Author(s)

Strategy Team
research@midf.com.my

TRADING RADAR

Take Some Trading Profits

Strategy Report

Post-pause market rebound…

World's equity market has been on the rise since 9 April in reaction to the US tariff pause. In tandem, the local market rebounded with benchmark FBM KLCI risen from a low of 1,387 points on 9 April to a high of 1,549 points on 5 May.

…still have technical legs but may be approaching near-term peak

The FBM KLCI remains technically upbeat with RSI still at below overbought level as well as positive and rising MACD. Nevertheless, expect its upward momentum to progressively ebb going forward as RSI nearing the overbought mark.

FBM KLCI



Technical highlights:

- RSI rising toward but still at below overbought level.
- MACD positive and rising.
- Immediate resistance pegged at 1,550 points.

Fundamental highlights:

- Expect 5.6% earnings growth in 2025.
- Index trading at PER25 of 13.8x (below 10-year average of 16.0x).
- Year-end 2025 target of 1,590 points.

Most stocks still technically positive except few that gone overbought

Likewise, at individual stocks level, most remain rather technically upbeat with RSI still at below overbought as well as positive and rising MACD. There are nonetheless some stocks within our coverage universe which have turned overbought with RSI recently exceeded 70 points.

Advise paring down long trading position in overbought stocks

In this instance, we advise to progressively pare down of long trading position in the stocks that have turned overbought. They are: (1) FGV Holdings, (2) MSM Malaysia Holdings, and (3) Tan Chong Motor Holdings.

FGV Holdings



Technical highlights:

- RSI spiked higher into overbought region.
- MACD still positive and rising.
- Begin to take profit and progressively so when MACD gets lesser positive or tapering.

Fundamental highlights:

- Outlook for the FGV remains mix.
- Profit from the upstream to be positive riding on elevated CPO price.
- However, margin compression expected to continue in absence of decent contribution from downstream due to higher input cost.

MSM Malaysia Holdings



Technical highlights:

- RSI gradually risen and recently exceeded the overbought level.
- MACD still positive and rising.
- Begin to take profit and progressively so when MACD gets lesser positive or tapering.

Fundamental highlights:

- Expected to register gradual earnings recovery due to better utilization at the Johor refinery.
- This will enable the group to ramp up its melting activities in anticipation of growing demand in APAC countries.
- Fall of raw sugar price may lead to provisions due to hedging policy.

Tan Chong Motor Holdings



Technical highlights:

- RSI spiked higher into overbought region.
- MACD still positive and rising.
- Begin to take profit and progressively so when MACD gets lesser positive or tapering.

Fundamental highlights:

- Facing intense competition in local and overseas markets.
- No major new models launched, keeping profit recovery out of reach.
- Onboarding of TQ Wuling may help lift the Segambut plant utilisation.

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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

TECHNICAL STOCK RECOMMENDATIONS

TECHNICAL BUY	The share price return is expected to rise by >10% over the next 2 months.
ADD	The share price return is expected to rise by >5% over the next 1 month.
REDUCE	The share price return is expected to fall by >5% over the next 1 month.
TECHNICAL SELL	The share price return is expected to fall by >10% over the next 2 months.