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Traders Brief

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

MARKET REVIEW

Asia. Asian markets closed mixed as traders braced for the key US ADP jobs report and November ISM services data, even as expectations for deeper Fed rate cuts strengthened. Sentiment stayed fragile after China's weak services reading and Vanke's surprise bond-payment delay underscored its property woes. Caution also lingered amid speculation the BOJ could raise rates on 19 Dec after Governor Ueda signalled a possible shift.

US. Wall Street (S&P 500: +0.30%, Nasdaq: +0.17%, Dow: +0.86%) rebounded from the 1 Dec selloff after ADP payrolls fell 32k (vs +5k forecast), boosting expectations of a 25 bps cut at the 10 Dec Fed meeting and pushing implied odds to 89% from 83% a week earlier. At the same time, the ISM Services PMI edged up to 52.6 (vs forecast 52.1) in Nov to 9M high, signalling resilient underlying demand even as hiring softens. On corporate front, Marvell jumped 7.9% on stronger DC guidance and improved AI-related revenue and margin assumptions, while Microsoft slipped 2.5% after reports of cuts to AI sales quotas briefly pressured the sector before the company issued a denial.

Malaysia. Tracking the region's cautious tone, the KLCI trimmed earlier losses to finish 7.8 pts lower at 1,622.8 after dropping as much as 12.8 pts, weighed down by heavyweights such as PMETAL, MAYBANK, MAXIS, NESTLE, CDB, IHH and PETGAS. Despite the subdued close, market breadth finally swung positive at 1.12 after eight straight sessions in the red. Foreign investors, who dumped RM1.13bn in November, re-emerged as net buyers for the third consecutive day (+RM50m; Dec MTD: +RM263m; YTD: -RM20.01bn). In contrast, local institutions (-RM24m; Dec MTD: -RM106m; YTD: +RM19.60bn) and retailers (-RM26m; Dec MTD: -RM157m; YTD: +RM419m) emerged as the major net sellers.

OUTLOOK

In the near term, the KLCI may see bouts of volatility as investors track the upcoming Fed and BOJ meetings in the coming weeks, as well as digesting the post-Sabah election landscape and the prospect of a cabinet reshuffle, which the Prime Minister may use to strengthen Federal-Sabah ties and signal greater inclusivity.

Overall, any dips should find strong support near 1,591–1,600, underpinned by firm fundamentals, undemanding valuations, and favourable Dec seasonality. This sets the stage for a potential retest of the 1,643–1,659 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 (+7.8% 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 -RM20.01bn but steady institutional (+RM19.6bn) and retail (+RM419m) inflows continue to anchor the market.

Daily trade stats (net trades, RM'm)			
	Local insti	Retail	Foreign
26-Nov	(106)	(14)	120
27-Nov	(187)	29	158
28-Nov	372	112	(484)
1-Dec	12	(70)	58
2-Dec	(94)	(61)	155
3-Dec	(24)	(26)	50
Week ended 14 Nov	(318)	(158)	476
Week ended 21 Nov	1,005	29	(1,034)
Week ended 28 Nov	357	128	(485)
WTD ending 5 Dec	(106)	(157)	263
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	(106)	(157)	263
2025 YTD	19,597	419	(20,016)

Market snapshot					
	Dow	chg	KLCI	chg	G/L
26-Nov	47427	315	1624.5	12.8	0.85
27-Nov	47427	-	1617.5	(7.0)	0.69
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

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

Average daily trading (ADT)		
	ADT Vol (bn shrs)	ADT Value (RM'bn)
26-Nov	3.87	2.98
27-Nov	4.21	2.83
28-Nov	4.09	3.36
1-Dec	3.99	2.79
2-Dec	3.94	3.33
3-Dec	3.28	2.30
Sep 25	3.02	2.67
Oct 25	3.59	2.88
Nov 25	4.09	2.89
Dec MTD	3.74	2.81
2025 YTD	3.16	2.58

Sources: HLIB, Bursa

- **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: Pending a triangle breakout

Despite near-term volatility, we remain constructive on the KLCI's prospects, with the index poised for a bullish triangle breakout, reinforced by the historically stronger seasonality in Dec. A sustained close above immediate hurdles at the 1,622/20-day MA and 1,643 (downtrend line) would pave the way for a retest of the YTD peak at 1,659. On the flip side, failure to clear these hurdles could witness the index to trap in a triangle consolidation, with key support levels anchored at 1,600 and 1,591/100-day MA.

Daily KLCI: Temporarily locked in 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	UBER	3-Nov	96.80	94.30	91.70	102.00	104.00	107.00	91.50	100.34	90.08	93.00	-3.9%	Closed on 13 Nov amid weakening technicals
2	OPTIMAX	3-Nov	0.64	0.62	0.59	0.74	0.78	0.81	0.585	0.665	0.635	0.645	0.8%	Closed on 13 Nov amid weakening technicals
3	ANCOMNY	4-Nov	0.930	0.930	0.900	0.990	1.030	1.050	0.885	0.940	0.910	0.930	0.0%	Closed on 13 Nov amid weakening technicals
4	Topsports	5-Nov	3.10	3.10	3.03	3.20	3.35	3.53	2.95	3.40	3.01	3.37	8.7%	Took profit on 13 Nov
5	XIOAMI	6-Nov	42.98	42.30	40.90	45.90	48.90	51.90	40.80	44.62	40.52	40.90	-4.8%	Closed on 18 Nov at S2 amid weakening technicals
6	SUMWAY	7-Nov	5.47	5.44	5.36	5.83	5.93	6.00	5.24	5.59	5.30	5.50	0.5%	Closed on 1 Dec amid weakening technicals
7	MATRIX	10-Nov	1.34	1.31	1.28	1.43	5.93	1.47	1.27	1.40	1.31	1.36	1.5%	Closed on 1 Dec amid weakening technicals
8	L&G	11-Nov	0.15	0.15	0.14	0.18	0.19	0.21	0.135	0.160	0.140	0.155	3.3%	Closed on 1 Dec amid weakening technicals
9	MCEHLDG	12-Nov	1.75	1.73	1.70	1.84	1.93	2.03	1.670	1.790	1.55	1.67	-4.6%	Cut loss on 24 Nov
10	KINGDEE	13-Nov	14.92	15.20	14.90	15.83	16.70	17.30	14.250	15.170	13.47	14.31	-4.1%	Closed on 25 Nov amid weakening technicals
11	ZETRIX	14-Nov	0.845	0.810	0.790	0.880	0.915	0.960	0.780	0.865	0.800	0.825	-2.4%	Closed on 1 Dec amid weakening technicals
12	AFFIN	20-Nov	2.290	2.250	2.210	2.390	2.540	2.680	2.180	2.320	2.210	2.270	-0.9%	
13	WUXI XDC	20-Nov	67.700	67.700	65.200	71.700	74.500	78.800	64.400	71.400	63.700	66.050	-2.4%	
14	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%	
15	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
16	SIMEPROP	25-Nov	1.360	1.340	1.310	1.400	1.450	1.510	1.290	1.450	1.370	1.400	2.9%	
17	NetEase	26-Nov	216.00	213.00	210.00	223.00	233.00	205.00	248.00	222.40	211.00	222.40	3.0%	
18	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
19	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
20	QCOM	28-Nov	163.0	163.0	158.0	176.0	182.0	187.7	155.0	168.2	164.1	168.1	3.1%	

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	YTD 2025
Total calls made	95	4	6	6	4	8	8	33	25	21	27	20	162
Total winners	64	1	2	6	4	7	6	21	16	18	14	10	105
Total losers	31	3	4	-	-	1	2	12	9	3	13	10	57
Successful hit rates	67%	25%	33%	100%	100%	88%	75%	64%	64%	86%	52%	50%	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%	-0.6%	26.9%
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%	30.7%

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;
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6. S=Support; R=Resistance;
7. For those that we took profit, this column shows the price level which we exited from the trade.
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