

# Morning Toast

## Idea of the Day

**Uzma (UZMA MK / BUY; TP: RM0.89)**

**Result Note: Result strong beat**

- FY25 results came in above our and consensus expectations on stronger-than-expected margins
- We raise EPS forecasts by 17-22% to factor in better work orders and margins; the new 2-year seismic vessel contract alone is expected to contribute additional RM10m to profit in FY26
- Maintain BUY with a higher 12-month target price of RM0.89

**Critical Holdings (CHB MK / BUY; TP: RM1.62)**

**Result Note: Expect a better year ahead**

- FY25 results were below expectations; 4QFY25 margin softened due to a timing mismatch between recognition of new project cost and revenue
- Strong prospects to expand its order book buoyed by sizeable RM800m tender book, primarily driven by semiconductor and DC projects
- Maintain BUY with an unchanged TP of RM1.62

**Kerjaya Prospek (KPG MK / BUY; TP: RM2.70)**

**Company Update: Pipeline remains solid**

- Ongoing property projects are slated for completion in 1H26, new launches are scheduled across 2026-27- still targeting for more land deals
- RM1.6bn order replenishment target remain well supported by internal projects and external bids for residential and DC projects
- Maintain BUY rating with unchanged TP at RM2.70

## News of the Day

- Maybank still on track for 11.3% ROE target amid headwinds in loan growth, margins
- Pharmaniaga eyes RM400m insulin supply tender; 2Q net profit up 42% on higher concession demand
- SKP Resources' 1Q net profit falls slightly on margin squeeze
- Supermax narrows net loss in 4Q, FY2025 on lower expenses
- Panasonic Manufacturing braces for tough 2026 as profit slides further

## Daily Trading Participations

	Buy (RM'm)	Sell (RM'm)	Net Buy (RM'm)
Local Institutions	1942.7	1540.7	402.1
Local Retails	557.9	449.9	108.0
Foreign	3960.8	4470.9	-510.1

Sources: Bloomberg

27 August 2025

### Market Indices

Indices	Last	Daily chg	YTD chg%
<i>Local</i>			
FBMKLCI	1,581.59	-20.9	-3.7
FBMEmas	11,734.27	-135.8	-6.8
FBMSHA	11,677.28	-123.5	-7.3
FBMSCAP	15,766.17	-11.9	-12.2
FBMACE	4,751.65	-8.8	-11.7
F4GBM	950.99	-11.3	-5.8
F4GBMS	965.60	-10.7	-6.2

### Foreign

Dow Jones	45,418.07	135.60	6.8
S&P 500	6,465.94	26.62	9.9
Nasdaq	21,544.27	94.98	11.6
FTSE	9,265.80	-55.60	13.4
Hang Seng	25,524.92	-304.99	27.2
Nikkei	42,394.40	-413.42	6.3
Shanghai CI	3,868.38	-15.18	15.4
Strait Times	4,243.71	-12.78	12.0

### Currencies

BNM Middle Rate	Last	Daily chg	YTD
USD / MYR	4.22	0.0083	-5.7
GBP / MYR	5.69	0.0089	1.3
JPY / MYR	2.86	0.0144	0.6
EUR/MYR	4.91	-0.0084	5.4
SGD / MYR	3.28	0.0021	-0.1
CNY / MYR	0.59	0.0013	-3.8
AUD / MYR	2.74	0.0062	-1.6

### Bond Yield Movements

		Yield	D. Chg (bps)
MGS	3- year	2.97	-18
	10- year	3.37	-14
GII	3- year	3.01	-17
	10- year	3.40	-12
UST	2- year	3.68	-4
	10- year	4.26	3

### Commodities

	Last	Daily chg	D. chg %
CPO (3rd month)	4,489.00	501.0	12.6
Brent (1st month)	67.22	-1.6	-2.3
Gold (spot)	3,393.57	27.7	0.8

Source: Bloomberg

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## Market Pulse



Source: Trading View, Phillip Research

The FBMKLCI lost 20.86 points or 1.3% to close at 1,581.59 points. Daily losers for FBMKLCI constituents at 23 counters outweigh the gainers at 4 counters, while 3 remain unchanged. FBMKLCI losers were led by PPB Group Bhd, YTL Power International Bhd and Petronas Dagangan Bhd which lost 6.6%, 4.0% and 3.5%, respectively. On the broader market, daily losers at 637 outweigh the gainers at 409 counters, while 495 remain unchanged. The local market tracked the negative sentiment.

The only sectorial daily gainers are Energy (+0.2%) led by Trive Property Bhd (+50%). The top 3 sectorial daily losers are Utilities (-1.3%), Financial (-1.2%), and Consumer (-1.1%) led by YTL Power International Bhd (-4%), MAA Group Bhd (-2.5%) and Sinmah Capital Bhd (-11.1%) respectively.

Table 1: Our Picks

Company	Ticker	Rating	Price (RM)	TP (RM)	Upside (%)
<b>Fundamental</b>					
<b>Banking</b>					
Affin Bank	ABANK MK	Sell	2.22	2.40	8.1
Alliance Bank	ABMB MK	Hold	4.57	5.00	9.4
Ambank	AMM MK	Buy	5.50	6.30	14.5
CIMB Bank	CIMB MK	Buy	7.40	9.30	25.7
Hong Leong Bank	HLBK MK	Buy	19.60	24.30	24.0
Maybank	MAY MK	Buy	9.75	11.90	22.1
Public Bank	PBK MK	Buy	4.42	5.30	19.9
RHB Bank	RHBBANK MK	Buy	6.47	7.90	22.1
<b>Construction</b>					
AME Elite	AME MK	Buy	1.56	2.00	28.2
Gamuda	GAM MK	Buy	5.59	5.33	-4.7
Kerjaya Prospek	KPG MK	Buy	2.14	2.70	26.2
Sunway Construction	SCGB MK	Hold	6.15	5.50	-10.6
Binastra	BNASTRA MK	Buy	1.79	2.60	45.3
Southern Score Builders	SSB8 MK	Buy	0.58	0.75	30.4
<b>EMS</b>					
Nationgate	NATGATE MK	Buy	1.22	1.80	47.5
<b>Gaming</b>					
Genting Malaysia	GENM MK	Hold	2.03	1.80	-11.3
Genting	GENT MK	Buy	2.80	3.85	37.5
RGB International	RGB MK	Buy	0.28	0.73	165.5
<b>Healthcare</b>					
Optimax	OPTIMAX MK	Buy	0.58	0.70	21.7
UMediC	UMC MK	Buy	0.39	0.45	15.4
<b>Rubber Glove</b>					
Hartalega	HART MK	Hold	1.20	1.34	11.7
Kossan	KRI MK	Buy	1.19	1.63	37.0
Top Glove	TOPG MK	Hold	0.60	0.71	19.3
<b>Industrial</b>					
Critical	CHB MK	Buy	1.07	1.62	51.4
HE Group	HEGROUP MK	Buy	0.39	0.51	32.5
MN Holdings	MNHLDG MK	Buy	1.57	1.82	15.9
<b>Oil &amp; Gas</b>					
Bumi Armada	BAB MK	Buy	0.39	0.79	105.2
Dayang Enterprise	DEHB MK	Buy	1.75	2.21	26.3
Pantech	PGHB MK	Buy	0.71	0.89	25.4
Uzma	UZMA MK	Buy	0.42	0.89	111.9
T7 Global	T7G MK	Buy	0.25	0.34	38.8
<b>Plantation</b>					

Genting Plantation	GENP MK	Hold	4.90	5.27	7.6
Hap Seng Plantation	HAPL MK	Hold	1.99	1.84	-7.5
IOI Corporation	IOI MK	Hold	3.85	3.84	-0.3
Kuala Lumpur Kepong	KLK MK	Hold	19.70	19.60	-0.5
SD Guthrie	SDG MK	Hold	5.04	5.21	3.4
Sarawak Oil Palms	SOP MK	Hold	3.49	3.01	-13.8
Sarawak Plantation	SPLB MK	Hold	2.64	2.64	0.0
<b>Property</b>					
Lagenda Properties	LAGENDA MK	Hold	1.20	1.25	4.2
SkyWorld Development	SKYWLD MK	Buy	0.48	0.68	41.7
<b>Renewable</b>					
Solarvest	SOLAR MK	Buy	2.38	3.05	28.2
Pekat	PEKAT MK	Hold	1.58	1.90	20.3
BM Greentech	BMGREEN MK	Buy	1.61	2.70	67.7
<b>Technology</b>					
D&O	DOGT MK	Hold	1.30	1.20	-7.7
Frontken	FRCB MK	Buy	4.36	5.20	19.3
Greatech	GREATEC MK	Buy	2.05	2.44	19.0
Pentamaster	PENT MK	Hold	3.71	3.57	-3.8
TT Vision	TTVHB MK	Buy	0.52	0.78	50.0
UWC	UWC MK	Buy	2.88	2.60	-9.7
<b>Telco</b>					
OCK Group	OCK MK	Buy	0.40	0.66	65.0
Maxis	MAXIS MK	Hold	3.58	3.64	1.7
CelcomDigi	CDB MK	Hold	3.65	3.95	8.2
Telekom Malaysia	T MK	Buy	7.16	8.05	12.4
Axiata Group	AXIATA MK	Hold	2.58	2.56	-0.8
<b>Transport</b>					
AGX Group	AGX MK	Buy	0.51	0.85	66.7

Source: Bursa, Bloomberg, Phillip Research, price as of 26 August 2025

## Malaysian news highlights

### Parliament approves law to close duty evasion loopholes via product rerouting

The Dewan Rakyat on Tuesday approved amendments to the Countervailing and Anti-Dumping Duties Act 1993, introducing explicit anti-circumvention provisions to close loopholes used by exporters or producers to evade duties by rerouting or altering products through third countries. The amendments were passed via a majority voice vote after being debated by 10 members of Parliament. (Source: [TheEdgeMarkets](#))

### Malaysia committed to addressing AI energy demands through clean energy collaboration, says Fadillah

Malaysia is committed to working with members of the Clean Energy Ministerial (CEM) to address energy issues involving artificial intelligence (AI), said Deputy Prime Minister Datuk Seri Fadillah Yusof. He told a high-level dialogue titled "Energy and AI" that the rapid growth of data centres and AI-driven applications is creating new, concentrated demands for electricity. "Meeting these demands sustainably requires not only scaling up renewable energy integration and strengthening our grids, but also investing in innovative cooling and storage technologies to ensure reliability and affordability," he said at the 16th CEM and Mission Innovation 10 (MI10) in Busan, South Korea, on Tuesday. (Source: [TheEdgeMarkets](#))

### Property professionals urge govt to defer second reading of Urban Renewal Bill

Three professional bodies representing property valuers, managers and consultants have called for the second reading of the Urban Renewal Bill to be deferred pending comprehensive stakeholder engagement. In a joint press statement issued on Tuesday by the Royal Institution of Surveyors Malaysia (RISM), the Malaysian Institute of Property and Facility Managers (MIPFM), and the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS), the organisations said the current draft of the Bill "sidesteps equitable consultation" with key affected parties. (Source: [TheEdgeMarkets](#))

### Senior local council officer among trio remanded over RM7m graft probe

senior local authority officer and two businessmen have been remanded for four days as part of a Malaysian Anti-Corruption Commission (MACC) investigation into a bribery scheme believed to have spanned more than a decade. The suspects, a Grade JUSA B officer, a company owner and a director, were arrested between noon on Monday and 1am Tuesday at various locations in the Klang Valley, including the Kuala Lumpur MACC office and the officer's workplace. (Source: [TheEdgeMarkets](#))

## Global news highlights

### China's carbon market to introduce absolute emissions caps from 2027

China will tighten its carbon trading market by introducing absolute emissions caps in some industries for the first time starting by 2027, the cabinet said on Monday evening. The caps will be implemented first in industries with relatively stable carbon emissions by 2027, according to a statement by the State Council and Central Committee of the Communist Party. By 2030, China's nationwide carbon market or emissions trading scheme (ETS) will be basically established. (Source: [TheEdgeMarkets](#))

### US core capital goods orders rise, exceeding all forecasts

US orders for business equipment increased in July by more than projected, suggesting companies are moving forward on investment plans as uncertainty around trade and tax policy gradually diminishes. The value of core capital goods orders, a proxy for investment in equipment that excludes aircraft and military hardware, increased 1.1% last month after a revised 0.6% decrease in June, Commerce Department figures showed Tuesday. The gain exceeded all forecasts in a Bloomberg survey of economists. (Source: [TheEdgeMarkets](#))

### US home prices increase at slowest rate since 2023

Home-price growth in the US slowed for a fifth straight month in June. A national gauge of prices rose 1.9% from a year earlier, according to data from S&P CoreLogic Case-Shiller. That was the smallest gain since the summer of 2023 and followed a 2.3% increase in May. The US is coming off its weakest spring selling season in 13 years after high prices and mortgage rates sidelined many would-be buyers. With few eager shoppers in the hunt, sellers are warming up to discounts and other concessions in parts of the country where listings have piled up. While that has contributed to a nationwide easing of price growth, some areas — such as New York — are still fiercely competitive. (Source: [TheEdgeMarkets](#))

### Lutnick suggests US looking at defence industry after Intel deal

US Commerce Secretary Howard Lutnick suggested the government is looking at the defence sector and other industries for potential stakes in companies after an unorthodox deal that saw the US obtain a 10% share in chipmaker Intel Corp. "Oh, there's a monstrous discussion about defence," Lutnick said Tuesday on CNBC when pressed on whether the administration was considering similar arrangements with companies that benefit from government policies, including in defence. (Source: [TheEdgeMarkets](#))

## Corporate news

### Maybank still on track for 11.3% ROE target amid headwinds in loan growth, margins

Malayan Banking Bhd (KL:MAYBANK) remains confident of achieving its return on equity (ROE) target of at least 11.3% for the financial year ending Dec 31, 2025 (FY2025), underpinned by resilient non-interest income (NOII) and stable funding, despite trimming its loan growth forecast to 3% from 5%-6% and anticipating mild margin compression. President and group chief executive officer Datuk Seri Khairussaleh Ramli said the downgrade reflects a “wait-and-see” stance among corporate clients across markets amid tariff uncertainty which delayed planned investments and capital raising activities. (Source: [TheEdgeMarkets](#))

### Pharmaniaga eyes RM400m insulin supply tender; 2Q net profit up 42% on higher concession demand

Pharmaniaga Bhd (KL:PHARMA), which has completed its regularisation plan recently, is eyeing a government tender to supply human insulin products worth over RM400 million. The group, which aims to exit Practice Note 17 (PN17) status by the first quarter of 2026, said that it had participated in the national tender by the Ministry of Health to supply insulin products over the next three years. This comes on the heels of the group continuing to expand its footprint in the insulin market by securing additional tenders from prominent teaching hospitals. The supply of the national tender is expected to start in the fourth quarter of 2025. (Source: [TheEdgeMarkets](#))

### SKP Resources' 1Q net profit falls slightly on margin squeeze

SKP Resources Bhd (KL:SKPRES) said its first-quarter net profit fell slightly from a year earlier on margin squeeze, primarily due to start-up costs incurred in relation to onboarding of new customers. The net profit for the three months ended June 30, 2025 (1QFY2026) fell 3.93% to RM27.23 million from RM28.34 million, according to the the electronic manufacturing services company in a bourse filing. Earnings per share dropped to 1.74 sen from 1.81 sen. (Source: [TheEdgeMarkets](#))

### Supermax narrows net loss in 4Q, FY2025 on lower expenses

Supermax Corp Bhd (KL:SUPERMX) on Tuesday posted a smaller net loss in the fourth quarter compared to a year ago, as cost rationalisation efforts helped cushion the impact of declining revenue. Net loss for the three months ended June 30, 2025 (4QFY2025) was RM67.04 million or 2.17 sen per share from RM128.52 million or 4.99 sen per share in the same quarter a year ago, the glove manufacturer announced in a bourse filing. This marked the group's 11th consecutive quarterly loss since 2QFY2023. (Source: [TheEdgeMarkets](#))

### Panasonic Manufacturing braces for tough 2026 as profit slides further

Panasonic Manufacturing Malaysia Bhd (KL:PANAMY) has cautioned that the operating environment for the group will remain volatile in financial year 2026 (FY2026), after reporting a third consecutive quarter of earnings decline. Panasonic Manufacturing said its profitability may remain under pressure but it is focused on driving sales growth, enhancing operational efficiency and building resilience to strengthen its long-term performance. (Source: [TheEdgeMarkets](#))

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