

HLIB Research

PP 9484/12/2012 (031413)

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

+605-2539615

Traders Brief

Marching towards 1,650-1,660 zones amid Dec seasonality tailwinds, RM strength and Fed-driven optimism

MARKET REVIEW

Asia. Asian bourses tracked Wall Street lower amid a tech-led sell-off, triggered by lukewarm outlooks from AI-linked heavyweights Broadcom and Oracle that raised doubts over the durability of the AI boom. Adding to the fragile backdrop, China's October industrial output, retail sales and fixed-asset investment all missed expectations. Caution also lingered ahead of the Bank of Japan's Dec. 19 meeting, as Japan's business sentiment climbed to a 4-year high, keeping alive BOJ rate-hike view (+0.25% to 0.75%).

US. The Dow gave up a 221-point rally to finish down 41 points at 48,416 as AI-linked stocks dragged markets lower. Broadcom sank 5.6% after warning on margins, while Oracle fell 2.6% on weaker guidance, stoking fresh concerns around AI profitability. With semiconductors under pressure, investors turned cautious ahead of a data-heavy week featuring U.S. payrolls, inflation, PMIs, and pivotal central bank meetings.

Malaysia. Defying weak Wall Street and regional cues, the KLCI climbed 5.9 points to a 14-month high of 1,643.7, lifted by December seasonality tailwinds, a firmer ringgit, and Fed-driven optimism. However, market breadth was negative as losers beat gainers 641–402, while turnover thinned on profit-taking following strong MTD gains (+33 pts). Foreign selling persisted for a seventh session out of eight (-RM134m; MTD: -RM595m; YTD: -RM20.87bn), joined by local retailers (-RM10m). Local institutions once again provided the floor, buying RM144m (MTD: +RM762m; YTD: +RM20.46bn).

OUTLOOK

Despite lingering risks from a potential BOJ hike on 19 Dec, China–Japan tensions, and possible cabinet shifts following the 29 Nov Sabah polls, the KLCI is still expected to grind higher towards 1,650-1,660 by end Dec, underpinned by several supportive factors:

- Resilient growth (2025/26 GDP: 4.5/4.1%),
- Undemanding valuation (2026F P/E: 14.2x vs 5Y mean 17.2x)
- Strong corporate earnings growth (CY26: +7.6%),
- Strengthening RM vs USD (8.4% YTD)
- Dec seasonality tailwinds (average returns 10Y/20Y: +2.1%/2.0%)
- The scope for selective foreign inflows amid low foreign ownership and appreciating RM (Nov: 19% vs all-time-low of 18.7% in Sep)

KLCI Technical view: Eyeing a decisive LT downtrend line breakout

We remain constructive on the KLCI's prospects for a sustainable long-term downtrend breakout (drawn from the April 2018 all-time high of 1,897). The index continues to hold above its rising support trendline and the 20-day MA near 1,620, underpinned by strong December seasonal tailwinds, Fed rate-cut optimism, and a firmer ringgit. A decisive break above 1,641 (key downtrend resistance) would pave the way for further upside toward 1,659 (52-week high) and 1,686 (110% FE). Conversely, failure to clear this level could see the market consolidate, with supports at 1,631 (90% FR), 1,620, and 1,600 (uptrend line).

Daily trade stats (net trades, RM'm)			
	Local insti	Retail	Foreign
8 Dec (RM'm)	156	39	(195)
9 Dec (RM'm)	131	15	(146)
10 Dec (RM'm)	138	(38)	(100)
11 Dec (RM'm)	53	25	(78)
12 Dec (RM'm)	56	(103)	47
15 Dec (RM'm)	144	(10)	(134)
Week ended 28 Nov (RM'm)	357	128	(485)
Week ended 5 Dec (RM'm)	84	(95)	11
Week ended 12 Dec (RM'm)	534	(62)	(472)
WTD ending 19 Dec (RM'm)	144	(10)	(134)
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)	5.51	(1.06)	(4.45)
Oct 25 (RM'bn)	3.43	(0.70)	(2.73)
Nov 25 (RM'bn)	1.33	(0.20)	(1.13)
Dec MTD (RM'bn)	0.77	(0.17)	(0.60)
2025 YTD (RM'bn)	20.46	0.41	(20.87)

Market snapshot					
	Dow	chg	KLCI	chg	G/L
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	647	1625.4	14.4	0.82
12-Dec	48458	(246)	1637.8	12.4	1.92
15-Dec	48416	(42)	1643.7	5.9	0.63

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

Average daily trading (ADT)		
	ADT Vol (bn shrs)	ADT Value (RM'bn)
8-Dec	3.36	2.15
9-Dec	3.17	2.37
10-Dec	3.86	2.21
11-Dec	3.11	2.38
12-Dec	3.09	2.46
15-Dec	2.50	2.16
Sep 25	3.02	2.67
Oct 25	3.59	2.88
Nov 25	4.09	2.89
Dec MTD	3.45	2.47
2025 YTD	3.17	2.57

Sources: HLIB, Bursa



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	1.49	1.36	1.48	8.8%	
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%	Took profit on 11 Dec
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%	Closed on 11 Dec amid weakening technicals
4	MCEHLDG	5-Dec	1.63	1.56	1.50	1.68	1.78	1.93	1.49	1.65	1.59	1.63	0.0%	
5	SUNWAY	8-Dec	5.43	5.33	5.25	5.72	5.93	6.07	1.49	5.65	5.46	5.55	2.2%	
6	MNHLDG	11-Dec	1.58	1.60	1.55	1.83	1.88	2.00	1.53	1.65	1.52	1.54	-2.5%	
7	FRONTKN	15-Dec	4.24	4.17	4.00	4.51	4.63	4.83	4.05	4.27	4.21	4.24	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	7	169
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	2	58
Successful hit rates	67%	25%	33%	100%	100%	88%	75%	64%	64%	86%	52%	55%	71%	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%	1.2%	29.3%
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%	0.3%	32.4%

Note:

- HLIB Retail Research runs a "virtual portfolio" and this should not be construed that HLIB has taken a position.
- 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.
- 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;
- For Sell ratings, we consider the return as equivalent to the losses make if investors did not sell;
- Prices shall be adjusted accordingly in the event of relevant exercises (i.e. dividend, bonus, rights issues etc)
- S=support; R=resistance;
- For those that we took profit, this column shows the price level which we exited from the trade.
- 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 16 December 2025, Hong Leong Investment Bank Berhad has proprietary interest in the following securities covered in this report:

(a) -.

2. As of 16 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.