

Market commentary

# Equity market review and outlook

September 2026



## Review

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- ▶ Malaysia experienced another politically turbulent month in September following the announcement that King Sultan Ibrahim Iskandar had granted former Prime Minister Najib Razak house arrest for the remainder of his prison sentence, subject to the payment of a MYR50 million fine linked to his 1MDB conviction. The decision sparked immediate political repercussions, with Transport Minister Anthony Loke announcing his resignation from the Cabinet in protest, citing the Democratic Action Party's (DAP) inability to support the move. Political uncertainty was further heightened after the Melaka State Legislative Assembly was dissolved on 23 September, paving the way for a state election that must be held by 22 November 2026.
- ▶ Investor sentiment towards Malaysian equities remained subdued, as foreign investors continued to be net sellers amid a sharp rise in global bond yields. This occurred despite supportive domestic macroeconomic conditions, including benign inflation and resilient trade data. Foreign ownership of Malaysian equities declined to a new record low of 17.8% at end-September, while foreign investors recorded a net outflow of RM1.7 billion during the month.
- ▶ The KLCI closed the month at 1,651.17, down 4.33% mom. The FBM Small Cap index was down 1.04% for the month, outperforming the KLCI. The worst performing sectors were Property (-7.5%) and Consumer (-6.5%). The best performing sectors were Oil & Gas (+8.6%) and Construction (+7.1%). Average value traded on Bursa in September was RM3676.6m higher by 10.07% mom.

## Outlook

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- ▶ For October, investor attention will centre on the tabling of Budget 2027 on 9 October. Against the backdrop of an increasingly active electoral cycle, with the Melaka state election due before 22 November 2026 and the Sarawak state election expected to be called by April 2027, the government is likely to introduce a rakyat-friendly budget aimed at supporting household incomes while maintaining its fiscal consolidation agenda. Key measures could include higher allocations for STR and SARA assistance programmes, additional personal income tax reliefs, and further initiatives to alleviate cost-of-living pressures.
- ▶ Political developments are also expected to remain a key market focus. As campaigning activity intensifies ahead of upcoming state elections, investors may adopt a more cautious stance amid heightened political uncertainty. Election results will be closely scrutinised for signals on the timing of Malaysia's 16th General Election, including the possibility of an earlier-than-expected national poll.
- ▶ Despite these uncertainties, we remain cautiously constructive on Malaysian equities. Economic fundamentals remain supportive, with stable inflation, resilient domestic demand and continued infrastructure spending underpinning growth.

## Index performance & movers

| FBM100 INDEX              |           |         |         |                                  |           |         |          |
|---------------------------|-----------|---------|---------|----------------------------------|-----------|---------|----------|
| START DATE                | 31-Aug-26 |         |         | END DATE                         | 30-Sep-26 |         |          |
| START                     | 12,574.85 |         |         | END                              | 12,084.44 |         |          |
| NET CHG                   | - 490.41  |         |         |                                  | -3.90%    |         |          |
| Name                      | Price     | Net Chg | % Chg   | Name                             | Price     | Net Chg | % Chg    |
| Solarvest Holdings Bhd    | 4.36      | 1.26    | 40.65 % | 1 Zetrix Ai Bhd                  | 0.16      | -0.14   | (45.76)% |
| Ranhill Utilities Bhd     | 3.33      | 0.82    | 32.67 % | 2 AirAsia Group Bhd              | 0.53      | -0.27   | (33.96)% |
| Kerjaya Prospek Group Bhd | 3.70      | 0.77    | 26.24 % | 3 Mah Sing Group Bhd             | 0.98      | -0.21   | (17.37)% |
| Gamuda Bhd                | 5.18      | 0.67    | 14.86 % | 4 Malayan Cement Bhd             | 5.45      | -0.94   | (14.66)% |
| Top Glove Corp Bhd        | 0.74      | 0.08    | 12.12 % | 5 Heineken Malaysia Bhd          | 13.34     | -2.23   | (14.32)% |
| ViTrox Corp Bhd           | 9.91      | 0.68    | 7.37 %  | 6 UEM Sunrise Bhd                | 0.52      | -0.09   | (14.17)% |
| IJM Corp Bhd              | 2.91      | 0.18    | 6.74 %  | 7 Carlsberg Brewery Malaysia Bhd | 12.36     | -2.00   | (13.93)% |
| Mega First Corp BHD       | 2.98      | 0.18    | 6.43 %  | 8 Mi Technovation Bhd            | 5.20      | -0.84   | (13.90)% |
| ITMAX SYSTEM Bhd          | 4.60      | 0.25    | 5.75 %  | 9 Genting Malaysia Bhd           | 1.47      | -0.23   | (13.53)% |
| Hartalega Holdings Bhd    | 1.03      | 0.06    | 5.64 %  | 10 Sunway Bhd                    | 4.42      | -0.68   | (13.27)% |

Source: Bloomberg

| Indices         | Last Price |           | +/-     | %      |
|-----------------|------------|-----------|---------|--------|
|                 | 31-Aug-26  | 30-Sep-26 |         |        |
| FBM KLCI        | 1,725.88   | 1,651.17  | -74.71  | -4.33% |
| FBM MES         | 5,249.38   | 5,534.28  | 284.90  | 5.43%  |
| FBM 100         | 12,574.85  | 12,084.44 | -490.41 | -3.90% |
| FBM 70          | 18,046.89  | 17,574.67 | -472.22 | -2.62% |
| FBM SCAP        | 16,118.07  | 15,950.61 | -167.46 | -1.04% |
| FBM EMAS        | 12,764.63  | 12,292.02 | -472.61 | -3.70% |
| FBM SHA         | 12,552.09  | 12,176.35 | -375.74 | -2.99% |
| FBM HIJRAH      | 13,837.94  | 13,481.74 | -356.20 | -2.57% |
| FBM SCAPS       | 15,239.89  | 15,044.27 | -195.62 | -1.28% |
| MSCI APxJ (USD) | 890.17     | 879.37    | -10.81  | -1.21% |
| MSCI ACWI (USD) | 1,149.22   | 1,134.77  | -14.45  | -1.26% |

Source: Bloomberg

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