Key Indices

	Prev Close	1D %	1W %	1M %	YTD %
DJIA	48,488.6	(1.8)	(2.2)	0.7	0.9
S&P 500	6,796.9	(2.1)	(2.6)	(0.6)	(0.7)
FTSE 100	10,126.8	(0.7)	(0.1)	2.3	2.0
AS30	9,138.6	(0.6)	0.0	2.5	1.3
CSI 300	4,718.9	(0.3)	(0.9)	3.3	1.9
FSSTI	4,828.0	(0.1)	0.4	5.7	3.9
HSCEI	9,094.8	(0.4)	(2.1)	2.2	2.0
HSI	26,487.5	(0.3)	(1.3)	3.1	3.3
JCI	9,134.7	0.0	2.8	6.1	5.6
KLCI	1,699.1	(0.8)	(0.5)	2.0	1.1
KOSPI	4,885.8	(0.4)	4.1	21.5	15.9
Nikkei 225	52,991.1	(1.1)	(1.0)	7.0	5.3
SET	1,296.4	1.0	4.9	3.5	2.9
TWSE	31,760.0	0.4	3.4	14.7	9.7
BDI	1,729	4.8	7.5	(14.5)	(7.9)
CPO (RM/mt)	4,011	0.4	(0.4)	2.8	2.0
Brent Crude (US$/bbl)	64	0.1	(2.2)	5.9	5.2

Source: Bloomberg

Corporate Events

	Venue	Begin	Close
Hybrid Small & Mid-Caps Corporate Day	Singapore	23 Jan	23 Jan
Virtual Meeting with Karrie International Holdings Ltd (1050 HK)	Hong Kong	26 Jan	26 Jan
Engagement Session with Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz	Malaysia	30 Jan	30 Jan

Corporate & Macro Calendar

Economic Indicator/Event	Country/Region	Date
Foreign Reserves	Malaysia	22 Jan
BNM OPR	Malaysia	22 Jan

Please click on the page number to move to the relevant page

Top Stories

Sector Update | Automobile Page 3

MAA's 2025 TIV registered another record-breaking sales figure, driven by resilient demand for budget models and aggressive promotional activities. However, following two consecutive years of elevated sales, we expect TIV to moderate in 2026 given the lack of catalysts that can spur consumer demand and intensifying competition among the non-national brands. We maintain MARKET WEIGHT on the sector.

Company Update | Yinson Holdings (YNS MK/**BUY**/RM2.41/Target: RM3.10) Page 6

Reviewing YP's 3QFY26 financials with ER format, we conclude that 9MFY26 ER profits beat estimates. This was reflected by its superior execution (FPSO Agogo early first oil) and superior capital recycling (FPSO Atlanta loan buyout; under ER format this was treated as a loan extinguishment income). However, earnings risks remain inherent for Brazil FPSOs, although we rule out a major risk scenario that will be detrimental to the bond covenants. After forecast adjustment, we retain BUY with an SOTP-based target price of RM3.10 (RM3.15 previously).

What's Inside

Strategy| Market Outlook: Temporarily Drawn Into Trump's Pickle Page 9

US President Donald Trump's renewed and increasingly assertive stance on seeking control or acquisition of Greenland has shifted from ausual geopolitical talking point into a tangible macro risk factor for global markets. The trade policy and tariff threats against European allies to Greenland-related leverage has heightened tensions, triggering a clear risk-off across global assets.

Market Spotlight Page 10

- The FBMKLCI lost 13.27pt (-0.77%) to close at 1,699.06 yesterday due to the lack of fresh local leads and weak regional markets.
- US stocks were lower after the close on Tuesday, as losses in the technology, industrials and financials sectors led shares lower.

Technical Analysis

Binastra Corporation | BNASTRA MK
Trading Buy Range: RM2.20-2.25

Ranhill Utilities | RAHH MK
Trading Buy Range: RM1.75-1.78

Swift Haulage | SWIFT MK
Trading Buy Range: RM0.39-0.40

Disclaimer: *In Traders' Corner, technical analysis is carried out purely based on charting patterns, price movements and trends, and is thus independent of the fundamental research views of our analysts. As a result, and from time to time, we may make a technical recommendation that is opposite to our fundamental BUY/HOLD/SELL rating.*

Automobile

MAA 2025 TIV: Another Record-breaking Sales Figure; Forecast Lower TIV In 2026

MARKET WEIGHT
(Maintained)

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Highlights

- MAA's 2025 TIV registered another record-breaking sales figure, driven by resilient demand for budget models and aggressive promotional activities.
- We expect minimal impact on vehicle selling prices following the implementation of OMV tax mechanism and new tax rate for CBU EV.
- We forecast TIV moderating in 2026 to 790,000 units (-3.6% yoy) due to limited catalysts to further support demand growth. We maintain MARKET WEIGHT on the sector.

Analysis

MAA Dec 25 TIV

	Dec 25	mom % chg	yoy % chg	12M25	yoy % chg
Passenger	83,148	23.5%	13.2%	759,098	1.4%
Commercial	7,568	45.5%	(13.8%)	61,654	(11.7%)
TIV	90,716	21.8%	10.3%	820,752	0.2%

Source: MAA, UOB Kay Hian

- **Another record-breaking year.** Malaysia Automotive Association's (MAA) total industry volume (TIV) for Dec 25 came in at 90,716 units (+21.8% mom, +10.3% yoy). TIV reached 820,572 units (+0.2% yoy) in 2025, marking another record year exceeding both our and MAA's forecasts. The strong sales performance was mainly driven by resilient demand for budget-friendly models, aggressive promotional campaigns and strong sales of EV models particularly towards the year-end. In contrast, the commercial vehicle segment contracted by 11.7% yoy to 61,654 units, affected by the implementation of the targeted diesel subsidy mechanism.
- **National brands continued to gain market share.** Perodua managed to achieve its sales target, registering sales of 359,904 units (+0.6% yoy) supported by strong demand for its budget-friendly models (Bezza, Axia and Myvi), which led the overall model sales in 2025. Proton's sales increased to 151,564 units (+2.7% yoy), contributed by higher sales of its EV model and the refreshed Proton X50. As a result, combined market share of national brands rose to 62.4% (+70bp yoy), reinforcing their dominance in the budget segment.
- **Non-national brands.** Chinese brands sustained their strong sales momentum, with key players such as Jaecoo (+228%), BYD (+175%) and Chery (+16%) recording robust sales growths. This resulted in market share losses for major Japanese brands like Honda and Mazda whose sales declined by 11% and 36% in 2025. However, we noted that Mazda sales showed improvement in 4Q25 (+50% qoq), supported by encouraging demand for the new Mazda 3.

Segmental Rating

Segment	Rating
Malaysia	MARKET WEIGHT (Maintained)

Source: UOB Kay Hian

Sector Picks

Company	Ticker	Rec	Share Price (RM)	Target Price (RM)
Pecca Group	PECCA MK	BUY	1.67	1.70

Source: Bloomberg, UOB Kay Hian

Peer Comparison

Company	Ticker	Rec	Share Price 20 Jan 26 (RM)	Target Price (RM)	Upside To TP (%)	Last Year End	PE 2025 (x)	PE 2026F (x)	PE 2027F (x)	Yield 2026F (%)	ROE 2026F (%)	Market Cap (RMm)	Price/ NAV ps (x)
Sime Darby	SIME MK	HOLD	2.11	2.19	3.8	6/26	12.4	12.5	11.6	5.9	10.7	14,380.9	0.8
Bermaz Auto	BAUTO MK	HOLD	0.79	0.75	(5.1)	4/26	5.6	10.3	8.3	7.3	11.8	898.8	1.5
Pecca Group	PECCA MK	BUY	1.67	1.70	1.8	6/26	22.0	20.3	16.3	3.8	26.0	1,209.8	5.5

Source: Bloomberg, UOB Kay Hian

- **Minimal impact from OMV tax.** The implementation of the Open Market Value (OMV) excise duty has been deferred to 30 Jun 26, allowing industry players to finalise their OMV calculation. Under the revised mechanism, OMV will incorporate additional non-manufacturing costs, including sales and administrative expenses as well as development work. However, we note that MAA, through its engagement with the government, has guided a minimal impact on vehicle prices from the implementation of the OMV tax. Hence, this is expected to benefit carmakers with significant exposure to local production, namely Perodua, Proton, Toyota and Honda, while also supporting continued investment in the local automotive supply chain.
- **New CBU EV tax rate effective Jan 26.** Following the expiry of the CBU EV tax holiday in Dec 25, imported EVs are now subject to a 10% excise duty and import duty that vary by country of origin and free trade agreements (please see RHS table (CBU EV Tax Rate)). We understand that several major EV brands front-loaded their inventories to cover up to four months of sales before the new tax rate took effect. Hence, we expect price revision of EV models to only occur in 2H26, with few brands potentially absorbing part of the cost increase given the highly competitive EV market. Major brands that have committed to localising their EV production, such as Proton, Perodua and XPeng, stand to benefit from the differential tax rate, enabling them to offer more competitive pricing. We note that MAA has requested further extension of tax incentives for CKD EV to support the EV localisation initiatives.
- **Forecasting 790,000 units (-3.6% yoy) of TIV in 2026.** This projection reflects our view that the elevated vehicle sales will moderate in the near term amid limited catalysts that can significantly drive consumer demand. Key factors underpinning our outlook include:
  - **National brands will maintain their market share** supported by sustained demand for their budget-friendly models. Sales momentum will be aided by new model launches, namely the Proton Saga MC3 and eMas 5, which have received positive bookings since their launches, while Perodua Traz offers attractive pricing within the SUV segment.
  - **Intensifying competition among non-national brands.** Competition in the mass premium segment, which was previously dominated by Japanese brands, is expected to remain intense as Chinese automakers remain aggressive in introducing new models with competitive pricing strategies.
  - **Softer EV sales in 1Q26 following the strong forward purchases at the end of last year.** We expect EV sales to slightly moderate at the beginning of the year following strong forward purchases prior to the expiry of tax incentives.

Valuation/Recommendation

- **Maintain MARKET WEIGHT.** Our sector call factors in a moderation in TIV following two consecutive years of elevated sales alongside limited catalysts to drive demand growth in 2026. Our selection remains focused on beneficiaries of sustained demand in the mass market segment, such as Perodua and Pecca Group. Beyond local automotive exposure, Pecca Group offers exciting growth potential in the aviation industry and export markets while continuing to ride on resilient sales volumes from national brands.

Sector Catalyst/Risk

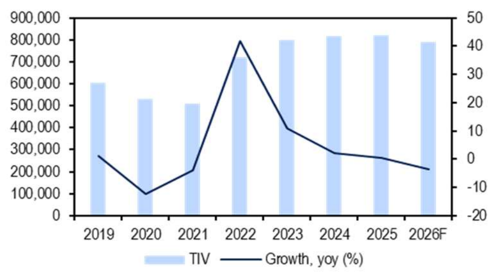
- Stronger-than-expected TIV numbers.
- Major incentives from the government to accelerate EV adoption.

CBU EV Tax Rate

Region	Import Tax (%)	Sales Tax (%)	Excise Tax (%)
Standard	30	10	10
China	5	10	10
Japan	0	10	10

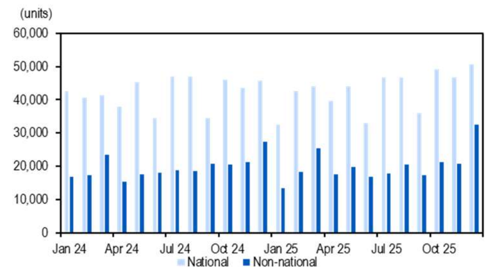
Source: MAA

Yearly TIV Numbers



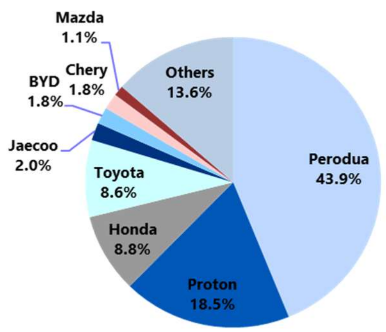
Source: MAA, UOB Kay Hian

National and Non-National Sales



Source: MAA

Market Share as of Dec-25



Source: MAA

Top Key Marques Ytd

	Sales (units)		Market Share (%)		Ranking	
Make	**Jan–Dec 25**	**Jan–Dec 24**	**Jan–Dec 25**	**Jan–Dec 24**	**Jan–Dec 25**	**Jan–Dec 24**
Perodua	359,904	358,102	43.9	43.7	1	1
Proton	151,564	147,587	18.5	18.0	2	2
Honda	72,301	81,699	8.8	10.0	3	3
Toyota	70,352	71,514	8.6	8.7	4	4
Jaecoo	16,125	7,038	2.0	0.9	5	10
BYD	15,166	8,570	1.8	1.0	6	9
Chery	14,654	12,645	1.8	1.5	7	6
Mazda	9,277	14,464	1.1	1.8	8	5
Others	49,755	47,310	6.1	5.8	n.a.	n.a.
Passenger	**759,098**	**748,929**	**92.5**	**91.5**		
Commercial	**61,654**	**69,844**	**7.5**	**8.5**		
TIV	**820,752**	**818,773**	**100**	**100**		

Source: MAA

UOBKayHian

Company – Update
Malaysia
Wednesday, 21 January 2026

Yinson Holdings (YNS MK)

3QFY26 Results Addendum: Superior Execution Is Key, While Ongoing Brazil Risks Remain Inherent

BUY (Maintained)

Share Price	RM2.41
Target Price	RM3.10
Upside	+28.6%

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Highlights

- **9MFY26F earnings on Enterprise Reporting (ER) reflect superior execution and capital recycling prowess.** Beating consensus estimates, the ER profits were lifted by full recognition of the FPSO Atlanta loan buyout gain (as it was treated as a loan extinguishment income), and FPSO Agogo's full charter recognition from early startup. We decided to treat the EPCIC obligation as an exceptional item (EI).
- **YNS' superior execution alongside capital recycling remains centre theme.** We expect the group to be focused on execution with an over US$19b FPSO orderbook, and to maintain this superior delivery track record, active capital recycling has to go hand-in-hand. This also includes the rumoured privatisation plan (and eventual IPO plan few years down the road). However, earnings risks remain inherent for Brazil FPSOs, although we rule out a major risk scenario that will be detrimental to the bond covenants. For example, FPSO MQ was on standby mode in 4QFY26. After the forecast adjustment, we retain BUY with an adjusted SOTP-based target price of RM3.10 (vs RM3.15 previously).

YP 3QFY26 Results in IFRS and ER Formats

Year to 31 Jan (US$m)	IFRS 3QFY26	IFRS 3QFY25	ER 3QFY26	ER 3QFY25	Comments *For comparison, figures stated for 3QFY26/3QFY25*
Revenue	**393**	**415**	**292**	**159**	ER includes US$19m/ US$5m progress milestone
EBIT	233	139	273	112	ER operating expenses were US$65m/ US$26m
EBITDA	251	155	354	146	ER depreciation were US$81m/ US$34m
Adjusted EBITDA*	**-**	**-**	**193**	**141**	**YP excluded the entire Brava gain of US$153m**
Finance costs	(84)	(92)	(90)	(46)	Include bond costs for Anna Nery (AN), Maria Quiteria
Associates	12	2	-	-	ER assumes AN as proportionally consolidated
Pre-tax profit	158	54	189	70	Operating days ytd: 2,237 days/1,659 days
Reported profit	**137**	**44**	**169**	**59**	Exclude US$2m finance cost charged from YP
Reported PATAMI	**129**	**36**	**161**	**51**	offshore investments

Year to 31 Jan (US$m)	IFRS 9MFY26	IFRS 9MFY25	ER 9MFY26	ER 9MFY25	Comments *For comparison, figures stated for 9MFY26/9MFY25*
Revenue	**968**	**1,313**	**789**	**413**	ER includes US$147m/US$28m progress milestone
EBIT	495	458	549	231	ER operating expenses were US$143m/ US$68m
EBITDA	548	505	744	328	ER depreciation were US$195m/ US$97m
Adjusted EBITDA*	**-**	**-**	**455**	**300**	Depreciation includes vessel and carbon capture
Finance costs	(283)	(245)	(266)	(114)	Include bond costs for Anna Nery (AN) and MQ
Associates	40	6	-	-	ER assumes AN as proportionally consolidated
Pre-tax profit	290	230	297	128	Non-O&G loss at RM300m (1HFY26: RM220m)
Reported profit	**248**	**185**	**252**	**95**	3Q/9MFY26 ER PAT: RM720m/ RM1.0b
Reported PATAMI	**230**	**154**	**234**	**64**	3Q/9MFY26 Core ER PAT: RM375m/ RM676m

Note: Enterprise Reporting (ER). Effective FY25, Yinson Production (YP) adopted ER as a as a complementary disclosure to the statutory International Financial Accounting Standards (IFRS) reporting. Under ER, YP adopted operating lease and apply proportional consolidation based on YP's share in assets. Adjusted EBITDA is for ER format e only.
Source: Yinson Holdings (YNS), YP, UOB Kay Hian

Key Financials

Year to 31 Jan (RMm)	2024	2025	2026F	2027F	2028F
Net turnover	11,646	7,605	3,450	4,602	5,109
EBITDA	1,613	2,052	2,791	3,714	3,853
Operating profit	1,270	1,675	2,411	3,331	3,435
Net profit (rep./act.)	964	752	749	938	1,078
Net profit (adj.)	623	510	749	938	1,078
EPS	18.2	14.9	21.9	27.4	31.5
PE	13.5	16.5	11.2	9.0	7.8
P/B	1.5	1.6	1.5	1.3	1.2
EV/EBITDA	10.4	8.0	7.5	6.1	6.4
Dividend yield	1.2	1.2	2.0	2.0	2.0
Net margin	8.3	9.9	21.7	20.4	21.1
Net debt/(cash) to equity	183.0	188.2	237.3	237.1	237.6
Interest cover	1.7	1.2	2.0	2.0	2.1
ROE	16.8	13.2	12.7	15.1	16.3
Consensus net profit	-	-	637	841	911
UOBKH/Consensus (x)	-	-	1.17	1.11	1.18

Note: Past financials are based on IFRS FL; core profits excluded FL construction effects
Source: YNS, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	**Energy**
Bloomberg ticker	YNS MK
Shares issued (m)	3,211
Market cap (RMm)	7,682.0
Market cap (US$m)	1,600
3-mth avg daily t'over (US$m)	2.5

Price Performance (%)

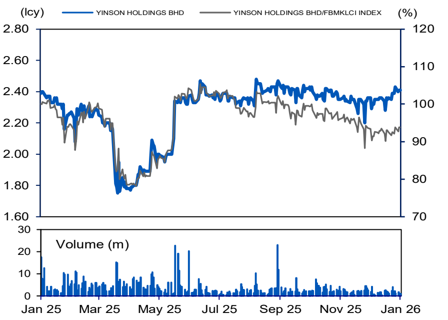
52-week high/low **RM2.82/RM1.73**

1mth	3mth	6mth	1yr	YTD
2.0	6.6	8.6	(14.0)	(9.5)

Major Shareholders

	%
Yinson Legacy	16.6
EPF	17.1

Price Chart



Source: Bloomberg

Company Description

One of the largest global floating, production, storage and offloading (FPSO) operators. It has engineering, construction, procurement, installation and commissioning (EPCIC) capabilities, and may record EPCIC income under finance lease (FL) method, as dictated by the International Financial Accounting Standards (IFRS). It also holds an associate stake in offshore support vessels (OSV) Lately its FPSO subsidiary Yinson Production (YP), begun adopting Enterprise Reporting (ER), as a complementary disclosure to the statutory IFRS reporting. Under ER, YP adopted operating lease method and applied proportional consolidation based on YP's share in assets.

Analysis

- **FY26 ER profit beat consensus.** Yinson Production's (YP) mandatory financial disclosure in end-Dec 25 revealed 3QFY26 ER profit of US$169m (+280% yoy), which far exceeded consensus expectation and matched our guesstimate in our 3QFY26 results review. The key one-off item being the favourable gain on the loan buyout of FPSO Atlanta from Brava. The FPSO is the only one in Yinson Holdings' (YNS) fleet that employs Service Contract under IFRS 15 (ie neither operating lease nor FL recognition).
- **RM657m/US$153m Brava gain accounting treatment.** Under IFRS/FL, about US$80m represented satisfied EPCIC obligation recognised as revenue at a point in time. The remaining US$73m represents charter obligations, which can only be recognised over time as deferred revenue throughout the 14.5 years tenure, for the party to be satisfied. Under ER format, the full US$153m gain was treated like a one-off loan extinguishment income. We treat only the US$80m (RM345m) gain as an exceptional item. The US$73m "early project return" is consistent with the group's capital recycling strategy, and we took into consideration that YNS' future quarterly IFRS disclosures for FPSO Atlanta may be inflated by deferred revenues (at US$1m/quarter), vs the case of future ER disclosures for FPSO Atlanta.

Valuation/Recommendation

- **Maintain BUY, SOTP-based target price adjusted to RM3.10 (from RM3.15)** This implies 12x FY26F PE, or 10x long-term PE once FPSO Agogo contributes to earnings fully by FY28. While we upgraded FPSO Agogo's earnings and valuation, this is offset by applying a 10% discount on the Brazil FPSOs (especially FPSO MQ or PDB) given the earnings performance on ER basis to date. We believe our new SOTP valuation fairly reflects YNS' superior execution as it transitions to an operational phase (from heavy-capex phase), but it is still not fully immune to country risks like Brazil (hence, execution remains paramount to safeguard debt repayment).

Earnings Revision/Risk

- **Adjusted FY26-28 earnings by +20%/-5%/-5%.** For FY26, we adjusted FPSO Agogo's charter contribution from two months to 5.5 months, reflecting its early startup. For all forecast years, the offsetting factors were higher finance costs and lower contribution from Brazil FPSOs. It appears the ongoing country risks in the O&G space is slowing the FPSO ramp-up, although we believe the FPSOs will eventually achieve normalisation. There is still a risk that near-term earnings may not sufficiently match the higher finance costs obligation due to project bonds. However, we believe that under YNS' execution, a scenario causing a material disruption to FPSO earnings that could impact debt covenants is unlikely.

Environmental, Social, Governance (ESG) Updates

Environmental

- **Advanced in carbon (CO2) reduction.** Outlined climate goals roadmap to reach carbon-neutral status by 2030 and net-zero carbon status
- **Advanced in non-O&G diversification.** Targets 3GW renewable energy (RE) pipeline by end-22, and 5-10GW operating portfolio by 2029
- **Safety (HSE).** Nil Lost Time Injury (LTI) Frequency in FY21 (FY20: 0.71)

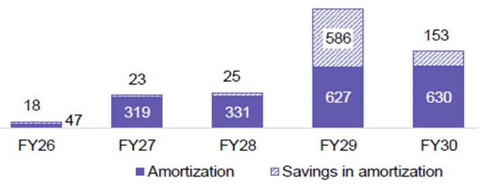
Social

- Ranked top for active stakeholder engagements with bankers/clients/investors

Governance

- Most advanced in self-monitoring and reporting of its environmental contribution
- 50% of its board members are independent despite having family representation

YP's Debt Amortisation Schedule (US$M)



Source: YNS

Other Highlights in YP's 3QFY26 Accounts

- **Depreciation.** Now includes both vessels, and carbon capture storage licence. We are pending guidance from management on the latter's depreciation.
- **A new subsidiary** was formed in end Oct 25, ie Yinson Engineering Management (Shanghai).
- YP confirmed acquiring Very Large Crude Carrier Maran Antares on 28 Oct 25. This was a net US$80m increase in its asset.
- **Orderbook of US$19.8b as of ER basis** (vs US$19.9b qoq). Orderbook on IFRS basis: US$20.6b.
- **FPSO Anna Nery (AN):** 3QFY26/ 9MFY26 IFRS profits were US$14.2m/ US$45.9m (+14%/-22% yoy) respectively. ER profits were US$4.9m/ US$17.5m (na/ -37% yoy) respectively. The overall decline is due to higher finance costs of US$72m in 9MFY26, vs US$46m. DSCR was 1.36-1.4x on average, vs 1.3x requirement.
- **FPSO AN average production** was 41,000 bpd (-59$ of capacity), There were one-off US$2.6m EPCIC variation orders and inventory expense of US$7m in the quarter.
- **FPSO Maria Quiteria (MQ):** 3QFY26/ 9MFY26 IFRS profits were US$7.7m/ US$16.2m (-8%/+32% yoy) respectively. On ER basis, they were losses of US$1.6m/ US$20.1m respectively. The overall decline is due to higher finance costs of US$88m in 9MFY26, vs US$3m.
- **FPSO MQ average production** was 61,000 bpd (-61% of capacity), There was US$3.2m one-off inventory expenses. Will start reporting DSCR from Jan 26. However, Petrobras put the FPSO on standby effective 10 Dec 25 for at least 50 days. During which, YP is entitled to 95% of charter payment.

Source: Teekay Tankers, Clarksons

SOTP Target Price

FY26F	Valuation	RM
FPSO Adoon	DCF (Blended IRR 12%)	0.07
FPSO JAK, Firm Only	DCF (IRR 14%, 74% stake)	0.71
FPSO Helang, firm	DCF, US$280m capex + US$50m residual value	0.70
FPSO Abigail-Joseph (AJ)	DCF (IRR 25%)	0.40
MOPU	11x PE	0.02
Lam Son	redeployment	0.07
FPSOs Anna Nery & PDB	DCF (IRR 17%, both assume 63-85% stake), apply 10% discount	2.49
FPSO Agogo	DCF (IRR 20%, 85% stake from 100%)	1.58
Atlanta & New FPSOs	Include chance of more contract wins	1.25
(-) Minus Net Debt	Include all perpetuals	(4.19)
SOTP (Diluted)	**RM3.4b shares include warrants conversion**	**3.10**
Implied FY27F PE	-	11.9x
Implied FY28F PE	-	10.3x

Source: UOB Kay Hian

Profit & Loss

Year to 31 Jan (RMm)	2025	2026F	2027F	2028F
Net turnover	**7,605**	**3,450**	**4,602**	**5,109**
EBITDA	2,052	2,791	3,714	3,853
Deprec. & amort.	377	380	382	419
EBIT	1,675	2,411	3,331	3,435
Total other non-operating income	-	0	0	0
Associate contributions	(21)	84	89	109
Net interest income/(expense)	(1,736)	(1,367)	(1,846)	(1,828)
Pre-tax profit	**1,120**	**1,128**	**1,575**	**1,716**
Tax	(167)	(168)	(251)	(290)
Minorities	(201)	(211)	(386)	(348)
Net profit	**752**	**749**	**938**	**1,078**

Balance Sheet

Year to 31 Jan (RMm)	2025	2026F	2027F	2028F
Fixed assets	4,421	8,831	9,708	10,548
Other LT assets	16,473	17,073	22,173	24,273
Cash/ST investment	2,679	1,959	2,573	696
Other current assets	899	408	544	604
Total assets	**25,501**	**29,279**	**36,017**	**37,145**
ST debt	1,247	1,818	2,416	2,914
Other current liabilities	1,425	1,224	4,374	4,747
LT debt	14,807	18,049	19,549	19,039
Other LT liabilities	523	163	193	193
Shareholders' equity	7,105	7,547	8,177	8,948
Minority interest	282	366	521	660

Cash Flow

Year to 31 Jan (RMm)	2025	2026F	2027F	2028F
Operating	**(3016)**	**(2,253)**	**731**	**925**
Pre-tax profit	1,120	1,128	1,575	1,716
Tax	(332)	(168)	(251)	(290)
Deprec. & amort.	377	380	382	419
Associates	21	(84)	(89)	(109)
Working capital changes	(5,116)	(3,509)	(886)	(810)
Other operating cashflows				
Investing	**(486)**	**(782)**	**(500)**	**(500)**
Capex (growth)	(560)	(782)	(500)	(500)
Investments	(41)	0	0	0
Others	115	0	0	0
Financing	**3,336**	**2,315**	**383**	**(2,302)**
Dividend payments	139	171	171	171
Issue of shares	920	0	0	0
Proceeds from borrowings	5,054	1,042	4,100	2,270
Loan repayment	(1,381)	0	4,500	0
Others/interest paid	(1,118)	1,444	155	139
Net cash inflow (outflow)	**(166)**	**(720)**	**614**	**(1877)**
Beginning cash & cash equivalent	**3,063**	**2,679**	**1,959**	**2,573**
Changes due to forex impact	(218)	0	0	0
Ending cash & cash equivalent	**2,679**	**1,959**	**2,573**	**696**

Key Metrics

Year to 31 Jan (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	27.0	80.9	80.7	75.4
Pre-tax margin	14.7	32.7	34.2	33.6
Net margin	9.9	21.7	20.4	21.1
ROA	3.7	3.4	3.7	4.1
ROE	13.2	12.7	15.1	16.3
Growth				
Turnover	110.8	(4.4)	27.6	41.6
EBITDA	101.0	173.4	263.7	277.4
Pre-tax profit	56.4	57.5	119.9	139.6
Net profit	87.5	86.8	133.8	168.8
Net profit (adj.)	26.6	85.8	132.7	167.5
EPS	26.6	85.8	132.7	167.5
Leverage				
Debt to total capital	217.3	251.1	252.5	228.5
Debt to equity	226.0	263.3	268.6	245.3
Net debt/(cash) to equity	188.2	237.3	237.1	237.6
Interest cover (x)	1.2	2.0	2.0	2.1

Strategy – Malaysia

Market Outlook: Temporarily Drawn Into Trump's Pickle

Highlights

- US President Donald Trump's renewed and increasingly assertive stance on seeking control or acquisition of Greenland has shifted from a usual geopolitical talking point into a tangible macro risk factor for global markets. The trade policy and tariff threats against European allies to Greenland-related leverage has heightened tensions, triggering a clear risk-off across global assets.
- Note that US Treasury yields have spiked amid safe-haven repositioning, while US equities have corrected by 2-3% across key bellwether indices, following a strong prior run-up, reflecting a reassessment of geopolitical risk premiums by global investors.

Essentials

- Malaysian equities are expected to be side-lined in the near term as global equity markets reacted to US President Trump picking his fights with the EU. S&P500's VIX rose overnight as the UST10 yield rose to almost 4.3% after easily punching above 4.2% for the first time since Aug 25. While investors hope that Trump would chicken out on his threats to invade Greenland and to impose punitive import tariffs against the Eurozone, in addition to his calls to steeply raise US defence spending, the interim investor concerns are aptly reflected in the elevated US treasury yields and potential increase in VIX.
- Nevertheless, while it is conceivable that US equities could continue to slip in the coming days, we expect Malaysian equities to be more resilient, reflecting good domestic liquidity and the ringgit's continuing appreciation against the greenback. We envisage strategic positioning on a preference for domestically driven, earnings-resilient names that are less sensitive to external policy shocks, and while investors generally gravitate to large-cap stocks while in a defensive mode, we advocate capitalising on significant pullbacks of our key recommended mid-caps.

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Market Spotlight

Market News

The FBMKLCI lost 13.27pt (-0.77%) to close at 1,699.06 yesterday due to the lack of fresh local leads and weak regional markets. Meanwhile, most Asian stocks fell on Tuesday, extending deep losses from the prior session as investors remained on edge over US President Donald Trump's demands for Greenland. The FBMKLCI's top gainers were Mr D.I.Y. Group (M) (+1.8%), Axiata Group (+1.2%) and 99 Speed Mart Retail Holdings (+1.2%), while the top losers were QL Resources (-2.9%), Petronas Chemicals Group (-2.7%) and CIMB Group Holdings (-2.4%). In the broader market, losers outpaced gainers 786 to 296 with 550 counters unchanged. Turnover was 2.86b shares valued at RM2.82b.

US stocks were lower after the close on Tuesday, as losses in the technology, industrials and financials sectors led shares lower. At the close in NYSE, the Dow Jones Industrial Average lost 1.76%, while the S&P 500 Index declined 2.06%, and the NASDAQ Composite Index fell 2.39%. Falling stocks outnumbered advancing ones on the New York Stock Exchange by 2,103 to 667 and 64 ended unchanged; on the Nasdaq Stock Exchange, 2,420 fell and 990 advanced, while 136 ended unchanged. (*Sources: Investing.com*)

FBMKLCI, FCPO & FKLI Index Outlook

FBMKLCI

Source: UOBKH ChartGenie

FTSE Bursa Malaysia KLCI

Last close: 1,699.06

Expected moving range: 1,700 – 1,730

Technical view:

The FBMKLCI slid lower yesterday given the lack of domestic catalysts to bring the index back to its prior trend. Nevertheless, the weekly chart analysis shows the selling pressure has not yet been fully absorbed, thus paving the way for a possible downward move ahead. Given a lack of fresh catalysts, we expect the FBMKLCI to move within 1,686-1,715 in the near term. Support and resistance levels are still maintained as follows:

Support: 1,686, 1,658

Resistance: 1,715, 1,730

FCPO

Source: Tradingview

Futures Crude Palm Oil (FCPO) Active Contract, 1 Hour Chart

Technical SELL with 4.6% potential downside

Trading SELL range: RM4,020-4,030

Last price: RM4,123

Target price: RM3,974, RM3,933

Resistance: RM4,148

Stop-loss: RM4,149

SELL with a target price of RM3,933 and stop-loss at RM4,149. Based on the chart, FCPO continued the bearish movement and closed lower at RM4,123 yesterday. This bearish movement is supported by a downtick in the RSI and a bearish crossover in both the MACD and DMI indicators. We still maintained our targets at RM3,974 and RM3,933 in the near term.

Expected timeframe: One day to three days

FKLI

Source: Tradingview

FTSE Bursa Malaysia KLCI Futures (FKLI), 1 Hour Chart

Technical SELL with 1.0% potential downside

Trading SELL range: 1,690-1,700

Last price: 1,693

Target price: 1,686, 1,676

Resistance: 1,712

Stop-loss: 1,713

SELL with a target price of 1,676 and stop-loss at 1,713. Based on the chart, FKLI formed a series of lower highs and lower low that indicates the downtrend pattern. This bearish movement is supported by a downtick in the RSI and a bearish crossover in both the MACD and DMI indicators. We peg our new targets at 1,686 and 1,676 in the near term.

Expected timeframe: One day to three days

Traders' Corner

Source: UOBKH ChartGenie

Binastra Corporation (BNASTRA MK)

Technical BUY with +11.3% potential return

Trading buy range: RM2.20-2.25

Last price: RM2.21

Target price: RM2.39, RM2.46

Support: RM2.09

Stop-loss: RM2.08

BUY with a target price of RM2.46 and stop-loss at RM2.08. Yesterday, the 7- and 21-day EMAs formed a golden cross, signalling the establishment of a new up-leg. The DMI shows that the growing momentum is set to boost share price in the near term. This is also supported by an uptick in the RSI and bullish crossover in MACD. As such, we expect the stock to retest our targets at RM2.39 and RM2.46 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Ranhill Utilities (RAHH MK)

Technical BUY with +17.2% potential return

Trading buy range: RM1.75-1.78

Last price: RM1.74

Target price: RM1.96, RM2.04

Support: RM1.64

Stop-loss: RM1.63

BUY with a target price of RM2.04 and stop-loss at RM1.63. Based on the daily chart, share price has recovered gradually and moved above the 7- and 21-day EMAs following yesterday's spike to the highest of RM1.78. This is supported by an uptick in the RSI. A bullish crossover in both the MACD and DMI indicates that positive momentum would strengthen in the near term. We peg our targets at RM1.96 and RM2.04 in the near term.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

Source: UOBKH ChartGenie

Swift Haulage (SWIFT MK)

Technical BUY on breakout with +19.2% potential return

Trading buy range: RM0.39-0.40

Last price: RM0.38

Target price: RM0.425, RM0.465

Support: RM0.26

Stop-loss: RM0.255

BUY on breakout with a target price of RM0.465 and stop-loss at RM0.255. Yesterday, share price closed above the BBI line and we expect SWIFT will continue in its bullish movement. This bullish movement is supported by the DMI which is currently showing positive signals. This is also consistent with the uptick in the RSI which suggests stronger buying momentum ahead. We peg our targets at RM0.425 and RM0.465 if the stock penetrates the breakout level of RM0.39.

Expected timeframe: Two weeks to two months

Note: Not available for CFD Trading

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