Author(s)

Strategy Team
research@midf.com.my

Strategy Report

TRADING RADAR

BM PLANTATION: Attempting All-Time-High Breakout

BM Plantation tested A-T-H before pullback

The Bursa Malaysia (BM) Plantation Index recently breached its 12-year historical high of 9,407 points – a peak established in May 2014 – before experiencing a retracement. This technical pullback is not unusual when an index initially tests a significant, decade-old resistance level.

BURSA MALAYSIA PLANTATION INDEX



Short-term consolidation toward support level

In the short term, the BM Plantation Index is expected to undergo continued price consolidation toward its trend or psychological support level at 9,000 points. This technical correction will cool down the index's Relative Strength Index (RSI), pulling it away from overbought territory.

Absorb recent gains ahead of a decisive breakout by year-end

Decompressing this momentum will allow the BM Plantation Index to absorb recent gains and solidify its baseline ahead of a subsequent, more decisive breakout attempt. Supported by its positive price trend, we expect the BM Plantation Index to attempt a breakout by the end of this year.

FUNDAMENTAL: Potential higher CPO price due to weather and war

FUNDAMENTAL HIGHLIGHTS: Major weather organizations expect a Super El Niño to peak between November 2026 and January 2027, potentially driving up crude palm oil (CPO) prices in 2027. Moreover, prolonged blockades of the main chokepoints due to war in the Middle East could push crude oil prices higher, putting a premium on CPO prices.

Accumulate stocks on consolidation

In the interim, we recommend accumulating select plantation stocks on consolidation. Technically, the select stocks under our coverage among BM Plantation Index constituents are as follow:



SD GUTHRIE

TECHNICAL HIGHLIGHTS:

- TECHNICAL TARGET PRICE: RM7.40
- RSI: Off overbought
- MACD: Positive
- VERDICT: Buy on consolidation toward RM6.25 support level

FUNDAMENTAL HIGHLIGHTS:

- Upstream earnings outlook remains positive, with FFB yields projected to recover supported by better estate productivity and normalised harvesting conditions.
- Recurring land monetisation gains of around RM500m p.a. over the next five years should support earnings and valuation.
- Strategic landbank unlocking remains a catalyst, including the 2,500-acre Sepang Estate development near KLIA Aeropolis



IOI CORPORATION

TECHNICAL HIGHLIGHTS:

- TECHNICAL TARGET PRICE: RM4.84
- RSI: Off overbought
- MACD: Positive
- VERDICT: Buy on consolidation toward RM4.20 support level

FUNDAMENTAL HIGHLIGHTS:

- Upstream division remains the key earnings driver, projected to contribute over 90% of group operating profit in FY26–FY28F.
- Low CPO production cost of around RM1,800–2,000/mt supports margin resilience versus peers.
- Earnings remain sensitive to CPO price recovery, while recent production momentum was robust with higher FFB and CPO output.



TA ANN HOLDINGS

TECHNICAL HIGHLIGHTS:

- TECHNICAL TARGET PRICE: RM6.80
- RSI: Overbought
- MACD: Slight positive
- VERDICT: Buy on consolidation toward RM5.55 support level

FUNDAMENTAL HIGHLIGHTS:

- Operational fundamentals remain resilient, supported by stronger FFB output and a production profile less affected by dry weather.
- Earnings improved year-on-year, underpinned by stronger palm oil earnings and lower production cost.
- Dividend appeal remains strong, with FY25 DPS of 40 sen/share, translating to a yield above 7%.



SARAWAK PLANTATION

TECHNICAL HIGHLIGHTS:

- TECHNICAL TARGET PRICE: RM5.15
- RSI: Overbought
- MACD: Positive
- VERDICT: Buy on consolidation toward RM4.05 support level

FUNDAMENTAL HIGHLIGHTS:

- Earnings growth is supported by the maturation of around 1,500ha over FY26–FY27, improving FFB output, yields and OER.
- Pure Malaysian upstream exposure provides leverage to firmer CPO prices and shields the group from Indonesia regulatory risks.
- Fertiliser cost risk is partly mitigated as more than 60% of FY26 fertiliser needs were secured before recent price spikes.

MBSB Research is part of MBSB Investment Bank Berhad (197501002077 (24878-X).

(Bank Pelaburan) (A Participating Organisation of Bursa Malaysia Securities Berhad)

DISCLOSURES AND DISCLAIMER

It is for distribution only to the intended readers and under such circumstances as may be permitted by applicable law. Readers should be fully aware that this report is provided solely for informational purposes and does not constitute a Shariah advice nor constitute an investment recommendation or basis for any credit or other evaluation in any manner whatsoever.

The opinions and analyses contained in this report are based on information obtained or derived from sources that MBSB Investment Bank Berhad believes to be reliable. Any forward-looking statements in this report speak only as of the date of such statements. However, MBSB Investment Bank Berhad makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or reliability of such information, and it should not be relied upon as such.

While the information presented in this report may include references to Shariah -compliant and non-compliant securities or other financial instruments, this report is not, and should not be construed as, an offer to buy or sell any securities or other financial instruments or to promote or endorse any specific investment. Investors are strongly advised to conduct their own due diligence and to consult licensed Shariah or financial advisors before making any investment decisions. Any action taken based on this report is at the sole discretion and risk of the investor.

The analyses in this report are based on numerous assumptions, and different assumptions could yield different results. All opinions and estimates in this report are subject to change without notice.

The research analysts will initiate, update, and cease coverage solely at the discretion of MBSB Investment Bank Berhad. The directors, employees, and representatives of MBSB Investment Bank Berhad and MBSB Berhad may have interests in any of the securities mentioned and may benefit from the information contained herein. Members of MBSB Berhad and their affiliates may provide services to any company or its affiliates whose securities are mentioned in this report. This report shall not be reproduced, distributed, or published in any form or for any purpose without the prior written consent of MBSB Investment Bank Berhad.

MBSB INVESTMENT BANK BERHAD): GUIDE TO RECOMMENDATIONS

TECHNICAL STOCK RECOMMENDATIONS	
TECHNICAL BUY	The share price return is expected to rise by >10% over the next 2 months.
ADD	The share price return is expected to rise by >5% over the next 1 month.
REDUCE	The share price return is expected to fall by >5% over the next 1 month.
TECHNICAL SELL	The share price return is expected to fall by >10% over the next 2 months.