

Ng Jun Sheng
jsng@hlib.hongleong.com.my

+605-2539615

Traders Brief

Pending a bullish triangle breakout amid Dec seasonality

MARKET REVIEW

Asia. Asian markets wavered as investors weighed mixed signals from the US and Japan. Softer US economic data and easing inflation worries strengthened expectations for deeper Fed rate cuts. At the same time, rising bets on a 19 Dec BOJ rate hike alongside a firmer yen and higher Japanese yields, raising concern of a yen carry-trade unwind.

US. Wall Street (S&P 500: +0.25%, Nasdaq: +0.59%, Dow: +0.39%) clawed back some ground after the prior session's rout, lifted by rebounds in crypto and AI-tech names. Fresh ISM data pointing to deeper manufacturing weakness has strengthened expectations of a Fed pivot, with futures now pricing an 89% chance (vs. 63% a month ago) of a 25 bps cut at the 10 Dec meeting. Cooling data, easing inflation, and dovish Fed signals are fuelling the shift, further amplified by Trump's comment that he plans to announce a Fed chief nominee in early 2026 to succeed Powell when his term ends in May.

Malaysia. Tracking stronger ASEAN markets, the KLCI gained 6 pts to 1,630.6, lifted by advances in MAYBANK, CIMB, NESTLE, PBBANK, RHBBANK and PCHEM, as investors looked past the recently concluded 29 Nov Sabah polls and focused on a commendable Nov results season. After dumping RM1.13bn in Nov, foreign investors returned as net buyers for a second straight session in Dec (+RM155m; Dec MTD: +RM213m; YTD: +RM20.07bn). In contrast, local institutions (-RM94m; Dec MTD: -RM82m; YTD: +RM19.62bn) and retailers (-RM61m; Dec MTD: -RM131m; YTD: +RM445m) emerged as the major net sellers.

OUTLOOK

Externally, the KLCI may see bouts of volatility as investors track the upcoming BOJ meeting, where a potential rate hike could lift the yen and bond yields, heightening carry-trade risks and pressuring risk assets. Locally, markets are digesting the post-Sabah election landscape and the prospect of a cabinet reshuffle, which the Prime Minister may use to strengthen Federal-Sabah ties and signal greater inclusivity.

Overall, any dips should find strong support near 1,590–1,600, underpinned by firm fundamentals, undemanding valuations, and favourable seasonality. This sets the stage for a potential retest of the 1,643–1,659 resistance zone after back-to-back monthly declines in Oct (–2.7 pts) and Nov (–4.7 pts).

Key catalysts include:

- Stronger macro momentum.** Jan–Sep approved investments rose 12% YoY to RM285.2bn, while GDP growth of 4.5–4.1% projected for 2025–26 is backed by major drivers: VMY 2026, the New Industrial Master Plan 2030, the National Energy Transition Roadmap, the National Semiconductor Strategy, and regional EV-hub ambitions.
- Room for catch-up.** A firmer ringgit (+7.5% YTD) and an undemanding CY2026 KLCI P/E of 14.1x (vs. the 5-year average of 17.2x) support laggard upside, alongside CY2025/26 earnings growth of +2.6%/+7.6%.
- Light foreign positioning.** Foreign shareholding remains low at 18.8% in Oct (near the all-time low of 18.7% in Sep), with YTD outflows of –RM20.07bn. Steady institutional (+RM19.62bn) and retail (+RM445m) inflows continue to anchor the market.
- December seasonality.** Historically supportive, with average returns of 2.1%/2.0% over the past 10/20 years, aided by window-dressing flows.

Daily trade stats (net trades, RM'm)			
	Local insti	Retail	Foreign
25-Nov	(30)	(19)	49
26-Nov	(106)	(14)	120
27-Nov	(187)	29	158
28-Nov	372	112	(484)
1-Dec	12	(70)	58
2-Dec	(94)	(61)	155
Week ended 14 Nov	(318)	(158)	476
Week ended 21 Nov	1,005	29	(1,034)
Week ended 28 Nov	357	128	(485)
WTD ending 5 Dec	(82)	(131)	213
Jan 25	1,922	1,213	(3,135)
Feb 25	1,407	794	(2,201)
Mar 25	4,394	234	(4,628)
Apr 25	1,937	(50)	(1,887)
May 25	(883)	(144)	1,027
June 25	1,691	(394)	(1,297)
July 25	705	238	(943)
Aug 25	3,401	33	(3,434)
Sep 25	378	(454)	76
Oct 25	3,426	(697)	(2,729)
Nov 25	1,325	(197)	(1,128)
Dec MTD	(82)	(131)	213
2025 YTD	19,621	445	(20,066)

Market snapshot					
	Dow	chg	KLCI	chg	G/L
25-Nov	47112	664	1611.7	(7.0)	0.95
26-Nov	47427	315	1624.5	12.8	0.85
27-Nov	47427	-	1617.5	(7.0)	0.69
28-Nov	47716	289	1604.5	(13.0)	0.43
1-Dec	47289	(427)	1624.6	20.1	0.77
2-Dec	47474	185	1630.6	6.0	0.81

Market breadth: Gainers (G)/Losers (L)

Average daily trading (ADT)		
	ADT Vol (bn shrs)	ADT Value (RM'bn)
25-Nov	4.39	2.82
26-Nov	3.87	2.98
27-Nov	4.21	2.83
28-Nov	4.09	3.36
1-Dec	3.99	2.79
2-Dec	3.94	3.33
Sep 25	3.02	2.67
Oct 25	3.59	2.88
Nov 25	4.09	2.89
Dec MTD	3.97	3.06
2025 YTD	3.16	2.58

Sources: HLIB, Bursa

Technical view: Pending a triangle breakout

Despite near-term choppiness, we remain constructive on the KLCI's prospects, with the index poised for a bullish triangle breakout, reinforced by the historically stronger seasonality in Dec. A sustained close above the immediate hurdles at the 1,622/20-day MA and 1,643 (downtrend line) would pave the way for a retest of the YTD peak at 1,659. On the flip side, failure to clear these hurdles could witness the index to trap in a triangle consolidate, with key support levels anchored at 1,600 and 1,590/100-day MA.

Daily KLCI: Temporarily locked in triangle breakout



Source: Investing.com

Figure #1 Virtual portfolio (Bullish Trackers: Maximum Holding Period is 1-3 Weeks)

No	Stocks	Report date	Entry Price (RM)	S1	S2	R1	R2	LT Target Price	Stop loss	Highest price since report	Lowest price since report	Last price ⁶ RM	Gains/Loss since report ⁷	Remarks
1	UBER	3-Nov	96.80	94.30	91.70	102.00	104.00	107.00	91.50	100.34	90.08	93.00	-3.9%	Closed on 13 Nov amid weakening technicals
2	OPTIMAX	3-Nov	0.64	0.62	0.59	0.74	0.78	0.81	0.585	0.665	0.635	0.645	0.8%	Closed on 13 Nov amid weakening technicals
3	ANCOMNY	4-Nov	0.930	0.930	0.900	0.990	1.030	1.050	0.885	0.940	0.910	0.930	0.0%	Closed on 13 Nov amid weakening technicals
4	Topsports	5-Nov	3.10	3.10	3.03	3.20	3.35	3.53	2.95	3.40	3.01	3.37	8.7%	Took profit on 13 Nov
5	XIOAMI	6-Nov	42.98	42.30	40.90	45.90	48.90	51.90	40.80	44.62	40.52	40.90	-4.8%	Closed on 18 Nov at S2 amid weakening technicals
6	SUMWAY	7-Nov	5.47	5.44	5.36	5.83	5.93	6.00	5.24	5.59	5.30	5.50	0.5%	Closed on 1 Dec amid weakening technicals
7	MATRIX	10-Nov	1.34	1.31	1.28	1.43	5.93	1.47	1.27	1.40	1.31	1.36	1.5%	Closed on 1 Dec amid weakening technicals
8	L&G	11-Nov	0.15	0.15	0.14	0.18	0.19	0.21	0.135	0.160	0.140	0.155	3.3%	Closed on 1 Dec amid weakening technicals
9	MCEHLDG	12-Nov	1.75	1.73	1.70	1.84	1.93	2.03	1.670	1.790	1.55	1.67	-4.6%	Cut loss on 24 Nov
10	KINGDEE	13-Nov	14.92	15.20	14.90	15.83	16.70	17.30	14.250	15.170	13.47	14.31	-4.1%	Closed on 25 Nov amid weakening technicals
11	ZETRIX	14-Nov	0.845	0.810	0.790	0.880	0.915	0.960	0.780	0.865	0.800	0.825	-2.4%	Closed on 1 Dec amid weakening technicals
12	AFFIN	20-Nov	2.290	2.250	2.210	2.390	2.540	2.680	2.180	2.320	2.210	2.270	-0.9%	
13	WUXI XDC	20-Nov	67.700	67.700	65.200	71.700	74.500	78.800	64.400	71.400	63.700	66.050	-2.4%	
14	SSB8	21-Nov	0.570	0.560	0.540	0.605	0.620	0.670	0.535	0.590	0.565	0.580	1.8%	
15	KUAISHOU	24-Nov	64.000	64.000	62.000	69.000	72.000	74.100	59.700	71.750	65.000	70.650	10.4%	Took profit on 25 Nov
16	SIMEPROP	25-Nov	1.360	1.340	1.310	1.400	1.450	1.510	1.290	1.450	1.370	1.400	2.9%	
17	NetEase	26-Nov	216.00	213.00	210.00	223.00	233.00	205.00	248.00	222.40	211.00	222.40	3.0%	
18	YTLPOWR	27-Nov	3.580	3.580	3.510	3.820	3.930	4.120	3.450	3.660	3.230	3.450	-3.6%	Cut loss on 28 Nov
19	MEITU	28-Nov	8.600	8.680	8.500	9.310	9.600	9.930	8.100	8.700	8.100	8.500	-1.2%	Closed on 1 Dec amid weakening technicals
20	QCOM	28-Nov	163.0	163.0	158.0	176.0	182.0	187.7	155.0	168.2	164.1	168.1	3.1%	

Figure #2 Virtual portfolio performance

	2024												
	Cumulative Return	Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	YTD 2025
Total calls made	95	4	6	6	4	8	8	33	25	21	27	20	162
Total winners	64	1	2	6	4	7	6	21	16	18	14	10	105
Total losers	31	3	4	-	-	1	2	12	9	3	13	10	57
Successful hit rates	67%	25%	33%	100%	100%	88%	75%	64%	64%	86%	52%	50%	65%
Average return	44.2%	-2.6%	-4.0%	4.0%	7.6%	6.2%	4.9%	2.0%	3.5%	4.8%	1.2%	-0.6%	26.9%
Relative against CI	55.2%	-0.3%	-2.2%	4.1%	5.7%	7.0%	3.8%	1.9%	2.3%	8.0%	1.4%	-0.7%	30.7%

Note:

1. HLIB Retail Research runs a "virtual portfolio" and this should not be construed that HLIB has taken a position.
2. Maximum holding period for stocks recommended are ranging from one week to four weeks. We will take profit (depending on strength of technical chart reading) should share price reach our R1/R2/LT upside targets.
3. We will close the positions upon expiry of the maximum holding period even if the stocks fail to achieve our R1/R2/LT upside targets and/or remained above the cut loss level;
4. For Sell ratings, we consider the return as equivalent to the losses make if investors did not sell;
5. Prices shall be adjusted accordingly in the event of relevant exercises (i.e. dividend, bonus, rights issues etc)
6. S=Support; R=Resistance;
7. For those that we took profit, this column shows the price level which we exited from the trade.
8. Excluding brokerage, stamp duty as well as clearing fees.

Disclaimer

The information contained in this report is based on data obtained from sources believed to be reliable. However, the data and/or sources have not been independently verified and as such, no representation, express or implied, are made as to the accuracy, adequacy, completeness or reliability of the info or opinions in the report.

Accordingly, neither Hong Leong Investment Bank Berhad nor any of its related companies and associates nor person connected to it accept any liability whatsoever for any direct, indirect or consequential losses (including loss of profits) or damages that may arise from the use or reliance on the info or opinions in this publication.

Any information, opinions or recommendations contained herein are subject to change at any time without prior notice. Hong Leong Investment Bank Berhad has no obligation to update its opinion or the information in this report.

Investors are advised to make their own independent evaluation of the info contained in this report and seek independent financial, legal or other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report. Nothing in this report constitutes investment, legal, accounting or tax advice or a representation that any investment or strategy is suitable or appropriate to your individual circumstances or otherwise represents a personal recommendation to you.

Under no circumstances should this report be considered as an offer to sell or a solicitation of any offer to buy any securities referred to herein.

Hong Leong Investment Bank Berhad and its related companies, their associates, directors, connected parties and/or employees may, from time to time, own, have positions or be materially interested in any securities mentioned herein or any securities related thereto, and may further act as market maker or have assumed underwriting commitment or deal with such securities and provide advisory, investment or other services for or do business with any companies or entities mentioned in this report. In reviewing the report, investors should be aware that any or all of the foregoing among other things, may give rise to real or potential conflict of interests.

This research report is being supplied to you on a strictly confidential basis solely for your information and is made strictly on the basis that it will remain confidential. All materials presented in this report, unless specifically indicated otherwise, are under copyright to Hong Leong Investment Bank Berhad. This research report and its contents may not be reproduced, stored in a retrieval system, redistributed, transmitted or passed on, directly or indirectly, to any person or published in whole or in part, or altered in any way, for any purpose.

This report may provide the addresses of, or contain hyperlinks to websites. Hong Leong Investment Bank Berhad takes no responsibility for the content contained therein. Such addresses or hyperlinks (including addresses or hyperlinks to Hong Leong Investment Bank Berhad own website material) are provided solely for your convenience. The information and the content of the linked site do not in any way form part of this report. Accessing such website or following such link through the report or Hong Leong Investment Bank Berhad website shall be at your own risk.

1. As of 03 December 2025, Hong Leong Investment Bank Berhad has proprietary interest in the following securities covered in this report:
(a) -.

2. As of 03 December 2025, the analyst(s) whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:
(a) -.

Published & printed by:

Hong Leong Investment Bank Berhad (10209-W)

Level 28, Menara Hong Leong,
No. 6, Jalan Damanlela,
Bukit Damansara,
50490 Kuala Lumpur
Tel: (603) 2083 1800
Fax: (603) 2083 1766

Stock rating guide

BUY	Expected absolute return of +10% or more over the next 12 months.
HOLD	Expected absolute return of -10% to +10% over the next 12 months.
SELL	Expected absolute return of -10% or less over the next 12 months.
UNDER REVIEW	Rating on the stock is temporarily under review which may or may not result in a change from the previous rating.
NOT RATED	Stock is not or no longer within regular coverage.

Sector rating guide

OVERWEIGHT	Sector expected to outperform the market over the next 12 months.
NEUTRAL	Sector expected to perform in-line with the market over the next 12 months.
UNDERWEIGHT	Sector expected to underperform the market over the next 12 months.

The stock rating guide as stipulated above serves as a guiding principle to stock ratings. However, apart from the abovementioned quantitative definitions, other qualitative measures and situational aspects will also be considered when arriving at the final stock rating. Stock rating may also be affected by the market capitalisation of the individual stock under review.