Markets Remain Cautious Amid Elevated Bond Yields

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Market Review

MY: The FBM KLCI closed lower amid concerns over global monetary policy normalisation, following the BoJ's decision to raise interest rates to a 31-year high. However, market breadth was positive with 625 gainers ahead of 562 losers. Sector-wise, Technology outperformed, led by MPI and UNISEM.

US: Wall Street closed mixed as investors monitored the US 10-year Treasury yield climbing above 5% amid lingering geopolitical uncertainty. Brent crude, however, eased to around USD103/bbl as concerns over near-term supply disruptions moderated.

The Day Ahead

US: We expect Wall Street to trade on a mixed footing, with Brent crude holding above USD100/bbl and the US 10-year yield hovering around 5%, keeping inflation and valuation concerns in focus. Meanwhile, investor attention should centre on the S&P Dow Jones Indices quarterly rebalancing taking effect today, alongside continued optimism around AI spending. Bloom Energy (BE) remains in focus following its inclusion in the S&P 500, while Williams-Sonoma (WSM) could see continued interest after its 2Q26 comparable sales rose 6.2% and its full-year outlook was raised. Nvidia (NVDA) also remains a key AI bellwether amid continued debate over the pace of AI investment.

MY: On the domestic front, we expect the FBM KLCI to trade on a mixed note, with elevated yields and oil prices keeping sentiment measured, though stock-specific opportunities remain. ISF is positioned to benefit from hyperscale data-centre development, supported by its RM153.5m unbilled order book and earnings visibility through FY2029. Within the technology sector, DUFU remains well positioned to ride the HDD recovery, driven by stronger component sales, while NATGATE provides exposure to the optical-networking upcycle, with its longer-term earnings outlook tied to new US programmes. Meanwhile, HKB's earnings are well supported by its record RM800.5m order book following the RM283.9m Wisma JKR Sarawak award.

Market Scorecard

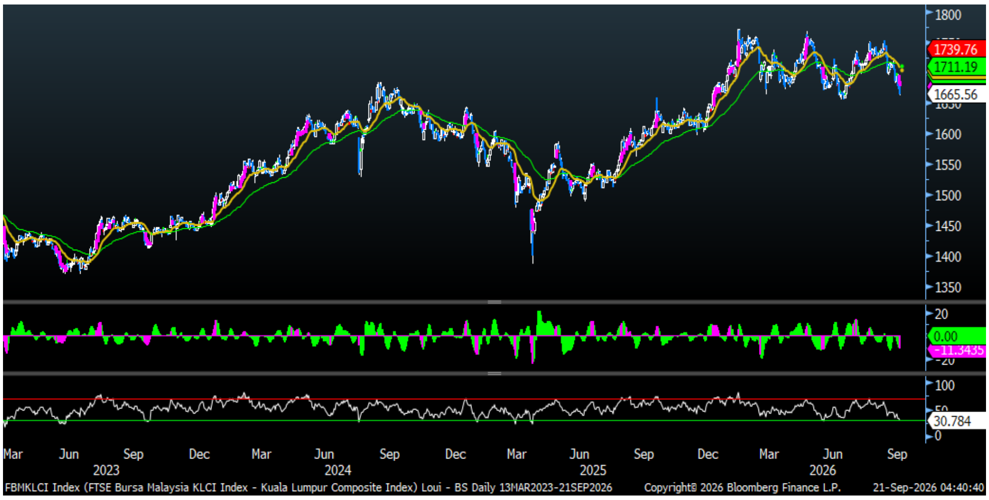
Key Indices	Last price	Change (%)
Dow Jones	51,682.64	-0.18
S&P 500	7,650.50	0.17
NASDAQ	26,522.54	0.39
FBM KLCI	1,665.56	-0.55
FBM Small Cap	15,962.42	0.57
FBM ACE	5,244.60	0.93
Construction	314.66	2.20
Consumer	467.08	-0.17
Energy	820.62	0.67
Financial Services	19,412.63	-0.63
Healthcare	1,575.32	0.41
Ind Products	185.24	0.21
Plantation	9,496.44	-0.11
Property	1,042.54	-1.62
REITs	877.03	-0.65
Technology	74.65	2.50
Telco & Media	405.65	0.69
Transport & Logist	1,013.09	0.71
Utilities	1,784.98	0.27
Trading Vol (m)	4,917.10	36.47
Trading Val (RM m	4,880.50	49.80
Gainers/ Losers rat		
FKLI	1,643.00	-0.67
FCPO (RM)	4,898.00	-0.77
Brent oil (USD)	103.87	-0.91
Gold (USD)	4,378.63	0.85
USD	4.0817	0.42
GBP	5.4588	--
EURO	4.6873	0.31
SGD	3.1952	0.51

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

Institution	Retail	Foreign
-315.6	395.7	-80.1

Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI may stage a technical rebound, with the RSI hovering near oversold territory at 30, while the MACD histogram appears to be forming a rounding bottom. Key resistance is seen at 1,680–1,695, while support is anchored at 1,635–1,650.

Company Briefs

AirAsia Group Bhd's (AAGB) operation is sustainable with over RM1bn cash in hand, group adviser Tan Sri Tony Fernandes said, as he dismissed concerns about the airline's finances. The low-cost airline also did not request for a government bailout, he told a press conference, noting that earnings are catching up with costs after soaring jet fuel prices badly hit its second-quarter results. (The Edge)

Capital A Bhd (CAPITALA) has proposed a debt restructuring scheme involving wholly-owned subsidiary Move Digital Sdn Bhd, in a bid to resolve its historical liabilities. Move Digital is an investment holding company for Capital A, which currently holds a 99.56% stake in fintech firm BigPay Pte Ltd and a 13.6% stake in **Tune Protect Group Bhd** (TUNEPRO). Under the proposed scheme of arrangement, Move Digital would potentially sell all or a majority of its equity interest in BigPay, carry out an orderly divestment of its 13.6% stake in Tune Protect and recover receivables estimated at RM32.2m. (The Edge)

KYM Holdings Bhd (KYM) is planning to acquire a 70% stake in orthopaedic and specialist healthcare group Regen Healthcare Sdn Bhd, which marks its entry into the healthcare sector and diversifying its manufacturing-dominated earnings base. KYM's wholly-owned unit KYM Healthcare Sdn Bhd signed an agreement with Regen Healthcare’s sole shareholder Dr Rajesh Singh Karnail Singh to acquire 700,000 shares for an indicative amount of up to RM33.5m cash. (The Edge)

TMK Chemical Bhd (TMK) has agreed to acquire Chemical Company of Malaysia Bhd (CCM) from **Batu Kawan Bhd** (BKAWAN) and its wholly-owned unit Enternal Edge Sdn Bhd for RM939.9m. TMK said the purchase will be satisfied through RM438.5m cash and the issuance of 262.5m new TMK shares to Batu Kawan at RM1.9098 apiece. The new shares will see Batu Kawan acquire a 20.8% stake in TMK's enlarged share capital. (The Edge)

Tenaga Nasional Bhd (TENAGA) will absorb the impact from the electricity tariff fuel surcharge exemption that has been expanded to more households up until the end of this year. The exemption from automatic fuel adjustment, retail charges of RM10 per month, and sales-and-services tax carry an estimated savings of RM150m for eligible households, said CEO Datuk Shamsul Ahmad. The number of households using more power has risen in recent months, he said while stressing that the company does not benefit from the surcharge. (The Edge)

Vestland Bhd (VLB) has secured a job worth RM107.61m to undertake slope mitigation and related works at a reservoir catchment area in Terengganu. The contract, awarded to its wholly-owned subsidiary Vestland Infra Sdn Bhd, will begin in October and be completed by May 2029. Vestland has secured eight new major contracts year to date with a combined value of RM1.6bn, lifting its total outstanding order book to RM2bn. (The Edge)

Eco World Development Group Bhd (ECOWLD) has won the bid to develop a prime residential site in Singapore for S$208.1m (RM667.6m). Its wholly-owned unit Eco World Development (S) Pte Ltd (EWPL) won the tender for the 4,283 sq m site at Lorong Puntong/Sin Ming Avenue. The tender was called by Singapore’s Urban Redevelopment Authority. The site — which comes with a 99-year lease — is designated for residential development comprising condominiums or flats, with a maximum permissible gross floor area of 11,994 sq m. (The Edge)

Zetrix AI Bhd (ZETRIX) is postponing its cash dividend payout following a court order secured by a substantial shareholder of the digital services firm. A sealed ad-interim injunction granted by the High Court of Kuala Lumpur dated Sept 14 and received by the company’s share registrar prevents the disbursement of cash dividends to specific accounts claimed by the substantial shareholder as beneficial owner. The shareholder, which Zetrix did not name, alleged that nominees had failed to execute instructions to elect to receive shares under the company's dividend reinvestment plan in lieu of cash. (The Edge)

Engineering and infrastructure specialist **Jati Tinggi Group Bhd** (JTGROUP) has won a RM72.84m contract to design and build a high-voltage 275kV cable connection to a data centre's landing station in the Banting Technology Park, Selangor. This marks Jati Tinggi's third contract win in the last 30 days. The group said its wholly-owned Jati Tinggi Holding Sdn Bhd accepted the letter of award for the project from an undisclosed customer on Sept 18. The contract, in effect upon acceptance, is scheduled to conclude on Jan 15, 2027. (The Edge)

Accenture (ACN) announced a partnership with Anthropic to establish embedded evaluator teams for AI model safety testing and red-teaming, with each company committing to invest at least $1bn over five years into AI safety initiatives. The consultancy giant will deploy technical expertise from its acquired Faculty division—a specialist in AI model evaluation—to help test model safeguards and alignment assessments for government, defense, healthcare, and enterprise applications. (Investing.com)

About $18bn in bank loans tied to Project Jupiter—a 1,400-acre **Oracle Corporation** (ORCL) leased data center campus in New Mexico supporting OpenAI—have come under pressure, trading down to 89–91 cents on the dollar, according to the Financial Times. Stalled syndication efforts driven by investor concerns over Oracle's expanding debt load and near-junk credit rating have left syndicate banks holding the debt, while the project simultaneously faces local opposition and power supply hurdles following the state land office's rejection of a natural gas pipeline request. (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	349.5	103.9%	Initiated on 30/5/2025
2	PWRWELL	25-Sep	0.6	0.6	0.7	0.7	0.6	0.5	1.1	76.7%	Initiated on 25/9/2025
3	PEKAT	3-Oct	1.8	2.0	2.1	2.1	1.7	1.7	2.1	17.2%	Initiated on 3/10/2025
4	MU	24-Oct	212.4	229.4	233.6	227.3	194.0	192.0	1015.8	378.2%	Initiated on 24/10/2025
5	CCJ	4-Dec	89.3	110.2	138.4	138.4	86.1	79.3	91.6	2.6%	Initiated on 4/12/2025
6	TIGO	19-Dec	53.1	58.4	59.4	59.4	49.8	49.8	94.3	77.5%	Initiated on 19/12/2025
7	SNDK	13-Feb	610.5	693.0	700.0	700.0	542.0	536.0	1791.8	193.5%	Initiated on 13/2/2026
8	HKB	11-Mar	0.2	0.3	0.4	0.4	0.2	0.2	0.7	230.0%	Initiated on 9/4/2026
9	CORAZA	10-Apr	0.6	0.7	0.9	0.9	0.6	0.6	1.1	81.7%	Initiated on 10/4/2026
10	MSC	16-Apr	2.1	2.2	2.7	2.7	2.0	2.0	1.8	-14.8%	Initiated on 16/4/2026
11	MCLEAN	23-Apr	0.6	0.7	0.7	0.7	0.6	0.5	0.7	23.3%	Initiated on 23/4/2026
12	SUNCON	14-May	7.2	7.6	7.7	7.7	7.0	6.9	7.9	9.4%	Initiated on 14/5/2026
13	DUFU	29-May	1.9	2.2	2.7	2.7	1.8	1.7	2.8	49.5%	Initiated on 29/5/2026
14	NTAP	16-Jun	162.1	192.8	230.4	230.4	159.3	154.9	197.8	22.0%	Initiated on 16/6/2026
15	ANET	1-Jul	165.6	179.6	195.7	195.7	157.3	154.0	199.4	20.4%	Initiated on 1/7/2026
16	JTGROUP	22-Jul	0.7	0.7	0.8	0.8	0.7	0.6	1.0	45.7%	Initiated on 22/7/2026
17	NATGATE	4-Aug	1.3	1.4	1.4	1.4	1.1	1.1	1.8	36.9%	Initiated on 4/8/2026
18	DE	13-Aug	619.6	639.1	674.4	674.4	608.1	596.8	684.0	10.4%	Initiated on 13/8/2026
19	AUMAS	26-Aug	0.4	0.5	0.6	0.6	0.4	0.4	0.4	-11.3%	Initiated on 26/8/2026
20	MRVL	11-Sep	234.6	316.9	329.9	329.9	223.4	205.2	244.3	4.1%	Initiated on 11/9/2026
21	C	14-Sep	137.4	146.8	184.4	184.4	134.5	131.4	131.8	-4.1%	Initiated on 14/9/2026
22	SNX	14-Sep	261.8	286.4	302.1	302.1	267.0	252.9	266.2	1.7%	Initiated on 14/9/2028

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	3.190	-5.6%	Initiated on 7-Apr-2026
2	CBHB	7/4/2026	0.495	0.760	0.795	0.630	0.605	0.590	1.040	110.1%	Initiated on 7-Apr-2026
3	KGB	7/4/2026	4.930	9.000	9.500	7.780	7.420	7.270	8.750	77.5%	Initiated on 7-Apr-2026
4	MNHLDG	7/4/2026	1.800	3.400	3.500	2.740	2.590	2.540	3.800	111.1%	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	1.640	2.200	2.300	1.870	1.800	1.760	1.910	16.5%	Initiated on 7-Apr-2026
7	SCGBHD	7/4/2026	1.880	2.600	2.700	2.230	2.130	2.090	2.550	35.6%	Initiated on 7-Apr-2026
8	SLVEST	1/7/2026	2.990	3.380	3.500	2.950	2.880	2.820	3.330	11.4%	Initiated on 7-Apr-2026
9	BMGREEN	1/7/2026	1.870	2.150	2.280	1.670	1.540	1.510	1.560	-16.6%	Initiated on 1-Jul-2026
10	EG	1/7/2026	1.830	2.200	2.310	1.720	1.600	1.570	1.710	-6.6%	Initiated on 1-Jul-2026
11	KOBAY	1/7/2026	2.570	3.200	3.500	2.330	2.160	2.120	2.260	-12.1%	Initiated on 1-Jul-2026
12	SPRITZER	1/7/2026	2.920	3.300	3.500	2.700	2.500	2.450	3.680	26.0%	Initiated on 1-Jul-2026
13	TIMECOM	1/7/2026	6.170	6.800	7.000	6.000	5.860	5.740	6.410	3.9%	Initiated on 1-Jul-2026
	Average Return									30.6%	

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