

HLIB Research

PP 9484/12/2012 (031413)

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

+605-2539615

Traders Brief

Pending a bullish triangle breakout amid Dec seasonality and Fed-fuelled optimism

MARKET REVIEW

Asia. Asian markets surrendered early gains to finish mixed as investors parsed the Fed's 3rd rate cut of 2025 and Powell's post-meeting remarks. Sentiment soured further following Oracle's downbeat earnings and unveiled massive AI-infrastructure capex plans, rekindling concerns about overheated AI spending and stretched valuations despite the Fed's dovish tilt and expanded asset-purchase plans. Adding to the drag, Japan's persistently firm November PPI stoked bets that the BOJ could hike on 19 December, in line with the RBA and ECB, both of which have clearly signalled the end of their easing cycles.

US. The Dow skyrocketed 646 pts to a record 48,704, while the Nasdaq eased 0.26% to 23,593 as investors rotated out of pricey tech and into cyclicals and beaten-down value names after Oracle's sluggish results and hefty AI-capex plans. Markets cheered Powell's upbeat view of the US economy and his less-hawkish tone, reinforced by the Fed's move to buy short-dated Treasuries, even as he stressed a higher bar for additional cuts and a data-dependent path. This bolstered expectations for at least two cuts in 2026 (vs. the Fed's one) and sharpened focus on the policy reset likely under a new Fed chair when Powell's term ends next May.

Malaysia. Defying the region's cautious tone, the KLCI jumped 14.4 pts to 1,625.4 after a three-week consolidation, driven by bargain hunting in MAYBANK, CIMB, AXIATA, PBBANK, SDG and PMETAL. Despite the index's strength, market breadth slipped to 0.82 (from 1.09), with turnover easing to 3.11bn shares (-19.4%) worth RM2.38bn (+7.7%) as interest rotated back to mid and large-caps ahead of potential year-end window-dressing flows. Foreign investors extended their selling streak for a sixth day (-RM78m; Dec MTD -RM509m; YTD -RM20.79bn), while local institutions (+RM53m; Dec MTD +RM562m; YTD +RM20.27bn) and retailers (+RM25m; Dec MTD -RM54m; YTD +RM0.52bn) emerged as the key net buyers.

OUTLOOK

Echoing Wall Street's Santa Claus rally, the KLCI is poised to grind higher in the near term, despite lingering risks from a potential BOJ hike next week, China-Japan tensions, and possible cabinet shifts following the 29 Nov Sabah polls. Still, solid fundamentals, undemanding valuations and supportive December seasonality keep the backdrop constructive—setting the stage for a potential triangle breakout by end-Dec toward the 1,650–1,660 zones.

KLCI Technical view: Eyeing triangle breakout

We remain sanguine of a potential triangle breakout on the KLCI, which continues to ride above its support trendline and reclaimed above 20D MA/ 1,619, supported by strong December seasonality and continued Fed-cut optimism. This would open the door for a breakout above the upper trendline near 1,641, setting up a move toward 1,659 (52-week high) and 1,686 (110% FE). Failure to clear this hurdle may keep the index in consolidation, with support seen at 1,600 (trendline) and 1,595 (100D MA).

Daily trade stats (net trades, RM'm)			
	Local insti	Retail	Foreign
4 Dec (RM'm)	59	21	(80)
5 Dec (RM'm)	131	41	(172)
8 Dec (RM'm)	157	39	(196)
9 Dec (RM'm)	131	15	(146)
10 Dec (RM'm)	138	(38)	(100)
11 Dec (RM'm)	53	25	(78)
Week ended 21 Nov (RM'm)	1,005	29	(1,034)
Week ended 28 Nov (RM'm)	357	128	(485)
Week ended 5 Dec (RM'm)	84	(95)	11
WTD ending 12 Dec (RM'm)	478	41	(520)
1Q25 (RM'bn)	7.72	2.24	(9.96)
2Q25 (RM'bn)	2.75	(0.59)	(2.16)
3Q25 (RM'bn)	4.48	(0.18)	(4.30)
4QTD (RM'bn)	5.31	(0.95)	(4.37)
Dec MTD (RMbn)	0.56	(0.05)	(0.51)
YTD 25 (RM'bn)	20.27	0.52	(20.79)

Market snapshot

	Dow	chg	KLCI	chg	G/L
4-Dec	47851	(32)	1621.1	(1.8)	0.99
5-Dec	47955	104	1616.5	(4.6)	0.73
8-Dec	47739	(216)	1612.8	(3.7)	0.44
9-Dec	47560	(179)	1614.2	1.4	0.81
10-Dec	48057	497	1611.0	(3.2)	1.09
11-Dec	48704	646	1625.4	14.4	0.82

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

Average daily trading (ADT)

	ADT Vol (bn shrs)	ADT Value (RM'bn)
4-Dec	4.48	2.75
5-Dec	3.17	2.24
8-Dec	3.36	2.15
9-Dec	3.17	2.37
10-Dec	3.86	2.21
11-Dec	3.11	2.38
Sep 25	3.02	2.67
Oct 25	3.59	2.88
Nov 25	4.09	2.89
Dec MTD	3.60	2.50
2025 YTD	3.17	2.57

Sources: HLIB, Bursa

Daily KLCI: Eyeing a 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	OSK	2-Dec	1.36	1.34	1.31	1.45	1.49	1.54	1.29	1.43	1.36	1.42	4.4%	
2	SUNNY OPTICAL	3-Dec	66.80	65.70	63.00	71.20	74.70	78.90	62.70	69.75	66.20	68.90	3.1%	
3	GAMUDA	5-Dec	5.15	5.00	4.88	5.37	5.50	5.80	4.86	5.25	4.78	5.00	-2.9%	
4	MCEHLDG	5-Dec	1.63	1.56	1.50	1.68	1.78	1.93	1.49	1.65	1.59	1.65	1.2%	
5	SUNWAY	8-Dec	5.43	5.33	5.25	5.72	5.93	6.07	1.49	5.65	5.46	5.58	2.8%	
6	MNHLDG	11-Dec	1.58	1.60	1.55	1.83	1.88	2.00	1.53	1.65	1.57	1.58	0.0%	

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	Dec 2025	YTD 2025
Total calls made	95	4	6	6	4	8	8	33	25	21	27	20	5	167
Total winners	64	1	2	6	4	7	6	21	16	18	14	11	3	109
Total losers	31	3	4	-	-	1	2	12	9	3	13	9	2	58
Successful hit rates	67%	25%	33%	100%	100%	88%	75%	64%	64%	86%	52%	55%	60%	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%	0.5%	1.4%	29.5%
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%	2.2%	34.3%

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 12 December 2025, Hong Leong Investment Bank Berhad has proprietary interest in the following securities covered in this report:

(a) -.

2. As of 12 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.