

# Morning Toast

## Idea of the Day

### Plantation

#### Sector Update: Lag in export lifted inventories level

- Malaysia's palm oil inventory level rose to 2.11m MT in Jul25 as export growth lagged seasonal supply recovery, driving stock levels higher
- CPO price should see near-term support from restocking activities and improved price competitiveness; however, upsides are likely capped by rising edible oil supply, higher stock levels, and macro headwinds
- Maintain NEUTRAL stance on the sector with average CPO price forecasts at RM4,100/MT for 2025E and RM4,000/MT for 2026E

## Quick Bites

### Critical Holdings – Wins RM41m semiconductor M&E contract

Critical Holdings has on 11 Aug 2025 via its wholly-owned subsidiary Critical Sales & Services Sdn Bhd been awarded with a contract worth RM40.8m to undertake mechanical and electrical (M&E) works for a new production floor fit up, including cleanroom architecture and process utilities. The contract is from a renowned US-based MNCs known for its AI edge deployment, that brings deep-learning to device(s) with ultra-low-power neural decision processors and hardware-agnostic machine learning models. The contract tenure is for 15 months, starting 15 Aug 25 and completing by 21 Nov 26. (Source: Bursa Malaysia)

#### Comment:

Critical has kicked off the new financial year with encouraging momentum, securing its maiden contract award. We gather that the project involves fit-out works at the client's rented facility, ahead of the latter's plan to establish its own AI R&D centre in Malaysia. We believe Critical stands to secure additional works in subsequent expansion plans, having already established a strong relationship and demonstrated proven execution track record with this client. This contract win adds to the group's order book of RM282m as of Mar25. We estimate a net profit margin of 8–9% for this project, in line with 9MFY25 profit margin range. We maintain our earnings forecast, BUY rating, and TP of RM1.62, based on FY26E PER of 18x. Critical's 4QFY25 results are scheduled to release on 26 Aug.

## News of the Day

- RGB International eyes strong growth in key Asean markets with gaming regulatory reforms
- ES Sunlogy partners Sarawak firm to develop solar power plant, battery energy storage system in Baram
- Inta Bina bags RM265m apartment construction job
- Higher costs drags down Master Tec's 2Q earnings, despite revenue growth
- Hup Seng's 2Q net profit falls despite revenue growth amid higher input costs

## Daily Trading Participations

	Buy (RM'm)	Sell (RM'm)	Net Buy (RM'm)
Local Institutions	1045.9	887.3	158.6
Local Retails	355.6	414.4	-58.8
Foreign	794.8	894.6	-99.8

Sources: Bloomberg

12 August 2025

#### Market Indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBMKLCI	1,563.24	6.3	-4.8
FBMEmas	11,647.13	45.3	-7.5
FBMSHA	11,647.67	13.5	-7.5
FBMSCAP	15,487.06	-35.8	-13.8
FBMACE	4,620.22	13.3	-14.1
F4GBM	943.00	3.8	-6.6
F4GBMS	963.27	0.9	-6.4

#### Foreign

Dow Jones	43,975.09	-200.52	3.4
S&P 500	6,373.45	-16.00	8.4
Nasdaq	21,385.40	-64.62	10.7
FTSE	9,129.71	33.98	11.7
Hang Seng	24,906.81	47.99	24.2
Nikkei	41,820.48	761.33	4.8
Shanghai CI	3,647.55	12.42	8.8
Strait Times	4,232.78	-7.05	11.8

#### Currencies

BNM Middle Rate	Last	Daily chg	YTD
USD / MYR	4.23	0.0233	-5.3
GBP / MYR	5.70	-0.0106	1.4
JPY / MYR	2.86	-0.0149	0.4
EUR/MYR	4.93	-0.0130	5.8
SGD / MYR	3.30	-0.0086	0.3
CNY / MYR	0.59	-0.0016	-3.8
AUD / MYR	2.76	-0.0085	-0.8

#### Bond Yield Movements

		Yield	D. Chg (bps)
MGS	3- year	3.02	-13
	10- year	3.36	-16
GII	3- year	3.03	-14
	10- year	3.41	-11
UST	2- year	3.77	5
	10- year	4.28	6

#### Commodities

	Last	Daily chg	D. chg %
CPO (3rd month)	4,404.00	416.0	10.4
Brent (1st month)	66.71	0.1	0.2
Gold (spot)	3,342.37	-55.4	-1.6

Source: Bloomberg

#### Phillip Research

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## Market Pulse



Source: Trading View, Phillip Research

The FBMKLCI gained 6.26 points or 0.40% to close at 1,563.24 points. Daily gainers for FBMKLCI constituents at 17 counters outweigh the losers at 9 counters, while 4 remain unchanged. FBMKLCI gainers were led by YTL Corp Bhd, Petronas Chemicals Group Bhd and Public Bank Bhd which gained 2.4%, 2.4% and 1.6%, respectively. On the broader market, daily gainers at 513 outweigh the losers at 482 counters, while 512 remain unchanged. The local market tracked the positive sentiment.

The top 3 sectorial daily gainers are Healthcare (+1.8%), Financial (+0.8), and Construction (+0.7%) led by Umedic Group Bhd (+8.3%), Kuchai Development Bhd (+2.6%) and Vizione Holdings Bhd (+7.1%) respectively. The top 3 sectorial daily losers are Utilities (-0.7%), REIT (-0.5%), and Transport (-0.4%) led by Mega First Corp Bhd (-3.9%), Igb Real Estate Investment T (-2.5%) and Gdex Bhd (-4.3%) respectively.

Table 1: Our Picks

Company	Ticker	Rating	Price (RM)	TP (RM)	Upside (%)
<b>Fundamental</b>					
<b>Banking</b>					
Affin Bank	ABANK MK	Sell	2.35	2.40	2.1
Alliance Bank	ABMB MK	Hold	4.51	5.00	10.9
Ambank	AMM MK	Buy	5.32	6.30	18.4
CIMB Bank	CIMB MK	Buy	6.94	9.30	34.0
Hong Leong Bank	HLBK MK	Buy	19.34	24.30	25.6
Maybank	MAY MK	Buy	9.65	11.90	23.3
Public Bank	PBK MK	Buy	4.40	5.30	20.5
RHB Bank	RHBBANK MK	Buy	6.40	7.90	23.4
<b>Construction</b>					
AME Elite	AME MK	Buy	1.51	2.00	32.5
Gamuda	GAM MK	Buy	5.60	5.33	-4.8
Kerjaya Prospek	KPG MK	Buy	2.08	2.70	29.8
Sunway Construction	SCGB MK	Hold	5.48	5.35	-2.4
Binastra	BNASTRA MK	Buy	1.76	2.60	47.7
Southern Score Builders	SSB8 MK	Buy	0.59	0.75	27.1
<b>EMS</b>					
Nationgate	NATGATE MK	Buy	1.39	1.80	29.5
<b>Gaming</b>					
Genting Malaysia	GENM MK	Hold	1.92	1.80	-6.2
Genting	GENT MK	Buy	2.99	3.85	28.8
RGB International	RGB MK	Buy	0.27	0.73	170.4
<b>Healthcare</b>					
Optimax	OPTIMAX MK	Buy	0.58	0.70	20.7
UMediC	UMC MK	Buy	0.39	0.45	15.4
<b>Rubber Glove</b>					
Hartalega	HART MK	Hold	1.24	1.34	8.1
Kossan	KRI MK	Buy	1.22	1.94	59.0
Top Glove	TOPG MK	Hold	0.61	0.71	16.4
<b>Industrial</b>					
Critical	CHB MK	Buy	0.92	1.62	77.0
HE Group	HEGROUP MK	Buy	0.39	0.51	32.5
MN Holdings	MNHLDG MK	Buy	1.60	1.72	7.5
<b>Oil &amp; Gas</b>					
Bumi Armada	BAB MK	Buy	0.40	0.79	97.5
Dayang Enterprise	DEHB MK	Buy	1.77	3.00	69.5
Pantech	PGHB MK	Buy	0.70	0.89	27.1
Uzma	UZMA MK	Buy	0.35	0.76	120.3
T7 Global	T7G MK	Buy	0.25	0.34	36.0
<b>Plantation</b>					

Genting Plantation	GENP MK	Hold	4.92	5.27	7.1
Hap Seng Plantation	HAPL MK	Hold	2.01	1.84	-8.5
IOI Corporation	IOI MK	Hold	3.74	3.84	2.7
Kuala Lumpur Kepong	KLK MK	Hold	19.42	19.60	0.9
SD Guthrie	SDG MK	Buy	4.91	5.21	6.1
Sarawak Oil Palms	SOP MK	Hold	3.44	3.01	-12.5
Sarawak Plantation	SPLB MK	Buy	2.59	2.88	11.2
<b>Property</b>					
Lagenda Properties	LAGENDA MK	Hold	1.21	1.25	3.3
SkyWorld Development	SKYWLD MK	Buy	0.52	0.70	35.9
<b>Renewable</b>					
Solarvest	SOLAR MK	Buy	2.49	3.05	22.5
Pekati	PEKAT MK	Hold	1.50	1.57	4.7
BM Greentech	BMGREEN MK	Buy	1.78	2.70	51.7
<b>Technology</b>					
D&O	DOGT MK	Hold	1.03	1.30	26.2
Frontken	FRCB MK	Buy	4.35	5.20	19.5
Greatech	GREATEC MK	Buy	1.60	1.90	18.8
Pentamaster	PENT MK	Hold	3.65	3.57	-2.2
TT Vision	TTVHB MK	Buy	0.52	0.78	50.0
UWC	UWC MK	Buy	2.70	2.60	-3.7
<b>Telco</b>					
OCK Group	OCK MK	Buy	0.40	0.66	67.1
Maxis	MAXIS MK	Hold	3.45	4.02	16.5
CelcomDigi	CDB MK	Hold	3.79	4.19	10.6
Telekom Malaysia	T MK	Buy	6.90	8.05	16.7
Axiata Group	AXIATA MK	Hold	2.62	2.08	-20.6
<b>Transport</b>					
AGX Group	AGX MK	Buy	0.49	0.96	95.9

Source: Bursa, Bloomberg, Phillip Research, price as of 11 August 2025

## Malaysian news highlights

### Bank Negara, SC to release fourth climate data catalogue in November to bridge data gaps

The Joint Committee on Climate Change (JC3), co-chaired by Bank Negara Malaysia (BNM) and the Securities Commission Malaysia (SC), will release the fourth version of its data catalogue in November. The document is a key part of the committee's ongoing efforts to address climate data gaps. The updated catalogue will incorporate feedback from stakeholders and reflect collaborative initiatives undertaken by the financial sector to tackle these data gaps, according to a statement from BNM on Monday (August 11). "JC3 will also continue to advocate for greater access to public data as well as capacity building efforts on climate data-related matters," it said. (Source: [TheEdgeMarkets](#))

### 60 is the new 56: Malaysians buck regional trend by redefining old age — Ipsos survey

Malaysia is the only Southeast Asian country to change its view on when old age begins, now seeing it as starting at 60, up from 56 in 2018, according to an Ipsos survey across 32 countries. Other regional countries like Singapore, Indonesia, and the Philippines showed no change, still viewing old age as starting at 62, 59, and 60 respectively. The Ipsos study involved 23,745 adults under 75 years of age. This shift comes as Malaysia heads towards becoming an aged nation by 2043. Statistics show the population aged 0–14 is shrinking, while the working-age group will peak in 2030 before declining. (Source: [TheEdgeMarkets](#))

### Govt urged to provide tax relief to boost public transport usage

The government has been urged to provide tax relief for public transport users to encourage more people, including those in the M40 and T20 groups, to use the service. Syahredzan Johan (PH-Bangi) said the measure would support the government's target of increasing public transport usage to 40% by 2030, compared to the current rate of about 20% of the population. "Tax relief will encourage more people to switch to public transport, and we should also set annual targets for the purchase of new buses to improve service frequency," he said when debating the motion on the 13th Malaysia Plan (13MP) at the Dewan Rakyat on Monday. (Source: [TheEdgeMarkets](#))

### Economists: Labour market remains resilient amid headwinds from US tariffs, domestic policy shifts

Malaysia's labour market is expected to remain steady through year-end amid robust domestic demand and expansion in the services sector, said economists. This was despite concerns over lingering US tariff uncertainties, ongoing geopolitical tensions, and rising business costs from domestic fiscal reforms. BIMB Securities Research, in its note on Monday, warned that the impending 19% US tariff on Malaysian goods from August poses downside risks, particularly for export-oriented manufacturing. (Source: [TheEdgeMarkets](#))

## Global news highlights

### Small US firms paying Trump tariffs face US\$202 bil annual hit

Small US companies, the source of more than half of the country's job creation in recent years, are struggling to comply with President Donald Trump's new tariffs and cope with growing financial strains clobbering them from higher import costs. Last week's country-specific levies varying from 10% to 50% landed with a one-two punch: additional red tape issued by Customs and Border Protection (CBP), and a need to increase customs bonds — guarantees that companies must buy from surety providers to ensure the government receives its tariff revenue, other taxes and any potential penalties. (Source: [TheEdgeMarkets](#))

### South Korea's crypto traders flock to US\$3.6 bil ether hoarder

BitMine Immersion Technologies Inc has become the top foreign equity pick among South Korean retail investors, who continue to be drawn to the kind of high-risk, high-reward opportunities on offer in crypto. Backed by Peter Thiel's Founders Fund, BitMine is a US-listed bitcoin miner that recently transitioned from bitcoin mining to operating as a digital-asset treasury — a listed entity designed primarily to accumulate and hold cryptocurrency. The company now boasts the largest ether treasury with US\$3.6 billion (RM15.26 billion) worth of the token, according to data compiled by [strategicethreserve.xyz](#). (Source: [TheEdgeMarkets](#))

### BofA poll shows record number of investors say stocks overvalued

A record share of fund managers see US stocks as too expensive after the sharp rally since April lows, according to a monthly survey by Bank of America Corp (BofA). About 91% of participants indicated that American stocks are overvalued, the highest ever proportion in data going back to 2001. While investor allocation to global equities climbed to the highest since February, a net 16% were still underweight the US, the poll showed. (Source: [TheEdgeMarkets](#))

### Wall Street mixed, chip majors in focus after China sales deal

Wall Street's main indexes were mixed on Monday as investors prepared for a busy week and chip companies teetered after agreeing to share a portion of revenue from China sales with the US under a trade policy shift from the Trump administration. Semiconductor giant Nvidia and Advanced Micro Devices wobbled in early trading and were last marginally higher after a US official told Reuters the companies had agreed to give the United States government 15% of revenue from sales of their advanced computer chips to China. (Source: [TheEdgeMarkets](#))

## Corporate news

### RGB International eyes strong growth in key Asean markets with gaming regulatory reforms

RGB International Bhd (KL:RGB) expects 70-80% of its financial year 2025 revenue to come from the Philippines and Cambodia, thanks to strong demand and industry reforms. Vietnam's contribution is also set to increase, with gaming reforms allowing more resorts to admit locals. In the Philippines, RGB group chief operating officer Datuk Steven Lim told The Edge it is waiting on approvals for new clubs and casinos, with upcoming projects including VIP club upgrades, second-phase contract rollouts and new integrated resorts. The country's gaming industry hit a record PHP410 billion (RM30.4 billion) in 2024, with a 2025 target of up to PHP480 billion. (Source: [TheEdgeMarkets](#))

### ES Sunlogy partners Sarawak firm to develop solar power plant, battery energy storage system in Baram

ES Sunlogy Bhd (KL:SUNLOGY) has entered into a heads of agreement with a Sarawak-based company to form a 40:60 consortium for the development of a 155 megawatt-peak (MWp) solar hybrid power plant integrated with a 310 megawatt-hour (MWh) battery energy storage system (BESS) in Baram, Sarawak. The collaboration with Planet QEOS Sdn Bhd forms part of the Sarawak government's Special Energy Zone, which aims to accelerate the region's transformation into a clean energy and economic growth hub, said ES Sunlogy in a statement on Monday. (Source: [TheEdgeMarkets](#))

### Inta Bina bags RM265 mil apartment construction job

Inta Bina Group Bhd (KL:INTA) has bagged a RM264.5 million contract to build two serviced apartment blocks in Segambut, Kuala Lumpur. The group said its wholly owned subsidiary, Inta Bina Sdn Bhd, accepted the contract on Monday from GDP Architects Sdn Bhd, acting on behalf of 368 Segambut Sdn Bhd — a joint venture between IJM Land Bhd and FCW Holdings Bhd. The 38-month contract will commence on Aug 18, said Inta Bina in a bourse filing. The group said the project will be funded through internally generated funds and external borrowings and is expected to contribute positively to its earnings over the contract period. (Source: [TheEdgeMarkets](#))

### Higher costs drags down Master Tec's 2Q earnings, despite revenue growth

Cable manufacturer Master Tec Group Bhd (KL:MTEC) saw its second-quarter net profit drop 20.49% year-on-year despite an increase in revenue, due to higher costs. The net profit for the three months ended June 30, 2025 (2QFY2025), stood at RM6.92 million, down from RM8.7 million a year earlier, according to the ACE Market listed company's filing with Bursa Malaysia on Monday. Revenue rose 43.89% to RM104.82 million from RM72.85 million, supported by higher revenue contributions from all its business segments. (Source: [TheEdgeMarkets](#))

### Hup Seng's 2Q net profit falls despite revenue growth amid higher input costs

Hup Seng Industries Bhd (KL:HUPSENG) reported a 5.7% year-on-year decline in second quarter net profit despite a similar 5.7% increase in revenue, as higher raw material costs offset gains from stronger sales. Its net profit for the second quarter ended June 30, 2025 (2QFY2025) fell to RM8.51 million from RM9.03 million a year earlier, as cost of sales rose 8.9% during the quarter, said the biscuit maker in a bourse filing on Monday. Revenue increased to RM84.84 million from RM80.24 million, supported by a 9% or RM5.5 million rise in domestic sales, particularly from East Malaysia, wholesale channels and super/hypermarkets. This was partially offset by a 5% or RM900,000 decline in export sales, mainly from Indonesia and Myanmar, the group said.. (Source: [TheEdgeMarkets](#))

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