

Morning Toast

Idea of the Day

Axiata Group (AXIATA MK / HOLD; TP: RM2.56)

Company Update: Edotco monetisation to strengthen balance sheet

- We came away from the recent management meeting with mixed views. While we acknowledge the group's strategy emphasis on balance sheet strength and asset monetisation, shift in portfolio diminish its diversification profile
- Disposal of Edotco could lower net debt/EBITDA ratio to 0.9–1.3x (from 3x)
- Maintain HOLD rating with a higher TP of RM2.56

News of the Day

- Cuckoo International reports small fall in 2Q profit, upbeat on long-term prospects
- N2N Connect 2Q net profit rises 41%, helped by lower operating expenses
- Keyfield 2Q profit down on softer OSV demand, eyes overseas growth
- Swift Haulage's 2Q net profit drops 19% on cost, tax pressure
- MNRB's 1Q net profit surges 83% on strong underwriting, lower expenses

Daily Trading Participations

	Buy (RM'm)	Sell (RM'm)	Net Buy (RM'm)
Local Institutions	1217.6	1119.9	97.6
Local Retails	387.6	381.7	5.9
Foreign	1059.3	1162.8	-103.5

Sources: Bloomberg

15 August 2025

Market Indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBMKLCI	1,581.05	-5.5	-3.7
FBMEmas	11,760.92	-43.3	-6.6
FBMSHA	11,708.45	-60.1	-7.0
FBMSCAP	15,595.99	-6.1	-13.2
FBMACE	4,666.54	11.9	-13.3
F4GBM	952.37	-3.8	-5.6
F4GBMS	968.30	-5.6	-5.9

Foreign

Dow Jones	44,911.26	-11.01	5.6
S&P 500	6,468.54	1.96	10.0
Nasdaq	21,710.67	-2.47	12.4
FTSE	9,177.24	12.01	12.3
Hang Seng	25,519.32	-94.35	27.2
Nikkei	42,649.26	-625.41	6.9
Shanghai CI	3,666.44	-17.02	9.4
Strait Times	4,256.52	-16.24	12.4

Currencies

BNM Middle Rate	Last	Daily chg	YTD
USD / MYR	4.21	0.0020	-5.8
GBP / MYR	5.72	0.0079	1.9
JPY / MYR	2.85	-0.0036	0.2
EUR/MYR	4.92	-0.0138	5.6
SGD / MYR	3.29	-0.0011	0.0
CNY / MYR	0.59	0.0004	-4.3
AUD / MYR	2.75	-0.0110	-1.1

Bond Yield Movements

		Yield	D. Chg (bps)
MGS	3- year	2.95	-20
	10- year	3.36	-16
GII	3- year	3.00	-18
	10- year	3.37	-15
UST	2- year	3.73	1
	10- year	4.28	6

Commodities

	Last	Daily chg	D. chg %
CPO (3rd month)	4,436.00	448.0	11.2
Brent (1st month)	66.84	1.2	1.8
Gold (spot)	3,335.39	-20.5	-0.6

Source: Bloomberg

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Market Pulse



Source: Trading View, Phillip Research

The FBMKLCI lost 5.55 points or 0.4% to close at 1,581.05 points. Daily losers for FBMKLCI constituents at 16 counters outweigh the gainers at 7 counters, while 7 remain unchanged. FBMKLCI losers were led by Mr D.I.Y. Group (M) Bhd, Petronas Dagangan Bhd and YTL Power International Bhd which lost 3.8%, 3.6% and 1.6%, respectively. On the broader market, daily losers at 620 outweigh the gainers at 409 counters, while 547 remain unchanged. The local market tracked the negative sentiment.

The top 3 sectorial daily gainers are Property (+0.4%), Industrial (+0.3), and Energy (+0.3%) led by Sapura Resources Bhd (+28.2%), Bsl Corp Bhd (+33.3%) and Propel Global Sdn Bhd (+16.7%) respectively. The top 3 sectorial daily losers are Transport (-1.1%), Technology (-0.9%), and Consumer (-0.8%) led by Boustead Heavy Industries Co (-12.9%), Revenue Group Bhd (-6.2%) and Jadi Imaging Holdings Bhd (-25%) respectively.

Table 1: Our Picks

Company	Ticker	Rating	Price (RM)	TP (RM)	Upside (%)
Fundamental					
Banking					
Affin Bank	ABANK MK	Sell	2.45	2.40	-2.0
Alliance Bank	ABMB MK	Hold	4.60	5.00	8.7
Ambank	AMM MK	Buy	5.49	6.30	14.8
CIMB Bank	CIMB MK	Buy	7.20	9.30	29.2
Hong Leong Bank	HLBK MK	Buy	19.52	24.30	24.5
Maybank	MAY MK	Buy	9.84	11.90	20.9
Public Bank	PBK MK	Buy	4.45	5.30	19.1
RHB Bank	RHBBANK MK	Buy	6.42	7.90	23.1
Construction					
AME Elite	AME MK	Buy	1.49	2.00	34.2
Gamuda	GAM MK	Buy	5.61	5.33	-5.0
Kerjaya Prospek	KPG MK	Buy	2.09	2.70	29.2
Sunway Construction	SCGB MK	Hold	5.38	5.35	-0.6
Binastra	BNASTRA MK	Buy	1.74	2.60	49.4
Southern Score Builders	SSB8 MK	Buy	0.56	0.75	33.9
EMS					
Nationgate	NATGATE MK	Buy	1.35	1.80	33.3
Gaming					
Genting Malaysia	GENM MK	Hold	1.99	1.80	-9.5
Genting	GENT MK	Buy	3.09	3.85	24.6
RGB International	RGB MK	Buy	0.29	0.73	156.1
Healthcare					
Optimax	OPTIMAX MK	Buy	0.58	0.70	21.7
UMediC	UMC MK	Buy	0.41	0.45	11.1
Rubber Glove					
Hartalega	HART MK	Hold	1.24	1.34	8.1
Kossan	KRI MK	Buy	1.23	1.94	57.7
Top Glove	TOPG MK	Hold	0.62	0.71	14.5
Industrial					
Critical	CHB MK	Buy	0.98	1.62	65.3
HE Group	HEGROUP MK	Buy	0.41	0.51	25.9
MN Holdings	MNHLDG MK	Buy	1.52	1.72	13.2
Oil & Gas					
Bumi Armada	BAB MK	Buy	0.39	0.79	102.6
Dayang Enterprise	DEHB MK	Buy	1.77	3.00	69.5
Pantech	PGHB MK	Buy	0.71	0.89	26.2
Uzma	UZMA MK	Buy	0.39	0.76	94.9
T7 Global	T7G MK	Buy	0.26	0.34	33.3
Plantation					

Genting Plantation	GENP MK	Hold	5.00	5.27	5.4
Hap Seng Plantation	HAPL MK	Hold	2.05	1.84	-10.2
IOI Corporation	IOI MK	Hold	3.85	3.84	-0.3
Kuala Lumpur Kepong	KLK MK	Hold	19.82	19.60	-1.1
SD Guthrie	SDG MK	Buy	4.95	5.21	5.3
Sarawak Oil Palms	SOP MK	Hold	3.50	3.01	-14.0
Sarawak Plantation	SPLB MK	Buy	2.67	2.88	7.9
Property					
Lagenda Properties	LAGENDA MK	Hold	1.19	1.25	5.0
SkyWorld Development	SKYWLD MK	Buy	0.53	0.70	33.3
Renewable					
Solarvest	SOLAR MK	Buy	2.41	3.05	26.6
Pekati	PEKAT MK	Hold	1.59	1.57	-1.3
BM Greentech	BMGREEN MK	Buy	1.75	2.70	54.3
Technology					
D&O	DOGT MK	Hold	1.09	1.30	19.3
Frontken	FRCB MK	Buy	4.28	5.20	21.5
Greatech	GREATEC MK	Buy	2.02	1.90	-5.9
Pentamaster	PENT MK	Hold	3.61	3.57	-1.1
TT Vision	TTVHB MK	Buy	0.52	0.78	51.5
UWC	UWC MK	Buy	2.81	2.60	-7.5
Telco					
OCK Group	OCK MK	Buy	0.40	0.66	65.0
Maxis	MAXIS MK	Hold	3.51	4.02	14.5
CelcomDigi	CDB MK	Hold	3.84	4.19	9.1
Telekom Malaysia	T MK	Buy	7.13	8.05	12.9
Axiata Group	AXIATA MK	Hold	2.67	2.56	-4.1
Transport					
AGX Group	AGX MK	Buy	0.49	0.96	95.9

Source: Bursa, Bloomberg, Phillip Research, price as of 14 August 2025

Malaysian news highlights

Malaysia eyes regional expansion for local films and animation IPs — Fahmi

The government is strengthening regional cooperation to expand the reach of Malaysia's creative intellectual properties (IPs), including local films and animation, into regional markets, according to Communications Minister Datuk Fahmi Fadzil. He said the National Film Development Corporation Malaysia (Finas) is actively forging strategic partnerships to facilitate the entry of Malaysian creative IPs into high-potential Asean markets, including Indonesia, Vietnam, and Cambodia. (Source: [TheEdgeMarkets](#))

Mosti outlines three main strategies for FOM, empowering MPs as ministry agents

Members of Parliament (MPs) appointed to the Ministry of Science, Technology and Innovation's (Mosti) Friends of Ministry (FOM) will be directly involved in Science, Technology and Innovation (STI) culture-building programmes in their respective constituencies. In a statement, the ministry said this is among three strategies outlined for the core implementation of the entity, driven by the Madani government Backbenchers Club, aimed at empowering backbench MPs as ministry agents to explain government policies more effectively to the people. (Source: [TheEdgeMarkets](#))

Malaysia, Asean members work closely to advance safe, regulated nuclear technology

Malaysia has been working closely with Asean member countries to strengthen regional cooperation to ensure the safe, secure, and regulated use of nuclear technology in the region. Deputy Minister of Science, Technology and Innovation Datuk Mohammad Yusof Apdal said various initiatives, including capacity-building programmes, technical exchanges, and strategic collaborations, have strengthened regional preparedness and resilience against emerging challenges. (Source: [TheEdgeMarkets](#))

Additional investments show investors' confidence in Malaysia's economic prospects — Zafrul

The additional investments into Malaysia are due to the confidence investors have in the country's economic prospects, said Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz. The minister said that government policies in supporting the nation's economic growth gave investors the confidence to make further investments in Malaysia. "If a factory is not profitable, the investors wouldn't make additional investments. Take Infineon as an example. It has factories in Germany, Austria, Hungary, Singapore, and Indonesia. Infineon can easily expand operations in other countries, so why choose Malaysia? (Source: [TheEdgeMarkets](#))

Local latex production still unable to meet industry demand — KPK

Domestic latex production still falls short of fulfilling the demands of the latex-based product industry, which represents 75% of the country's rubber-based product exports. The Ministry of Plantation and Commodities (KPK) stated that currently, local natural latex production fulfils about 5% to 10% of the industry's needs, while the rest is imported from other producing countries such as Thailand and Indonesia. "This situation arises because the majority of smallholders in Malaysia tend to produce cup lumps rather than latex, which requires more labour-intensive tasks and a closer collection infrastructure," the ministry stated on the Dewan Rakyat portal on Thursday. (Source: [TheEdgeMarkets](#))

Global news highlights

More US companies skip lender consent to add on debt, Moody's says

A growing number of US companies are seeking more flexible covenants in their credit agreements to increase their debt loads while avoiding approvals from all their existing lenders, according to a new report by ratings agency Moody's Ratings. Moody's said in a report released on Thursday that US corporate borrowers with weaker credit profiles were leaning harder on their lenders to get more flexibility in agreements to take out more debt without full consent from existing lenders, as they struggled to issue new debt in public markets. (Source: [TheEdgeMarkets](#))

US jobless claims edge lower, continuing claims remain elevated

Applications for US unemployment benefits edged lower last week, suggesting employers remain reluctant to lay off workers. Initial claims decreased by 3,000 to 224,000 in the week ended Aug 9, which was about in line with economists' forecasts. Businesses have pared back on hiring new employees amid economic uncertainty driven by President Donald Trump's policies, particularly tariffs. However, the relatively low level of initial filings indicates that employers aren't widely cutting workers. (Source: [TheEdgeMarkets](#))

US producer prices rise by most in three years on services

US wholesale inflation accelerated in July by the most in three years, boosted by a surge in margins that indicates companies are not absorbing higher import costs related to tariffs. The producer price index increased 0.9% from a month earlier after no change in June, according to a Bureau of Labor Statistics report out Thursday. The measure rose 3.3% from a year ago. Services costs increased 1.1% — the most since March 2022. Within services, margins at wholesalers and retailers jumped 2%, led by machinery and equipment wholesaling. Goods prices excluding food and energy rose 0.4%. (Source: [TheEdgeMarkets](#))

Trump's debanking order could create headaches for banks, sources say

U.S. President Donald Trump's executive order requiring banks not to discriminate against clients on political or religious grounds could create uncertainty and administrative headaches for the industry, sources said. Trump signed an executive order on Thursday directing the Treasury Department and bank regulators to ensure lenders do not have policies in place that deny services to customers based on political or religious beliefs, a practice known as "debanking." Any wrongdoing uncovered could result in fines, disciplinary measures, and even referrals to the Justice Department. (Source: [TheEdgeMarkets](#))

Corporate news

Cuckoo International reports small fall in 2Q profit, upbeat on long-term prospects

Newly-listed Cuckoo International (MAL) Bhd (KL:CKI) posted a 1.83% fall in second quarter net profit versus the first quarter, dragged down by listing expenses of RM4.7 million and higher net impairment losses on financial instruments. Its net profit for the second quarter ended June 30, 2025 (2QFY2025) totalled RM27.35 million, compared with RM27.86 million in 1QFY2025, according to the home appliance maker's filing with Bursa Malaysia. (Source: [TheEdgeMarkets](#))

N2N Connect 2Q net profit rises 41%, helped by lower operating expenses

N2N Connect Bhd (KL:N2N) has posted a 41% year-on-year rise in second quarter net profit to RM3.19 million from RM2.26 million a year ago, due to lower operating expenses and an increase in contributions from its associate. Earnings per share for the quarter ended June 30, 2025 (2QFY2025) increased to 0.57 sen from 0.41 sen, the group's exchange filing showed. (Source: [TheEdgeMarkets](#))

Keyfield 2Q profit down on softer OSV demand, eyes overseas growth

Keyfield International Bhd (KL:KEYFIELD) saw its net profit drop by 5.26% in the second quarter, due to lower utilisation of its offshore support vessel (OSV) and reduced daily charter rates, despite booking a RM25.7 million gain from a vessel disposal. Keyfield is involved in the vessel chartering business and mainly provides offshore accommodation and related services. Its net profit came in at RM66.36 million for the three months ended June 30, 2025 (2QFY2025), down from RM70.04 million a year earlier, which brings its earnings per share to 8.23 sen from 9.37 sen previously, its bourse filing showed on Thursday. (Source: [TheEdgeMarkets](#))

Swift Haulage's 2Q net profit drops 19% on cost, tax pressure

Freight and logistics company Swift Haulage Bhd's (KL:SWIFT) second quarter net profit was down 19.02% from a year ago, hit by higher administrative and operating expenses, finance cost and tax expenses, despite higher revenue. Net profit came in at RM6.75 million in the financial year ended June 30, 2025 (2QFY2025), compared to RM8.33 million in 2QFY2024. Earnings per share was lower at 0.77 sen in 2QFY2025, down from 0.95 sen previously. (Source: [TheEdgeMarkets](#))

MNRB's 1Q net profit surges 83% on strong underwriting, lower expenses

Insurer and reinsurer MNRB Holdings Bhd (KL:MNRB) reported an 82.7% jump in net profit for the first quarter ended June 30, 2025 (1QFY2026), boosted by higher revenue across all business segments. In a filing with Bursa Malaysia on Thursday, the group attributed the stellar earnings performance to stronger underwriting, higher net investment income and higher share of profits from its associates, as well as lower operating expenses. Its net profit for 1QFY2026 was RM168.43 million or 21.51 sen per share, up from RM92.20 million or 11.77 sen per share in the same quarter a year earlier. (Source: [TheEdgeMarkets](#))

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Equity:

BUY: Total stock return expected to exceed +10% over 12-month period
HOLD: Total stock return to be between -10% and +10% over a 12-month period
SELL: Total stock return is expected to below 10% over a 12-month period

Sector:

OVERWEIGHT: The sector is expected to outperform the overall FBMKLCI over the next 12 months
NEUTRAL: The sector is to perform in line with the overall FBMKLCI market over the next 12 months
UNDERWEIGHT: The sector is expected to underperform the overall FBMKLCI market over the next 12 months

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