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Data centres to drive growth in Malaysia's energy sector, says RHB Research



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KUCHING: Rising electricity demand from data centres is expected to drive earnings growth in Malaysia's energy sector, with RHB Research maintaining its 'Overweight' rating on the sector.

The research house said stronger data centre demand, new power generation projects and renewable energy initiatives are expected to support the sector's performance in the fourth quarter of 2026 (4Q26).

It identified Tenaga Nasional Bhd (TNB), YTL Power International Bhd, Samaden Group Bhd and Solarvest

Holdings Bhd as its top picks.

The research house said TNB signed five new energy supply agreements (ESAs) with data centres in the first half of 2026, covering a total capacity of 856 megawatts (MW).

TNB has signed ESAs covering 8.4 gigawatts (GW), with 5.7GW of capacity completed, representing a 61 per cent increase year-on-year.

The group is targeting 10 ESAs this year, covering up to 1.5GW of capacity, which the research house expects to support annual electricity sales growth of

between five and six per cent.

The research house also expects the Government to introduce a separate Automatic Fuel Adjustment (AFA) rate for data centres in January 2027 to ease the impact of higher fuel costs on residential customers.

On power generation, the research house expects winners of the NEWGEN26 tender to be announced by year-end.

According to the research house, it cited the Energy Commission had received four bids with a combined capacity of 3.6GW.