

HLIB Research

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Traders Brief

All eyes on FOMC decision on 11 Dec

MARKET REVIEW

Daily trade stats (net trades, RM'm)			
	Local insti	Retail	Foreign
28-Nov	372	112	(484)
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)
Week ended 14 Nov	(318)	(158)	476
Week ended 21 Nov	1,005	29	(1,034)
Week ended 28 Nov	357	128	(485)
Week ended 5 Dec	84	(105)	11
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	84	(95)	11
2025 YTD	19,787	481	(20,268)

Asia. Asian markets were broadly mixed ahead of the delayed US Sep PCE release, as investors avoided major positioning before the 11 Dec FOMC (with 87% odds of a 25 bps cut) and 19 Dec BOJ (with 80% odds of a 25 bps hike) meetings. The Sensex gained 0.56% after the RBI enacted a widely anticipated 25 bps cut to 5.25% to support growth amid easing inflation. Meanwhile, the Nikkei 225 slipped 1.05% on mounting expectations of a BOJ rate hike on 19 Dec weighed on sentiment.

US. Wall Street ended mildly higher (S&P 500 +0.19%, Nasdaq +0.31%, Dow +0.22%) as an inline core PCE and soft inflation expectations coupled with firmer Michigan sentiment boosted odds of a 25bp Fed cut this week. Core PCE rose 2.8% YoY in September, right in line, while consumer confidence improved to 53.3 in Dec (Nov: 51) and year-ahead inflation expectations eased to 4.1% in Dec (Nov: 4.5%). On earnings flow, Salesforce surged 5.3% after hours after delivering both earnings beat and stronger guidance.

Malaysia. Tracking the region's cautious tone, the KLCI slipped 4.6 pts to 1,616.5, narrowing earlier losses of 11.4 pts amid renewed foreign outflows as investors positioned for a potential policy divergence between the Fed and BOJ. Market breadth was negative at 0.73 vs 0.99 previously, with turnover slid 29% to 3.17bn shares worth RM2.24bn (-18.5%). Foreign investors returned as net sellers for a 2nd session (-RM172m; Weekly: +RM11m, Dec MTD: +RM11m; YTD: -RM20.27bn). In contrast, local institutions (+RM131m; Weekly: +RM84m, Dec MTD: +RM84m; YTD: +RM19.79bn) and retailers (+RM41m; Weekly: -RM105m, Dec MTD: -RM95m; YTD: +RM480m) emerged as the major net buyers.

OUTLOOK

Market snapshot					
	Dow	chg	KLCI	chg	G/L
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
3-Dec	47883	409	1622.8	(7.8)	1.12
4-Dec	47851	(32)	1621.1	(1.8)	0.99
5-Dec	47955	104	1616.5	(4.6)	0.73

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

Average daily trading (ADT)		
	ADT Vol (bn shrs)	ADT Value (RM'bn)
28-Nov	4.09	3.36
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
Sep 25	3.02	2.67
Oct 25	3.59	2.88
Nov 25	4.09	2.89
Dec MTD	3.77	2.68
2025 YTD	3.17	2.58

Sources: HLIB, Bursa

In the near term, the KLCI is likely to drift sideways as investors await the upcoming Fed and BOJ meetings while digesting the lingering China-Japan diplomatic tensions and the potential cabinet reshuffle after the 29 Nov Sabah polls.

Overall, any dips should find solid support at 1,593–1,600, backed by firm fundamentals, undemanding valuations and favourable December seasonality. This keeps the door open for a potential retest of the 1,641–1,659 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 (+8% YTD) and an undemanding CY2026 KLCI P/E of 14.0x (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 near historical low at 19% in Nov (vs Sep/Oct: 18.7%/18.8%), with YTD outflows of –RM20.27bn but steady institutional (+RM19.78bn) and retail (+RM481m) 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.

Technical view: Drifting sideways before eyeing a triangle breakout

Despite near-term sideways consolidation, 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 (lower trendline).

VIRTUAL PORTFOLIO

We had squared off our virtual portfolio stocks on QCOM (8% gain) and SSB8 (1.8%).

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	2.260	-1.3%	
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	1.420	4.4%	
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	1.37	1.39	2.2%	
11	SUNNY OPTICAL	3-Dec	66.80	65.70	63.00	71.20	74.70	78.90	62.70	69.35	66.20	68.60	2.7%	
12	GAMUDA	5-Dec	5.15	5.00	4.88	5.37	5.50	5.80	4.86	5.24	5.14	5.24	1.7%	
13	MCEHLDG	5-Dec	1.63	1.56	1.50	1.68	1.78	1.93	1.49	1.64	1.61	1.64	0.6%	

Figure #2 Virtual portfolio performance

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	YTD 2025
	Cumulative Return													
Total calls made	95	4	6	6	4	8	8	33	25	21	27	20	4	166
Total winners	64	1	2	6	4	7	6	21	16	18	14	11	4	110
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%	1.8%	29.8%
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%	0.6%	2.3%	34.3%

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 made 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.

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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.
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UNDERWEIGHT	Sector expected to underperform the market over the next 12 months.

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