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TRADING RADAR

Take Long (Buy) Trading Positions

Strategy Report

In our previous reports dated 7 May, 20 May and 28 May 2025, we recommended taking trading profits as the FBM KLCI was technically weak.

Thenceforth, after falling from its mid-May high of 1,587 points and later rebounded off its late June low of 1,489 points, the FBM KLCI is now exhibiting positive technical inflection.

Positive technical inflection…

We reckon the FBM KLCI likely have gone past its short-term cyclical nadir with rising yet unstretched RSI (at <60) while MACD just turned positive, indications of firming performance going forward.

…precursor to firming market

FBM KLCI



Technical highlights:

- RSI reverting higher albeit still unstretched at 55.
- MACD just turned positive.
- Expect firm (higher lows) consolidation with short-term support and resistance at 1,500 points and 1,550 points respectively.

Fundamental highlights:

- Index trading at PER25 of 14.0x (below 10-year average of 16.0x).
- Year-end 2025 baseline target of 1,590 points.

In the short-term, we expect the FBM KLCI to consolidate while exhibit firmness (higher lows) with support and resistance at 1,500 points and 1,550 points respectively. Therefore, we recommend taking long (buy) trading position on select stocks within our coverage universe with rising yet unstretched RSI (at <60) and MACD which turned (parity or) positive.

Expect market to consolidate with firmness hence buy stocks with favourable technical readings

In this instance, we recommend taking long trading positions on: (1) AEON Co. (M) Berhad, (2) Bank Islam Malaysia Berhad, (3) Hup Seng Industries Berhad, (4) MSM Malaysia Holdings Berhad, and (5) RHB Bank Berhad.

Trading stock picks

AEON Co. (M) Berhad



Technical highlights:

- RSI reverting higher albeit still unstretched at only 42.
- MACD just turned (from negative to) parity.
- Expect firm (higher lows) consolidation with short-term support and resistance at RM1.34 and RM1.48 respectively.

Fundamental highlights:

- Sustained consumer spending outlook, supporting robust retail sales across food and general merchandise.
- PMS segment poised for steady growth, supported by improved rental renewals, stronger tenant sales, and ongoing renovation works across key malls to uplift occupancy and enhance footfall.
- Strategic growth initiatives underway, including private-label expansion (now 18% of retail sales), digital upgrades, and operational efficiency measures like self-checkouts

Bank Islam Malaysia Berhad



Technical highlights:

- RSI reverting higher albeit still unstretched at only 46.
- MACD just turned positive.
- Expect firm (higher lows) consolidation with short-term support and resistance at RM2.24 and RM2.47 respectively.

Fundamental highlights:

- Solid asset quality
- Strong loan growth expected in FY25
- Recoveries and writebacks expected in subsequent quarters.

Hup Seng Industries Berhad



Technical highlights:

- RSI reverting higher albeit still unstretched at only 39.
- MACD just turned positive.
- Expect firm (higher lows) consolidation with short-term support and resistance at RM0.925 and RM1.05 respectively.

Fundamental highlights:

- Stable domestic demand, underpinned by consistent consumer purchasing patterns and a loyal customer base across Hup Seng's product range.
- Resilient core biscuit segment, with growing consumer preference for locally produced goods reinforcing Hup Seng's position as a value-for-money staple brand.
- Improved production efficiencies from the commercial rollout of a new oven in 3QFY24, boosting capacity and supporting margin resilience

MSM Malaysia Holdings Berhad



Technical highlights:

- RSI reverting higher albeit still unstretched only 37.
- MACD just turned positive.
- Expect firm (higher lows) consolidation with short-term support and resistance at RM1.00 and RM1.33 respectively.

Fundamental highlights:

- Earnings volatility remains a concern.
- ASPs have compressed across the board.
- Sales volume has been impacted by an influx of refined sugar from Thai.

RHB Bank Berhad



Technical highlights:

- RSI reverting higher albeit still unstretched at only 40.
- MACD just turned positive.
- Expect firm (higher lows) consolidation with short-term support and resistance at RM6.24 and RM6.79 respectively.

Fundamental highlights:

- Strong trading gains expected in subsequent quarters
- NIM expansion expected
- Very high dividend yields

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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.