



23 FEB, 2026

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The Sun, Malaysia



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KUALA LUMPUR: CIMB Securities Sdn Bhd remained positive on Malaysian equities in 2026, driven by 6.4% earnings growth, 4.4% gross domestic product (GDP) expansion, ringgit strength, policy catalysts and a potential rally ahead of the 16th General Election rally.

In a note, CIMB Securities said domestic investors appear more constructive than foreign funds, which remain light on Malaysia amid concerns over earnings delivery.

"Overall, we observe that domestic investors are more positive on the market than foreign investors, who remain relatively underweight Malaysian equities.

"Key concerns centre on corporate earnings delivery, given past disappointments partly due to higher operating costs, increased taxes, United States import tariffs, and ongoing industry challenges," it said.

It noted that there was no major pushback on its "overweight" stance on banks.

Apart from banks, investors showed interest in SD Guthrie and KL Kepong (land monetisation plans and crude palm oil price prospects), IJM (takeover offer by Sunway), Tenaga Nasional (tax update), property names (share price rally driven by attractive valuations), and Gamuda (recent share price weakness).

CIMB Securities said year-to-date (YTD), the FTSE Bursa Malaysia KLCI has risen 4.25% (or 72 points) to 1,752 points, led by the banking and consumer sectors; it has therefore reiterated its target of 1,772 points.

On Jan 27, the bellwether index hit 1,771.25, surpassing its previous peak of 1,769.16 on Oct 8, 2018.

Besides, it said foreign investors have also turned net buyers of RM1.4 billion YTD versus RM22.3 billion in net outflows in 2025, and the fourth-quarter 2025 earnings season has also begun on a strong note. – Bernama