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Traders Brief

Holding firm above 1,600 before the FOMC decision despite foreign outflows

Daily trade stats (net trades, RM'm)			
	Local insti	Retail	Foreign
1-Dec	12	(70)	58
2-Dec	(94)	(61)	155
3-Dec	(24)	(26)	50
4-Dec	59	21	(80)
5-Dec	131	41	(172)
8-Dec	157	39	(196)
Week ended 21 Nov	1,005	29	(1,034)
Week ended 28 Nov	357	128	(485)
Week ended 5 Dec	84	(95)	11
WTD ending 12 Dec	157	39	(196)
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	241	(56)	(185)
2025 YTD	19,944	520	(20,464)

MARKET REVIEW

Asia. Asian markets treaded water ahead of the key FOMC decision on 11 Dec as investors digested China's stronger-than-expected November exports amid a tariff truce with the US, alongside a downward revision in Japan's 3Q GDP. Caution lingered, however, given rising geopolitical tensions between Japan and China and expectations that the BOJ may still hike rates on 19 Dec despite the weaker GDP print.

US. Wall Street slipped overnight, snapping its two-week rally (S&P 500 -0.35%, Nasdaq -0.14%, Dow -0.45%) as investors turned cautious ahead of the 11 Dec FOMC decision. Sentiment was pressured by a firmer 10-year Treasury yield (+3 bps to 4.16%), despite an 89% probability of a 25 bps Fed cut this week, as lingering concerns over 2026 inflation and the Fed's ability to sustain an easing cycle weighed on risk appetite.

Malaysia. Mirroring the region's cautious tone, the KLCI slid as much as 15 pts to 1,601 before trimming losses to -3.7 pts at 1,612.8, amid renewed foreign outflows as investors positioned for a potential Fed-BOJ policy divergence. Market breadth weakened to 0.44 (vs 0.73 last Friday), with turnover at 3.36bn shares worth RM2.15bn. Foreign investors were net sellers for the 3rd straight session (-RM196m; Dec MTD: -RM185m; YTD: -RM20.46bn). In contrast, local institutions (+RM157m; Dec MTD: +RM241m; YTD: +RM19.94bn) and retailers (+RM39m; Dec MTD: -RM56m; YTD: +RM520m) emerged as the key net buyers.

OUTLOOK

In the near term, the KLCI is likely to drift sideways as investors await the upcoming Fed and BOJ meetings while digesting lingering China-Japan diplomatic tensions and the potential cabinet reshuffle following the 29 Nov Sabah polls. Despite continued foreign outflows, KLCI is likely to find support at 1,594–1,600, underpinned by firm fundamentals, undemanding valuations, and favourable December seasonality. This backdrop keeps the door open for a potential retest of the 1,641–1,659 resistance zone after consecutive monthly declines in October (-2.7 pts) and November (-4.7 pts).

Technical view: Drifting sideways before eyeing a triangle breakout

Despite near-term volatility, we stay constructive on the KLCI, which is poised for a bullish triangle breakout backed by strong December seasonality and rising Fed-cut optimism. A sustained close above immediate resistance at 1,622/20D MA would pave the way for an imminent breakout above the upper trendline near 1,641, paving way to revisit 1,659 (52-week high) and 1,686 (110% FE). Failure to break this hurdle may keep the index in consolidation, with supports at 1,600 and 1,594 (100D MA).

VIRTUAL PORTFOLIO

We had squared off our virtual portfolio stocks on SIMEPROP (5.1% gain) and AFFIN (-1.7% loss).

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

Average daily trading (ADT)		
	ADT Vol (bn shrs)	ADT Value (RM'bn)
1-Dec	3.99	2.79
2-Dec	3.94	3.33
3-Dec	3.28	2.30
4-Dec	4.48	2.75
5-Dec	3.17	2.24
8-Dec	3.36	2.15
Sep 25	3.02	2.67
Oct 25	3.59	2.88
Nov 25	4.09	2.89
Dec MTD	3.70	2.59
2025 YTD	3.15	2.57

Sources: HLIB, Bursa

Daily KLCI: Drifting sideways before 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	AFFIN	20-Nov	2.290	2.250	2.210	2.390	2.540	2.680	2.180	2.320	2.210	2.250	-1.7%	Closed on 8 Dec amid weakening technicals
2	WUXI XDC	20-Nov	67.700	67.700	65.200	71.700	74.500	78.800	64.400	71.400	62.300	65.200	-3.7%	Closed on 3 Dec amid weakening technicals
3	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%	Took profit on 5 Dec
4	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
5	SIMEPROP	25-Nov	1.360	1.340	1.310	1.400	1.450	1.510	1.290	1.450	1.330	1.430	5.1%	Took profit on 8 Dec
6	NetEase	26-Nov	216.00	213.00	210.00	223.00	233.00	248.00	205.00	226.80	211.00	223.00	3.2%	Took profit on 2 Dec
7	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
8	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
9	QCOM	28-Nov	163.0	163.0	158.0	176.0	182.0	187.7	155.0	177.3	164.1	176.0	8.0%	Took profit on 5 Dec
10	OSK	2-Dec	1.36	1.34	1.31	1.45	1.49	1.54	1.29	1.42	1.36	1.38	1.5%	
11	SUNNY OPTICAL	3-Dec	66.80	65.70	63.00	71.20	74.70	78.90	62.70	69.75	66.20	68.55	2.6%	
12	GAMUDA	5-Dec	5.15	5.00	4.88	5.37	5.50	5.80	4.86	5.25	5.14	5.20	1.0%	
13	MCEHLDG	5-Dec	1.63	1.56	1.50	1.68	1.78	1.93	1.49	1.64	1.61	1.63	0.0%	
14	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%	

Figure #2 Virtual portfolio performance

	Cumulative Return	2024												
		Jan 2025	Feb 2025	Mar 2025	Apr 2025	May 2025	June 2025	July 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 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	5	111
Total losers	31	3	4	-	-	1	2	12	9	3	13	9	-	56
Successful hit rates	67%	25%	33%	100%	100%	88%	75%	64%	64%	86%	52%	55%	100%	66%
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%	1.6%	29.6%
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.

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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.

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