

AI Monetisation and Budget 2027 In Focus

Market Review

MY: The local bourse closed lower as foreign selling pressure and rising global inflation concerns weighed on sentiment. Market breadth was negative, with 790 losers outnumbering 369 gainers. Sector-wise, Energy (+0.04%) outperformed, while Technology (-2.05%) lagged the most.

US: Wall Street closed mixed, with the Nasdaq falling 1.3% and S&P 500 declining 0.5%, amid a sharp selloff in mega-cap AI stocks following reports questioning OpenAI's revenue trajectory. Meanwhile, the Dow edged up 0.1%, Brent crude settled near USD104/bbl and the 10-year Treasury yield eased to 5.2%.

The Day Ahead

US: Investors may scrutinise AI monetisation following reports that OpenAI's annualised revenue reached approximately USD50bn as of September, below the USD70bn reportedly indicated to investors. While differing revenue accounting methods may partly explain the gap, the report could intensify scrutiny over AI investment returns despite OpenAI's recent global GPT-6 rollout. Bitdeer (BTDR) remains in focus after securing offtake commitments covering over 70% of its 21.7MW A201 data centre in Johor, lifting its expected AI Cloud revenue backlog to USD2.9bn, with energisation targeted for 1Q2027.

MY: Budget 2027 takes centre stage today, with investors monitoring measures to support strategic industries and household spending. UWC could attract attention after proposing a placement of up to 5% of its issued shares to raise RM384.1m for manufacturing expansion, working capital and debt repayment, although potential EPS dilution remains a concern. DNeX could benefit from resolving its long-standing dispute with CGP over SilTerra, removing a key legal overhang. Meanwhile, LWSABAH has proposed a RM15m industrial property acquisition in Kota Kinabalu Industrial Park to support expansion. Additionally, 99SMART could benefit from higher SARA and STR allocations under Budget 2027, potentially boosting spending at value retailers.

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Market Scorecard

Key Indices	Last price	Change (%)
Dow Jones	5123164	0.10
S&P 500	7,765.36	-0.47
NASDAQ	27,933.34	-1.25
FBM KLCI	1601.01	-0.67
FBM Small Cap	15,985.75	-0.41
FBM ACE	5,594.78	-0.49
Construction	316.87	-1.38
Consumer	452.95	-0.16
Energy	839.34	0.04
Financial Services	8,378.45	-1.00
Healthcare	1546.49	0.00
Ind Products	178.83	-0.58
Plantation	8,869.79	-1.18
Property	993.00	-0.55
REITs	871.16	-0.97
Technology	78.67	-2.05
Telco & Media	383.60	-1.78
Transport & Logistics	997.46	-0.55
Utilities	1808.51	-0.30
Trading Vol (m)	3,511.47	-8.36
Trading Val (RM m)	3,463.66	-1.50
Gainers/ Losers rat	5%	
FKLI	1592.00	0.06
FCPO (RM)	4,696.00	0.75
Brent oil (USD)	104.28	4.07
Gold (USD)	4,132.50	0.10
USD	4.0915	-0.11
GBP	5.3977	0.17
EURO	4.5749	0.04
SGD	3.1914	0.08
Trading participant	3,1928	0.1441
Institution Retail Foreign		
161.5 251.7 -413.2		

Source: Bloomberg, Bursa Market Place

FBMKLCI Technical Outlook



Bloomberg

The FBM KLCI remains below key moving averages. Momentum indicators suggest that selling pressure may be easing, supported by a rounding bottom formation in the MACD and an RSI hovering near oversold territory. Key resistance lies at 1,616–1,631, while near-term support is expected around 1,571–1,586.



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Company Briefs

SD Guthrie Bhd (SDG) has resolved its five-year legal dispute with the Penang Development Corporation (PDC) involving the compulsory acquisition of the group's lands in Byram Estate, Seberang Perai Selatan, following a settlement between the entities. The group has secured an additional RM68.01m in compensation for the 18 parcels of land totalling about 380 acres that PDC acquired from it in 2020, raising the total payout to RM241m. The agreement also unfreezes RM37.52m in compensation that was previously held by the land administrator. (The Edge)

Dagang NeXchange Bhd (DNeX) has reached a global settlement with its Chinese partner Tethystronics Technologies Co Ltd (TTCL) over disputes involving semiconductor foundry SilTerra Malaysia Sdn Bhd, paving the way for a RM100m investment in DNeX's semiconductor holding company. Under the settlement, TTCL's wholly owned unit Mimastronics Technologies Co Ltd (Mimas) will subscribe for 5,000 redeemable convertible preference shares (RCPS) in DNeX Semiconductor Sdn Bhd (DSSB) at RM20,000 each. DSSB, currently wholly owned by DNeX, holds a 60% stake in SilTerra, while Mimas holds the remaining 40%. If the RCPS are fully converted, Mimas would hold approximately 33.33% of DSSB's enlarged ordinary share capital. (The Edge)

Batu Kawan Bhd's (BKAWAN) unconditional mandatory takeover offer for **MKH Bhd** (MKH) closed on Thursday with the group's stake in the property developer rising to 96.73%. Bursa Securities will suspend the trading of the MKH shares upon the expiry of five market days from the extended closing date, which will be affected from 9am on Oct 16. (The Edge)

MISC Bhd (MISC) has secured long-term charter contracts for five new liquefied natural gas (LNG) carriers from PETRONAS LNG Ltd, an indirect unit of Petroliaam Nasional Bhd (PETRONAS). Each vessel will have a firm charter period of 20 years, with operations expected to commence in 2030. The contract value was not disclosed. MISC also entered into shipbuilding contracts with China's Hudong-Zhonghua Shipbuilding (Group) Co Ltd for the construction of the five vessels. (The Edge)

Exsim Hospitality Bhd (EXSIMHB) has secured a RM15.6m subcontract from a unit of **Nestcon Bhd** (NESTCON) for the supply and installation of building services and general building works. The works are scheduled for completion on Oct 31, 2028, followed by a 27-month defect liability period commencing from the date of the certificate of practical completion. (The Edge)

GDB Holdings Bhd (GDB) is expanding its construction business through the proposed acquisition of two companies, while diversifying into property development to broaden its earnings base. The group plans to acquire a 51% stake each in Bina Tegas Sdn Bhd and BT Borneo Engineering Sdn Bhd for a total consideration of RM81.6m. The acquisition will be funded through RM40.8m in cash and the balance RM40.8m via the issuance of 96.91m new GDB shares at 42.1 sen each. (The Edge)

Cyberjaya Education Group Bhd (CYBERE) is acquiring 24,777 sq m of vacant freehold commercial land in Sepang for RM15m in cash to support its university's expansion and future student facilities. The land is located near the university and it plan to invest in the land progressively in infrastructure and facilities for its growing student community. (The Edge)

Life Water Bhd (LWSABAH) is acquiring an industrial property in Kota Kinabalu for RM15m to accommodate its business expansion. The group has signed agreement with Kee Foh Haw Sdn Bhd to acquire a 1.21-hectare parcel of land with a purpose-built office complex and ancillary workshop at KKIP Selatan, Kota Kinabalu Industrial



Park (KKIP). The property, which has a built-up area of about 1,793 sq m, will be used as a warehouse. (The Edge)

MTAG Group Bhd (MTAG) is proposing to acquire two label manufacturers for an indicative RM13.8m in cash to expand its product offerings and customer base. The group has signed a letter of intent with Khor Chun Chuan to acquire the entire stake in LH Label (M) Sdn Bhd and LH Labelprint Sdn Bhd. Khor is the sole shareholder of both companies, which manufacture and supply labels and related printing products. (The Edge)

UWC Bhd (UWC) has dropped its plan to use part of the proceeds of its newly proposed RM384.13m private placement to pay off borrowings, choosing instead to redirect the amount towards factory expansion and working capital. The exercise will involve the allocation of RM80.46m originally earmarked for debt repayment, resulting in the total fund allocated for the expansion rises to RM230.13m or roughly 60% of the proceeds from the placement. (The Edge)

Al-Aqar Healthcare REIT (ALAQAR) has lodged two sukuk programmes to fund investments, refinance Islamic financing and meet working capital requirements. The programmes comprise an Islamic notes issuance programme of up to RM3bn and an Islamic commercial papers programme of up to RM300m. Both programmes, however, are subject to an aggregate nominal value limit of RM3bn, rather than separate limits totalling RM3.3bn. (The Edge)

Bitdeer Technologies Group (BTDR) entered into an eight-year agreement for a 60MW AI Cloud data center facility in Cyberjaya, Malaysia, designated A103. The liquid-cooled site brings Bitdeer AI's total secured capacity to 333.5MW across Malaysia, Norway, and the United States—achieving 95% of its 350MW target for Q1 2028—and leverages existing campus infrastructure to support NVIDIA Vera Rubin deployments upon its planned Q1 2028 energization. (Investing.com)

RTX Corporation (RTX) subsidiary Raytheon secured a five-year contract valued at up to USD 6.3 billion from the U.S. Department of War for the production and sustainment of Standard Missile-3 (SM-3) Block IB interceptors. Featuring two additional option years, the agreement covers inventory replenishment for ship- and land-based midcourse ballistic missile defense, with primary manufacturing set for facilities in Tucson, Arizona, and Huntsville, Alabama. (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	348.3	104.2%	Initiated on 30/5/2025
2	PWRWELL	25-Sep	0.6	0.6	0.7	0.7	0.6	0.5	1.2	104.2%	Initiated on 25/9/2025
3	PEKAT	3-Oct	1.8	2.0	2.1	2.1	1.7	1.7	2.8	56.0%	Initiated on 3/10/2025
4	MU	24-Oct	212.2	229.2	233.4	227.3	194.0	192.0	1035.8	388.2%	Initiated on 24/10/2025
5	TIGO	19-Dec	50.6	58.4	59.4	59.4	49.8	49.8	88.0	73.9%	Initiated on 19/12/2025
6	SNDK	13-Feb	610.5	693.0	700.0	700.0	542.0	536.0	1609.5	163.6%	Initiated on 13/2/2026
7	HKB	11-Mar	0.2	0.3	0.4	0.4	0.2	0.2	0.8	312.8%	Initiated on 9/4/2026
8	CORAZA	10-Apr	0.6	0.7	0.9	0.9	0.6	0.6	1.4	125.4%	Initiated on 10/4/2026
9	MCLEAN	23-Apr	0.6	0.7	0.7	0.7	0.6	0.5	0.7	23.3%	Initiated on 23/4/2026
10	SUNCON	14-May	6.9	7.6	7.7	7.7	7.0	6.9	7.5	8.2%	Initiated on 14/5/2026
11	DUFU	29-May	1.8	2.2	2.7	2.7	1.8	1.7	3.2	75.5%	Initiated on 29/5/2026
12	NTAP	16-Jun	161.6	192.8	230.4	230.4	159.3	154.9	231.1	43.0%	Initiated on 16/6/2026
13	ANET	1-Jul	165.6	179.6	195.7	195.7	157.3	154.0	211.0	27.4%	Initiated on 1/7/2026
14	JTGROU	22-Jul	0.7	0.7	0.8	0.8	0.7	0.6	1.4	106.0%	Initiated on 22/7/2026
15	NATGATE	4-Aug	1.2	1.4	1.4	1.4	1.1	1.1	2.0	57.1%	Initiated on 4/8/2026
16	DE	13-Aug	618.1	639.1	674.4	674.4	608.1	596.8	652.6	5.6%	Initiated on 13/8/2026
17	AUMAS	26-Aug	0.4	0.5	0.6	0.6	0.4	0.4	0.3	-14.8%	Cut loss on 18/9/2026
18	MRVL	11-Sep	234.6	316.9	329.9	329.9	223.4	205.2	274.7	17.1%	Initiated on 11/9/2026
19	C	14-Sep	137.4	146.8	184.4	184.4	134.5	131.4	128.1	-6.8%	Initiated on 14/9/2026
20	SNX	14-Sep	261.8	286.4	302.1	302.1	267.0	252.9	267.5	2.2%	Initiated on 14/9/2026
21	VERDANT	22-Sep	0.2	0.3	0.3	0.3	0.2	0.2	0.3	22.2%	Reached TP 2 on 29/9/2026
22	NOW	22-Sep	141.8	162.5	192.4	192.4	135.2	130.9	139.8	-1.5%	Initiated on 22/9/2026
23	FLEX	7-Oct	118.4	142.6	166.4	166.4	114.9	104.0	114.7	-3.1%	Initiated on 7/10/2026



Market Chat Tracker – 4Q26 Stock Picks

4Q26 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	CBHB	7/4/2026	0.494	1.200	1.240	1.030	1.000	0.980	1.1	122.7%	Initiated on 7-Apr-2026
2	CHEEDING	2/10/2026	0.630	0.730	0.750	0.585	0.565	0.554	0.610	-3.2%	Initiated on 2-Oct-2026
3	HKB	2/10/2026	0.660	0.715	0.750	0.625	0.595	0.578	0.805	22.0%	Initiated on 2-Oct-2026
4	KOSSAN	2/10/2026	1.140	1.330	1.370	1.130	1.080	1.060	1.170	2.6%	Initiated on 2-Oct-2026
5	CLOUDPT	2/10/2026	0.500	0.600	0.635	0.470	0.450	0.441	0.510	2.0%	Initiated on 2-Oct-2026
6	INFOM	2/10/2026	1.790	1.980	2.050	1.550	1.470	1.440	1.870	4.5%	Initiated on 2-Oct-2026
7	OGX	2/10/2026	0.435	0.600	0.625	0.405	0.380	0.372	0.475	9.2%	Initiated on 2-Oct-2026
8	QES	2/10/2026	0.590	0.655	0.675	0.555	0.540	0.529	0.635	7.6%	Initiated on 2-Oct-2026
9	SCICOM	2/10/2026	2.330	2.540	2.590	2.170	2.110	2.070	2.280	-2.1%	Initiated on 2-Oct-2026
10	THMY	2/10/2026	2.170	2.400	2.500	1.970	1.880	1.840	2.320	6.9%	Initiated on 2-Oct-2026
11	UMSINT	2/10/2026	8.770	9.750	10.000	2.330	2.160	7.980	8.800	0.3%	Initiated on 2-Oct-2026
12	UWC	2/10/2026	7.090	7.760	8.000	6.560	6.320	6.190	7.990	12.7%	Initiated on 2-Oct-2026
13	VITROX	2/10/2026	10.000	11.240	11.500	9.570	9.260	9.070	11.000	10.0%	Initiated on 2-Oct-2026
Average Return										15.0%	

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