M+Global
By Malacca Securities

AI Optimism Supports Tech Amid Macro Headwinds

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

Market Review

MY: The local bourse advanced, tracking positive global semiconductor sentiment fuelled by surging artificial intelligence demand. Market breadth was positive with 678 gainers outpacing 458 losers. Sector wise, Technology outperformed, led by STRATUS and UNISEM, while Health Care lagged the most.

US: Wall Street delivered a mixed session as tech strength pushed the Nasdaq (+0.5%) to 27,244.3 points, but the Dow (-0.4%) and S&P 500 (-0.0%) ended lower. Meanwhile, Brent crude eased 1.09% to USD100 per barrel, consolidating at the key psychological threshold.

The Day Ahead

US: Wall Street could open mixed as the US 10-year yield approaches 5%, pressuring stock valuations despite relief from Brent crude falling back to USD100/bbl. Against this backdrop, AI remains a key earnings driver and catalyst for near-term momentum. Analog Devices (ADI) stays in focus after record 3QFY26 revenue of USD4.0bn, with 4QFY26 guided to USD4.3bn and its USD1.4bn Alif Semiconductor acquisition adding AI-native capabilities. Flex (FLEX) remains well leveraged to AI infrastructure, while ServiceNow (NOW, TP: USD192.40) offers exposure to AI monetisation, with AI ACV surpassing USD1.0bn in 2Q26.

MY: Closer to home, we expect the FBM KLCI to trade on a mixed footing, with buying interest likely to remain selective. We continue to favour technology and renewable-energy counters, with VITROX in focus as the SMTA Penang Expo & Tech Forum begins today, where it will showcase AI-driven machine-vision and inspection solutions, following record 2QFY26 revenue of RM374.9m and PAT of RM84.5m. VERDANT (TP: RM0.29) could see further attention on improving earnings visibility, underpinned by its RM63.0m outstanding order book and a 4QFY26 net profit of RM1.5m. Meanwhile, UNISEM remains a key semiconductor recovery play, supported by 20.0% YoY revenue growth in 2QFY26 to RM570.1m and its proposed RM742.0m private placement to fund capacity expansion.

Market Scorecard

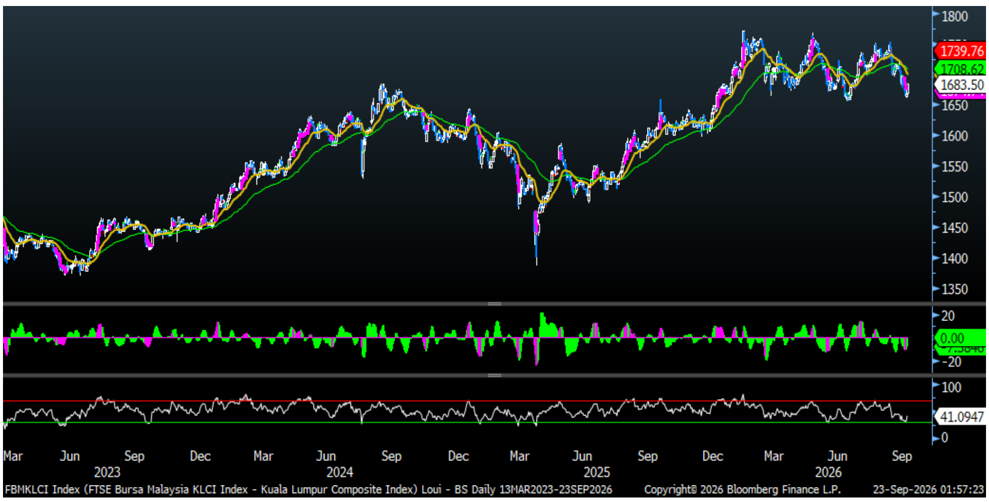
Key Indices	Last price	Change (%)
Dow Jones	51,863.69	-0.36
S&P 500	7,764.64	0.00
NASDAQ	27,244.28	0.45
FBM KLCI	1,683.50	0.99
FBM Small Cap	16,150.33	0.51
FBM ACE	5,369.11	0.99
Construction	314.96	0.16
Consumer	467.81	0.02
Energy	844.65	-0.09
Financial Services	19,734.68	1.25
Healthcare	1,565.10	-0.69
Ind Products	184.90	0.76
Plantation	9,456.02	0.48
Property	1,038.16	0.30
REITs	882.05	0.58
Technology	76.32	2.29
Telco & Media	406.25	0.83
Transport & Logist	1,020.69	0.29
Utilities	1,850.61	1.70
Trading Vol (m)	3,576.21	4.81
Trading Val (RM m	3,152.56	12.08
Gainers/ Losers rat		
FKLI	1,673.00	0.09
FCPO (RM)	4,810.00	0.15
Brent oil (USD)	100.34	-1.09
Gold (USD)	4,360.72	0.09
USD	4.0752	0.06
GBP	5.4438	0.26
EURO	4.6731	0.18
SGD	3.1974	-0.02

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

Institution	Retail	Foreign
-280.2	204.1	76.1

Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

Renewed buying interest lifted the FBM KLCI amid improving near-term setup. Downside momentum is easing as the MACD histogram forms a rounding bottom pattern, supported by a rebounding RSI formation from the oversold territory. Key resistance sits at 1,698–1,713, while near-term support is pegged at 1,653–1,668.

Company Briefs

Cuscapi Bhd (CUSCAPI) has proposed a private placement of up to 94.49m new shares to raise up to RM4.55m for working capital, making it the second company linked to businessman Wong Thean Soon, better known as TS Wong, to announce a share placement this week. Cuscapi said about RM2.28m of the proceeds will be used for operating expenses, including salaries, while another RM1.37m will go towards payments to trade creditors such as hardware suppliers. (The Edge)

Zetrix AI Bhd (ZETRIX) managing director Wong Thean Soon's stake in the company has now dropped to 11.06% from 11.97% last Friday, as Wong continued to pare his direct and indirect stakes in the company. His indirect stake is held via Asia Internet Holdings Sdn Bhd, which has now ceased to be a substantial shareholder of Zetrix AI following the disposal of 57m shares on Friday — the same day it gained 6.24m shares from Zetrix AI's dividend reinvestment plan (DRP). This resulted in Asia Internet Holdings' stake falling to 4.87% from 5.53%. (The Edge)

Singapore's sovereign wealth fund sold shares in **Sunway Healthcare Holdings Bh**d (SUNMED) worth over RM1bn on Tuesday, according to a news report. The sale of 575m shares was priced at RM2.08 a piece, *Bloomberg* reported, citing a term sheet. The price tag is a discount of 9% from the hospital operator's closing price of RM2.29 on Monday, and near the lower end of the RM2.07-RM2.10 range marketed to investors. Greenwood Capital Private Ltd, a vehicle of Singapore's GIC, is the seller of the shares, the financial newswire said. (The Edge)

The developer of Eco Business Park 7 in Negeri Sembilan is selling two plots of industrial land for RM1bn to a data centre operator. The parcels measuring 222 acres combined are being sold to Tera Data Centers, according to a statement from Eco Business Park 7 Sdn Bhd, a joint venture of **Eco World Development Group Bhd** (ECOWLD), **SD Guthrie Bhd** (SDG) and state agency NS Corporation. There are no details about the project planned on the land. (The Edge)

Loss-making **MMAG Holdings Bhd** (MMAG), a company which counts **NexG Bhd** (NEXG) as a substantial shareholder, has proposed a RM130m share capital reduction to wipe out part of the company's accumulated losses. NexG is the company's second largest shareholder with a 9.925% stake, while Future Star Sdn Bhd is its largest shareholder with a 19.904% interest. The exercise will allow the ACE Market-listed company to eliminate accumulated losses and better reflect the value of its underlying assets, thereby strengthening the group's financial position and profile with its bankers, customers, suppliers, investors and other stakeholders. (The Edge)

A forced auction of **Country Heights Holdings Bhd**'s (CHHB) land in Kajang, Selangor was cancelled due to absence of bidders. Solicitors confirmed that the property, a piece of commercial land measuring about six acres, was not sold following the cancellation of the judicial auction via e-Lelong. The land in Jalan Sinar Pagi was put up for auction at a reserve price of RM55m on Sept 21 under court order over an unpaid loan amid Country Heights' financial struggles after reporting losses over the last seven quarters. (The Edge)

OGX Group Bhd (OGX) has ventured into the renewable energy (RE) industry, targeting opportunities in Malaysia's growing data centre market through battery energy storage systems (BESS). The information technology infrastructure solutions provider said its wholly owned subsidiary OGX Green Tech Sdn Bhd will spearhead the new business. The group said Zhejiang Hyxi Technology Co Ltd (HYXI), a China-based energy storage and inverter specialist with a presence across Europe, has appointed OGX Green Tech as an authorised distributor to and sell HYXI's products in Malaysia. (The Edge)

Transportation and logistics group **Maybulk Bhd** (MAYBULK) has proposed to buy a freehold industrial property in Bandar Bukit Raja, Klang for RM35.5m cash. The property comprises 8,346 sq m of land together with a single-storey industrial building, an annexed office and a warehouse block. Maybulk said the acquisition forms part of its push into the industrial property business to diversify revenue and reduce reliance on its core shipping and storage operations. (The Edge)

Property developer **Oriental Interest Bhd** (OIB) has applied to withdraw its draft circular and listing application filed more than a month ago for its proposed RM280m share-based related party acquisition that would have marked its entry into the motorcycle financing and retail business. The company said it had submitted a letter to the regulator to withdraw the documents filed on Aug 18 to facilitate essential updates to the documents. (The Edge)

The Boeing Company (BA) received a USD33.4m sole-source contract from the U.S. Department of War for the C-17 Avionics Integration Area Phase 1 project. The cost-plus-fixed-fee, firm-fixed-price award covers services to resolve obsolescence issues and maintain the long-term functionality of the C-17 Avionics Integration Support Facility laboratory environment in Oklahoma City, Oklahoma, through April 2032, funded entirely by fiscal 2026 operations and maintenance allocations. (Investing.com)

Talos Energy Inc. (TALO) completed its USD420m acquisition of deepwater Gulf of Mexico assets from Shell Offshore Inc. alongside an affiliate of Ridgewood Energy Corporation. The transaction grants Talos a 50% operating interest in the Coulomb field and a 25% non-operated interest in the Na Kika platform and four related fields, with full consolidation scheduled for the fourth quarter of 2026 alongside updated full-year guidance in November. (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	351.2	104.9%	Initiated on 30/5/2025
2	PWRWELL	25-Sep	0.6	0.6	0.7	0.7	0.6	0.5	1.2	93.3%	Initiated on 25/9/2025
3	PEKAT	3-Oct	1.8	2.0	2.1	2.1	1.7	1.7	2.3	26.1%	Initiated on 3/10/2025
4	MU	24-Oct	212.4	229.4	233.6	227.3	194.0	192.0	1096.2	416.1%	Initiated on 24/10/2025
5	CCJ	4-Dec	89.3	110.2	138.4	138.4	86.1	79.3	94.6	5.9%	Initiated on 4/12/2025
6	TIGO	19-Dec	53.1	58.4	59.4	59.4	49.8	49.8	94.4	77.7%	Initiated on 19/12/2025
7	SNDK	13-Feb	610.5	693.0	700.0	700.0	542.0	536.0	1887.0	209.1%	Initiated on 13/2/2026
8	HKB	11-Mar	0.2	0.3	0.4	0.4	0.2	0.2	0.6	217.5%	Initiated on 9/4/2026
9	CORAZA	10-Apr	0.6	0.7	0.9	0.9	0.6	0.6	1.1	83.3%	Initiated on 10/4/2026
10	MSC	16-Apr	2.1	2.2	2.7	2.7	2.0	2.0	1.7	-17.1%	Initiated on 16/4/2026
11	MCLEAN	23-Apr	0.6	0.7	0.7	0.7	0.6	0.5	0.8	26.7%	Initiated on 23/4/2026
12	SUNCON	14-May	7.2	7.6	7.7	7.7	7.0	6.9	7.5	3.5%	Initiated on 14/5/2026
13	DUFU	29-May	1.9	2.2	2.7	2.7	1.8	1.7	2.9	54.2%	Initiated on 29/5/2026
14	NTAP	16-Jun	162.1	192.8	230.4	230.4	159.3	154.9	192.9	19.0%	Initiated on 16/6/2026
15	ANET	1-Jul	165.6	179.6	195.7	195.7	157.3	154.0	205.2	23.9%	Initiated on 1/7/2026
16	JTGROUP	22-Jul	0.7	0.7	0.8	0.8	0.7	0.6	1.1	62.9%	Initiated on 22/7/2026
17	NATGATE	4-Aug	1.3	1.4	1.4	1.4	1.1	1.1	1.9	43.1%	Initiated on 4/8/2026
18	DE	13-Aug	619.6	639.1	674.4	674.4	608.1	596.8	703.1	13.5%	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	262.4	11.8%	Initiated on 11/9/2026
21	C	14-Sep	137.4	146.8	184.4	184.4	134.5	131.4	132.5	-3.6%	Initiated on 14/9/2026
22	SNX	14-Sep	261.8	286.4	302.1	302.1	267.0	252.9	283.3	8.2%	Initiated on 14/9/2026
23	VERDANT	22-Sep	0.2	0.3	0.3	0.3	0.2	0.2	0.2	6.7%	Initiated on 22/9/2026
24	NOW	22-Sep	139.0	162.5	192.4	192.4	135.2	130.9	137.0	-1.4%	Initiated on 22/9/2026

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	3.230	-4.4%	Initiated on 7-Apr-2026
2	CBHB	7/4/2026	0.495	0.760	0.795	0.630	0.605	0.590	1.090	120.2%	Initiated on 7-Apr-2026
3	KGB	7/4/2026	4.930	9.000	9.500	7.780	7.420	7.270	8.710	76.7%	Initiated on 7-Apr-2026
4	MNHLDG	7/4/2026	1.800	3.400	3.500	2.740	2.590	2.540	3.920	117.8%	Initiated on 7-Apr-2026
5	NE	7/4/2026	0.740	1.300	1.400	1.020	0.940	0.920	1.100	48.6%	Initiated on 7-Apr-2026
6	OSK	7/4/2026	1.640	2.200	2.300	1.870	1.800	1.760	1.860	13.4%	Initiated on 7-Apr-2026
7	SCGBHD	7/4/2026	1.880	2.600	2.700	2.230	2.130	2.090	2.670	42.0%	Initiated on 7-Apr-2026
8	SLVEST	1/7/2026	2.990	3.380	3.500	2.950	2.880	2.820	3.700	23.7%	Initiated on 7-Apr-2026
9	BMGREEN	1/7/2026	1.870	2.150	2.280	1.670	1.540	1.510	1.610	-13.9%	Initiated on 1-Jul-2026
10	EG	1/7/2026	1.830	2.200	2.310	1.720	1.600	1.570	1.780	-2.7%	Initiated on 1-Jul-2026
11	KOBAY	1/7/2026	2.570	3.200	3.500	2.330	2.160	2.120	2.380	-7.4%	Initiated on 1-Jul-2026
12	SPRITZER	1/7/2026	2.920	3.300	3.500	2.700	2.500	2.450	3.710	27.1%	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									33.6%	

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.