

HLIB Research

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Traders Brief

KLCI wavers ahead of the FOMC decision

MARKET REVIEW

Asia. Tracking a weaker Wall St and higher US Treasury yields hovering near 4.16%, most Asian markets wobbled as traders stayed on the sidelines ahead of the Fed's final policy decision of 2025. Global bond markets remain under pressure as central banks signal the end of their easing cycles, underscored by hawkish remarks from the RBA and ECB, and expectations of a BOJ hike next week.

US. Wall Street ended mixed (S&P 500 -0.09%, Nasdaq +0.13%, Dow -0.37%) while the US 10-year yield edged up 2 bps to 4.19% as investors awaited the FOMC decision on 11 Dec. Markets are bracing for the Fed's updated economic projections and Powell's final commentary, both of which will heavily shape sentiment going into 2026 amid sticky inflation, a murky macro backdrop, data delays from the record U.S. government shutdown, and uncertainty over the next Fed chair. In corporate news, Nvidia slipped 0.3% after reports that China may restrict domestic H200 purchases, even after Washington approved exports with a 25% surcharge, and Home Depot fell 1.3% after issuing softer earnings-growth guidance for 2026.

Malaysia. Echoing the region's cautious tone, the KLCI fell as much as 6.5 pts before reversing to close +1.4 pts higher at 1,614.2, snapping a four-day losing streak. Market breadth remained negative at 0.81, though improved from 0.44 previously, with turnover at 3.17bn shares worth RM2.37bn. Foreign investors extended their selling for a fourth straight session (-RM146m; Dec MTD: -RM330m; YTD: -RM20.61bn). In contrast, local institutions (+RM131m; Dec MTD: +RM371m; YTD: +RM20.07bn) and retailers (+RM15m; Dec MTD: -RM41m; YTD: +RM0.54bn) were net buyers.

OUTLOOK

The KLCI is likely to trade sideways as investors await the pivotal Fed and BOJ meetings while also weighing lingering China-Japan diplomatic tensions and the potential cabinet reshuffle following the 29 Nov Sabah polls. Despite ongoing foreign outflows, the index should find support at the 1,595-1,600 zone, backed by firm fundamentals, undemanding valuations, and favourable December seasonality. This backdrop leaves room for a potential retest of the 1,641-1,659 resistance band after back-to-back 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 remain constructive on the KLCI, which continues to ride above its support trendline and looks poised for a bullish triangle breakout, supported by strong December seasonality and rising Fed-cut optimism. A sustained close above immediate resistance at 1,620 / the 20D MA 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
2 Dec (RM'm)	(94)	(61)	155
3 Dec (RM'm)	(24)	(26)	50
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)
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)	287	54	(342)
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)	5.12	(0.93)	(4.19)
Dec MTD (RM'bn)	0.37	(0.04)	(0.33)
YTD 25 (RM'bn)	20.07	0.54	(20.61)

Market snapshot					
	Dow	chg	KLCI	chg	G/L
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
8-Dec	47739	(216)	1612.8	(3.7)	0.44
9-Dec	47560	(179)	1614.2	1.4	0.81

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

Average daily trading (ADT)		
	ADT Vol (bn shrs)	ADT Value (RM'bn)
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
9-Dec	3.17	2.37
Sep 25	3.02	2.67
Oct 25	3.59	2.88
Nov 25	4.09	2.89
Dec MTD	3.63	2.56
2025 YTD	3.17	2.58

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	YTLPOWER	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

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	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:

- 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.
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.