec	50.6	58.4	59.4	59.4	49.8	49.8	94.2	86.3%	Initiated on 19/12/2025
7	SNDK	13-Feb	610.5	693.0	700.0	700.0	542.0	536.0	1691.9	177.1%	Initiated on 13/2/2026
8	HKB	11-Mar	0.2	0.3	0.4	0.4	0.2	0.2	0.6	223.1%	Initiated on 9/4/2026
9	CORAZA	10-Apr	0.6	0.7	0.9	0.9	0.6	0.6	1.1	76.2%	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	0.8	30.9%	Initiated on 23/4/2026
12	SUNCON	14-May	7.0	7.6	7.7	7.7	7.0	6.9	7.9	13.5%	Initiated on 14/5/2026
13	DUFU	29-May	1.8	2.2	2.7	2.7	1.8	1.7	2.8	50.1%	Initiated on 29/5/2026
14	NTAP	16-Jun	161.6	192.8	230.4	230.4	159.3	154.9	184.6	14.2%	Initiated on 16/6/2026
15	ANET	1-Jul	165.6	179.6	195.7	195.7	157.3	154.0	190.5	15.0%	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	49.6%	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	34.4%	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	678.6	9.5%	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	3.390	1.0%	Initiated on 7-Apr-2026
2	CBHB	7/4/2026	0.495	0.760	0.795	0.630	0.605	0.590	1.030	108.1%	Initiated on 7-Apr-2026
3	KGB	7/4/2026	4.872	9.000	9.500	7.780	7.420	7.270	8.650	77.5%	Initiated on 7-Apr-2026
4	MNHLDG	7/4/2026	1.800	3.400	3.500	2.740	2.590	2.540	3.880	115.6%	Initiated on 7-Apr-2026
5	NE	7/4/2026	0.740	1.300	1.400	1.020	0.940	0.920	1.040	40.5%	Initiated on 7-Apr-2026
6	OSK	7/4/2026	1.586	2.200	2.300	1.870	1.800	1.760	1.860	17.3%	Initiated on 7-Apr-2026
7	SCGBHD	7/4/2026	1.865	2.600	2.700	2.230	2.130	2.090	2.700	44.8%	Initiated on 7-Apr-2026
8	SLVEST	1/7/2026	2.990	3.380	3.500	2.950	2.880	2.820	3.490	16.7%	Initiated on 7-Apr-2026
9	BMGREEN	1/7/2026	1.870	2.150	2.280	1.670	1.540	1.510	1.680	-10.2%	Initiated on 1-Jul-2026
10	EG	1/7/2026	1.830	2.200	2.310	1.720	1.600	1.570	1.770	-3.3%	Initiated on 1-Jul-2026
11	KOBAY	1/7/2026	2.570	3.200	3.500	2.330	2.160	2.120	2.250	-12.5%	Initiated on 1-Jul-2026
12	SPRITZER	1/7/2026	2.920	3.300	3.500	2.700	2.500	2.450	3.830	31.2%	Initiated on 1-Jul-2026
13	TIMECOM	1/7/2026	6.170	6.800	7.000	6.000	5.860	5.740	5.810	-5.8%	Initiated on 1-Jul-2026
	Average Return									32.4%	

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