Market commentary

Equity market review and outlook

September 2025

Review

- September turned out to be better than expected for Malaysian equities, with the FBMKLCI reporting a gain of 2.33% for the month, the first September gain in a decade. During the month, the RON95 subsidy rationalization was rolled out by the government effective 30 September 2025. RON95 is now priced at RM1.99/litre for Malaysians with a MyKad and a valid driver's license, with a monthly quota of 300 litres per eligible recipient. The first few days of implementation seems to be fairly smooth. Malaysia saw net foreign buying in equities in September of RM76m, however YTD Malaysia is still seeing net foreign outflow of RM16.4b as at end of 30 Sept 2025. Foreign shareholding (by market capitalization) slipped to 18.7% in September.
- The KLCI closed the month at 1,611.88, up 2.33% mom. The FBM Small Cap index was up 5.8% for the month, outperforming the KLCI. The best performing sectors were Utilities (+6.4%) and Consumer (+5.3%). The worst performing sectors were Health Care (0.6%) and Construction (0.6%). Average value traded on Bursa in September was RM2525, lower by 20.95% mom.

Outlook

- Month of October should be a fairly eventful, with Budget 2026 scheduled for announcement on the 10 October 2025. We are expecting this Budget to be fairly consumer friendly, with perhaps more insight provided on how they will rollout RON95 targeted subsidy in the future to reduce the T10 income groups eligibility. Malaysia may also be in the limelight again as we will be hosting another ASEAN Summit in Oct 2025, to which US President Trump had indicated that he will be attending.
- Domestically, Malaysia is in a favourable position with relatively stable politics compared to some of our other ASEAN peers. The economy continues to be supported by the FDI being realized, domestic direct investments, strong construction activities, solid consumption growth and robust tourism activities. The domestic equity market remains flush with liquidity and dividend yield is attractive. We see any market weakness as opportunities to accumulate fundamentally strong stocks at attractive valuations.

Index performance & movers

FBM100 INDEX

START DATE	31-Aug-25	END DATE	30-Sep-25
START	11,474.57	END	11,722.62
NET CHG	248.05		2.16%

	Name	Price	Net Chg	% Chg		Name	Price	Net Chg	% Chg
1	UWC BHD	3.68	0.85	30.04 %	1	VS Industry Bhd	0.59	-0.08	(11.28)%
2	Tanco Holdings Bhd	0.90	0.20	27.66 %	2	Nationgate Holdings Bhd	1.22	-0.08	(5.96)%
3	Malayan Cement Bhd	7.03	1.25	21.59 %	3	Westports Holdings Bhd	5.36	-0.23	(4.11)%
4	Scientex BHD	3.61	0.49	15.71 %	4	Bumi Armada Bhd	0.35	-0.02	(4.11)%
5	Sime Darby Bhd	2.28	0.31	15.52 %	5	ViTrox Corp Bhd	3.75	-0.16	(4.09)%
6	Sunway Bhd	5.65	0.73	14.84 %	6	Sarawak Oil Palms Bhd	3.28	-0.14	(4.05)%
7	AEON Credit Service M Bhd	5.53	0.64	13.09 %	7	Mah Sing Group Bhd	1.11	-0.04	(3.48)%
8	Farm Fresh Bhd	2.27	0.25	12.38 %	8	Sunway Construction Group	6.05	-0.21	(3.36)%
9	Malakoff Corp Bhd	1.05	0.11	12.24 %	9	Alliance Bank Malaysia Bhd	4.37	-0.14	(3.10)%
10	Mega First Corp BHD	3.80	0.41	12.09 %	10	Dayang Enterprise Holdings I	1.60	-0.05	(3.03)%

Source: Bloomberg

	Last Price			MoM Changes		YTD Changes	
Indices	31-Dec-24	31-Aug-25	30-Sep-25	+/-	%	+/-	%
FBMKLCI	1,642.33	1,575.12	1,611.88	36.76	2.33%	(30.45)	-1.85%
FBMMES	5,380.44	4,722.02	5,171.31	449.29	9.51%	(209.13)	-3.89%
FBM100	12,265.96	11,474.57	11,722.62	248.05	2.16%	(543.34)	-4.43%
FBM70	18,841.13	16,476.24	16,746.59	270.35	1.64%	(2,094.54)	-11.12%
FBMSCAP	17,963.66	15,739.94	16,652.37	912.43	5.80%	(1,311.29)	-7.30%
FBMEMAS	12,585.51	11,702.89	11,985.89	283.00	2.42%	(599.62)	-4.76%
FBMSHA	12,590.57	11,649.08	12,016.55	367.47	3.15%	(574.02)	-4.56%
FBMHIJRAH	13,409.12	12,747.96	13,061.45	313.49	2.46%	(347.67)	-2.59%
FBMSCAPS	16,744.61	14,832.20	15,879.68	1,047.48	7.06%	(864.93)	-5.17%
MSCI APxJ (USD)	569.41	662.90	699.46	36.57	5.52%	130.06	22.84%
MSCI ACWI (USD)	841.33	951.57	984.78	33.21	3.49%	143.45	17.05%

Source: Bloomberg

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