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TRADING RADAR

TELCO: Turning the 'Technical' Corner

Strategy Report

As of 6 May 2026, the Bursa Malaysia Telecommunications & Media (BM Telco) index registered a Year-to-Date (YTD) return of -6.2%. It was the worst YTD performance among all thirteen Bursa Malaysia sectoral indices. For comparison, the main market benchmark FBM KLCI recorded a YTD return of +4.6%.

Worst sectoral index performer thus far this year

However, there are three positive technical signals on the weekly chart that the BM Telco index may have just turned the corner. They are:

But turning the 'technical' corner

1. RSI bouncing off oversold,
2. MACD made positive crossover this week, and
3. Positive divergence between the trend slopes of Price (Lower-low) and MACD (Higher-low).

BURSA MALAYSIA TELECOMMUNICATIONS & MEDIA

RSI rising, MACD positive, and Positive trend divergence

Going forward, we reckon the BM Telco index would continue to gradually build on the nascent positive momentum. Technically, we foresee an upside price target at 515 points or expected price return of +16.8%.

Expect positive momentum toward 515 points target level

The main stocks under our coverage among BM Telco index constituents are as follow:

AXIATA GROUP

TECHNICAL HIGHLIGHTS:

- TECHNICAL TARGET PRICE: RM2.77
- RSI: Rising
- MACD: Positive
- VERDICT: Technical BUY

FUNDAMENTAL HIGHLIGHTS:

- Commendable contribution from the frontier markets
- Progressive dividend policy
- Vulnerability to macro headwinds, unfavourable forex and various regulatory risk

CELCOMDIGI

TECHNICAL HIGHLIGHTS:

- TECHNICAL TARGET PRICE: RM3.60
- RSI: Rising off oversold
- MACD: Positive (on the cusp)
- VERDICT: Technical BUY

FUNDAMENTAL HIGHLIGHTS:

- More resilient ARPU supported by competitive mobile offerings
- Shifting focus to opex saving from capex
- New Celcomdigi app serves as a more effective communication tool with the customers

TELEKOM MALAYSIA

TECHNICAL HIGHLIGHTS:

- TECHNICAL TARGET PRICE: RM8.55
- RSI: Rising
- MACD: Negative
- VERDICT: Neutral (wait for buy confirmation: Positive MACD)

FUNDAMENTAL HIGHLIGHTS:

- More favourable dividend payout ratio
- Resilient revenue from unifi and TM Global while there is revenue uncertainty for TM One
- Cost pressure may impact profit margin

MAXIS

TECHNICAL HIGHLIGHTS:

- TECHNICAL TARGET PRICE: RM4.22
- RSI: Rising
- MACD: Negative
- VERDICT: Neutral (wait for buy confirmation: Positive MACD)

FUNDAMENTAL HIGHLIGHTS:

- Favourable postpaid and fixed & solutions revenue performance
- Strict cost discipline leading to healthier profit margin
- Potential earnings drag from DNB

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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.