

AI Spending Fears and Oil Risks Weigh on Markets

Market Review

MY: Amid heightened Middle East tensions, the local bourse traded cautiously, with negative market breadth as 659 losers outpaced 415 gainers. However, the FBM KLCI was supported by TENAGA and PCHEM. Sector-wise, Energy (+1.29%) outperformed, while Technology (-1.85%) lagged.

US: Wall Street slid as earnings revived AI spending concerns, triggering a technology sell-off. The Nasdaq tumbled 2.6%, its steepest decline since June, while the S&P 500 fell 1.2% and the Dow ended flat. Semiconductor weakness and Meta's elevated capital expenditure weighed on sentiment, alongside rising oil prices.

The Day Ahead

US: Wall Street may remain cautious as investors reassess whether AI monetisation can justify rising infrastructure spending, while renewed Middle East tensions keep energy supply risks in focus. Meta's elevated capex outlook and Tesla's profitability and robotaxi execution have sharpened scrutiny of investment returns. In the energy sector, Chevron (CVX) offers upstream exposure to firmer crude prices, while Valero (VLO) provides exposure to stronger refining margins after reporting record third-quarter earnings amid supply disruptions.

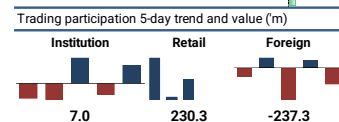
MY: The FBM KLCI may trade mixed amid global technology uncertainty, with domestic contract wins and earnings providing stock-specific opportunities. JTGROUPE warrants attention after securing a 55% participation, equivalent to approximately RM312.5m, in a consortium's RM568.2m TNB substation contract in Paka, strengthening its order-book visibility. Meanwhile, FOODIE may attract interest after FY26 net profit surged 67.7% YoY to RM15.7m on 49.6% revenue growth to RM55.5m, with total dividends of 1.53 sen per share. Separately, elevated energy prices may keep DIALOG and GASMSIA on investors' radar, although earnings implications differ given DIALOG's terminal and project exposure and GASMSIA's regulated gas distribution operations.

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Market Scorecard

Key Indices	Last price	Change (%)
Dow Jones	52,873.28	0.02
S&P 500	7,663.43	-1.21
NASDAQ	26,008.86	-2.60
FBM KLCI	1,608.14	0.37
FBM Small Cap	15,396.96	-0.70
FBM ACE	5,323.50	-1.06
Construction	310.79	-0.36
Consumer	438.55	-0.20
Energy	831.80	1.29
Financial Services	18,605.00	-0.02
Healthcare	1,516.43	-0.64
Ind Products	175.45	0.03
Plantation	8,662.68	0.49
Property	985.20	-0.33
REITs	869.35	-0.29
Technology	73.29	-1.85
Telco & Media	378.27	-0.62
Transport & Logistics	1,025.19	0.83
Utilities	1,745.87	0.45
Trading Vol (m)	2,890.00	4.52
Trading Val (RM m)	2,690.00	4.24
Gainers/ Losers ratio	63%	
FKLI	1,603.00	-0.16
FCPO (RM)	4,795.00	0.06
Brent oil (USD)	112.91	2.64
Gold (USD)	4,030.04	0.14
USD	4.0810	0.06
GBP	5.4686	0.06
EURO	4.5792	-0.09
SGD	3.1947	0.01



Source: TradingView, Bursa Malaysia

FBMKLCI Technical Outlook



Bloomberg

The local bourse climbed to close at 1,608.14 on Thursday, cementing its rebound above 1,600 while capping gains below major moving averages. Backed by a slightly positive MACD histogram and an improving RSI above 30, overhead resistance sits at 1,623–1,638, with support established at 1,578–1,593.



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Company Briefs

Zetrix AI Bhd (ZETRIX) said no payment default has occurred under its RM2bn sukuk programme despite the Oct 22 deadline to resolve a breach of a covenant that managing director Wong Thean Soon must remain the biggest shareholder in the digital services firm. Sukuk Trustee Pacific Trustee Bhd is scheduled to meet holders on Friday to discuss a proposed resolution to the breach. "This engagement will serve as a basis for formulating and formalising an appropriate arrangement that is mutually acceptable to the relevant parties," Zetrix AI said. Zetrix AI had previously said it would seek a waiver or further instructions from sukuk holders if the breach was not rectified. Zetrix AI would have to pay out RM2bn in principal and RM164.5m in future coupon payments if the breach is not rectified or a waiver is not obtained from holders. (The Edge)

A consortium led by **Jati Tinggi Group Bhd** (JTGROUP) has secured a RM568.2m contract from Tenaga Nasional Bhd (TENAGA) for a transmission main intake substation in Paka, Terengganu. The group's unit, Jati Tinggi Holding Sdn Bhd, will take a 55% share of the contract, while a unit of Kerjaya Prospek Group Bhd (KERJAYA), Kerjaya Prospek (M) Sdn Bhd, will take 25%, and Betapec Sdn Bhd will take the remaining 20%. Based on those proportions, Jati Tinggi's allocation amounts to RM312.51m, Kerjaya's to RM142.05m and Betapec's to RM113.64m. The contract covers the establishment of the Paka GIS transmission main intake substation and it is scheduled for completion within two years from its commencement date. (The Edge)

Aizo Group Bhd (AIZO) said its RM36.79m sewage system upgrading subcontract in Terengganu will not proceed after project owner Lembaga Kemajuan Terengganu Tengah cancelled the main contract to Puncak Utara Sdn Bhd. Puncak Utara subsequently notified Aizo of the termination, adding that it reserved its rights to pursue claims for losses against the company. It did not disclose the reason for the termination or the potential value of the claims. (The Edge)

RHB Bank Bhd (RHBBANK) secured an extension until Feb 11, 2027, from Bank Negara Malaysia to finalise talks with Japan's Tokio Marine on the merger of their general insurance businesses in Malaysia. The proposed transaction involves RHB selling up to 100% of its stake in RHB Insurance Bhd to Tokio Marine. The unit will then be combined with Tokio Marine Insurans (Malaysia) Bhd to form a larger insurance entity. Under the proposed arrangement, RHB would retain an equity interest of up to 35% in the merged entity. (The Edge)

TSH Resources Bhd (TSH), in its to queries from the Singapore Stock Exchange (SGX), denies that its plantation operations in Indonesia contributed to the transboundary haze. It said 274 hotspots were detected within its estate boundaries between Jan 1 and Oct 21, but all were in community enclave areas outside its planted and operational areas. According to The Straits Times, TSH Resources was among seven publicly traded companies identified by Singapore Senior Minister K Shanmugam on Oct 19 as having received enquiries from SGX. (The Edge)

RedPlanet Bhd (RPLANET) is aiming for annual earnings growth of 10% to 20% over the next three to five years, supported by rising demand from utilities and railway sectors. "That's always our target for the company" that mainly provides geographical data analytics and safety systems to detect human intrusion on railway platforms, managing director Lian Wah Seng told reporters in a virtual press conference after the listing ceremony on Thursday. RedPlanet is betting on Malaysia's spending spree to upgrade its electricity grid to cope with a boom in energy-hungry data centres as well as the government's push for urban rail transportation systems in the Klang Valley. (The Edge)



BMS Holdings Bhd (BMS) has terminated its proposed RM23.8m land acquisition in Cheras after failing to reach an agreement with the vendor on the terms of the deal. The vendor, Chyen Huat Hardware Sdn Bhd, has refunded the earnest deposit to BMS, adding that both parties will have no further claims against each other. (The Edge)

Sarawak-based **Harbour-Link Group Bhd** (HARBOUR) is acquiring two container vessels for RM56.68m cash to expand its fleet and meet growing regional demand for container transportation. The shipping group's 85%-owned unit Harbour-Link Lines Sdn Bhd is purchasing the 90-metre self-propelled vessels from Sapor Shipbuilding Industries Sdn Bhd for RM28.34m each. (The Edge)

Exsim Hospitality Bhd (EXSIMHB) has secured another subcontract from Binastra Corp Bhd (BNASTR), this time worth RM13.49m, for the supply, fabrication, delivery and installation of carpentry works. Exsim Hospitality's unit Exsim Concepto Sdn Bhd will undertake the works for typical units in accordance with Binastra Builders' main contract programme, which commenced on Dec 9, 2024 and is scheduled for completion on June 8, 2028. (The Edge)

Pavilion Real Estate Investment Trust (PAVREIT) reported a net property income (NPI) of RM145.58m for the third quarter ended Sept 30, 2026 (3QFY2026), little changed from RM145.49m a year ago. Gross revenue slipped to RM227.29m from RM227.88m a year earlier, due to lower advertising income at Elite Pavilion Mall. Distributable income fell 1.4% to RM96.47m or 2.45 sen per unit, from RM97.86m or 2.49 sen a year ago. (The Edge)

Foodie Media Bhd (FOODIE) reported over a 10-fold increase in 4Q net profit to RM4.55m from RM0.43m a year earlier. Revenue for the financial year ended Aug 31, 2026 (FY2026) jumped 82.5% to RM15.82m from RM8.67m previously amid growing demand for digital content, influencer marketing and events. It declared a second interim dividend of 0.39 sen per share and a special dividend of 0.61 sen per share, bringing the total payout for the quarter to one sen per share, payable on Nov 19. This brings its total dividends for FY2026 to 1.53 sen per share. For the full year of FY2026, the group posted a 67.7% increase in net profit to RM15.67m from RM9.34m in FY2025. Revenue climbed 49.6% to RM55.49m from RM37.09m. (The Edge)

Apple Inc. (AAPL) shares reached a new all-time high of \$348.25 before easing slightly to \$347.84, pushing the tech giant's market capitalization to approximately \$5.07 trillion, according to a report from Investing.com. The landmark move reflects a 33.75% gain over the past 12 months and a 27% year-to-date return, though analyst actions remain mixed ahead of earnings—with UBS reiterating a Neutral rating (\$296 target) and Loop Capital downgrading the stock to Hold (\$330 target) amid iPhone shipment concerns, alongside proposed UK regulatory measures to expand contactless payment competition. (Investing.com)

Cornerstone Total Return Fund Inc. (CRF) shares touched a 52-week low of \$5.82 before trading down 29% from its 52-week high of \$8.16, according to a report from Investing.com. The downturn reflects a 26.39% decline over the past year amid persistent market volatility, though the closed-end fund continues to offer a 23.7% dividend yield and trades at a P/E ratio of 5.52 with an oversold Relative Strength Index (RSI) signaling potential technical support. (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	171.35	187.50	190.00	190.00	170.00	167.50	334.76	95.4%	Initiated on 30/5/2025
2	PWRWELL	25-Sep	0.59	0.61	0.71	0.71	0.57	0.52	1.07	82.9%	Initiated on 25/9/2025
3	PEKAT	3-Oct	1.83	2.00	2.05	2.05	1.70	1.66	2.82	54.1%	Initiated on 3/10/2025
4	MU	24-Oct	212.39	229.38	233.63	227.31	194.00	192.00	913.67	330.2%	Initiated on 24/10/2025
5	TIGO	19-Dec	53.06	58.40	59.40	59.40	49.80	49.80	81.65	53.9%	Initiated on 19/12/2025
6	SNDK	13-Feb	610.53	693.00	700.00	700.00	542.00	536.00	1378.22	125.7%	Initiated on 13/2/2026
7	HKB	11-Mar	0.20	0.29	0.35	0.35	0.24	0.23	0.75	284.6%	Initiated on 9/4/2026
8	CORAZA	10-Apr	0.63	0.69	0.85	0.85	0.60	0.59	1.25	98.4%	Initiated on 10/4/2026
9	MCLEAN	23-Apr	0.60	0.70	0.72	0.72	0.57	0.54	0.59	-0.8%	Initiated on 23/4/2026
10	SUNCON	14-May	7.20	7.60	7.70	7.70	6.97	6.85	7.50	4.2%	Initiated on 14/5/2026
11	DUFU	29-May	1.86	2.20	2.73	2.73	1.77	1.72	2.90	55.9%	Initiated on 29/5/2026
12	NTAP	16-Jun	162.07	192.83	230.40	230.40	159.31	154.87	217.21	34.0%	Initiated on 16/6/2026
13	ANET	1-Jul	165.56	179.64	195.70	195.70	157.31	153.96	184.33	11.3%	Initiated on 1/7/2026
14	JTGROUP	22-Jul	0.67	0.75	0.77	0.77	0.65	0.63	1.34	101.5%	Initiated on 22/7/2026
15	NATGATE	4-Aug	1.25	1.37	1.40	1.40	1.14	1.10	2.05	64.0%	Initiated on 4/8/2026
16	DE	13-Aug	619.55	639.08	674.35	674.35	608.11	596.75	636.54	2.7%	Initiated on 13/8/2026
17	AUMAS	26-Aug	0.41	0.52	0.59	0.59	0.38	0.37	0.35	-14.8%	Cut loss on 18/9/2026
18	MRVL	11-Sep	234.63	316.92	329.88	329.88	223.40	205.22	244.76	4.3%	Initiated on 11/9/2026
19	C	14-Sep	137.36	146.80	184.43	184.43	134.52	131.39	123.85	-9.8%	Initiated on 14/9/2026
20	SNX	14-Sep	261.83	286.44	302.13	302.13	267.02	252.85	251.14	-4.1%	Initiated on 14/9/2026
21	VERDANT	22-Sep	0.23	0.25	0.29	0.29	0.21	0.20	0.25	8.9%	Reached TP 2 on 29/9/2026
22	NOW	22-Sep	141.83	162.50	192.40	192.40	135.20	130.90	153.12	8.0%	Initiated on 22/9/2026
23	FLEX	7-Oct	118.35	142.55	166.35	166.35	114.85	104.00	86.25	-27.1%	Initiated on 7/10/2026
24	IAB	9-Oct	1.37	1.64	1.93	1.93	1.21	1.19	1.01	-26.3%	Initiated on 9/10/2026
25	PESONA	13-Oct	0.47	0.50	0.55	0.55	0.47	0.45	0.47	0.0%	Initiated on 13/10/2026

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	0.495	1.200	1.240	1.030	1.000	0.980	0.945	90.9%	Initiated on 7-Apr-2026
2	CHEEDING	2/10/2026	0.630	0.730	0.750	0.585	0.565	0.554	0.495	-21.4%	Initiated on 2-Oct-2026
3	HKB	2/10/2026	0.660	0.715	0.750	0.625	0.595	0.578	0.750	13.6%	Initiated on 2-Oct-2026
4	KOSSAN	2/10/2026	1.140	1.330	1.370	1.130	1.080	1.060	1.160	1.8%	Initiated on 2-Oct-2026
5	CLOUDPT	2/10/2026	0.500	0.600	0.635	0.470	0.450	0.441	0.485	-3.0%	Initiated on 2-Oct-2026
6	INFOM	2/10/2026	1.790	1.980	2.050	1.550	1.470	1.440	1.850	3.4%	Initiated on 2-Oct-2026
7	OGX	2/10/2026	0.435	0.600	0.625	0.405	0.380	0.372	0.460	5.7%	Initiated on 2-Oct-2026
8	QES	2/10/2026	0.590	0.655	0.675	0.555	0.540	0.529	0.575	-2.5%	Initiated on 2-Oct-2026
9	SCICOM	2/10/2026	2.330	2.540	2.590	2.170	2.110	2.070	2.030	-12.9%	Initiated on 2-Oct-2026
10	THMY	2/10/2026	2.170	2.400	2.500	1.970	1.880	1.840	1.970	-9.2%	Initiated on 2-Oct-2026
11	UMSINT	2/10/2026	8.770	9.750	10.000	2.330	2.160	7.980	7.250	-17.3%	Initiated on 2-Oct-2026
12	UWC	2/10/2026	7.090	7.760	8.000	6.560	6.320	6.190	7.200	1.6%	Initiated on 2-Oct-2026
13	VITROX	2/10/2026	10.000	11.240	11.500	9.570	9.260	9.070	10.580	5.8%	Initiated on 2-Oct-2026
Average Return										4.3%	

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