

TECHNICAL STRATEGY

NEUTRAL

Rationale for report: Technical Update

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Momentum Playbook for 1H2026

The local equity market enters 2026 with a selective tone, as market breadth remains range-bound amid sideways price action and limited broad-based catalysts. Liquidity is expected to stay constrained, partly due to a strong IPO pipeline and recurring investment themes. As a result, gains have been concentrated in selected large-cap names, with the FBM KLCI hitting a new 52-week high, while the FBM Mid-70 and FBM Small-Cap indices remain sideways. Against this backdrop, the technical outlook favors a bottom-up, momentum-driven approach, with leadership increasingly stock-specific and driven by relative strength, improving trends, and identifiable catalysts.

- **Leadership remains narrow, led by large-caps.** Gains continue to be concentrated in selected large-cap names, pushing the FBM KLCI to a new 52-week high. The index remains in a clear uptrend, supported by a sequence of higher highs and higher lows since mid-2025, with prices holding above key exponential moving averages (EMAs), pointing to positive momentum and trend continuation. While short-term pullbacks may occur, the broader uptrend remains intact as long as support at 1,650 holds.
- **Mid- and small-cap indices remain in consolidation.** The FBM Mid-70 Index is forming higher lows within a rising channel, reflecting gradual accumulation rather than aggressive upside momentum. Meanwhile, the FBM Small-Cap Index is base-building around its 200-day EMA after a failed rebound, trading sideways within a 15,500–17,000 range, signalling ongoing consolidation. Overall, these trends indicate stabilisation in the mid- and small-cap segments, but with limited broad-market participation.
- **Momentum stock picks for 1H2026.** Opportunities are expected to emerge on a stock-by-stock basis rather than through broad sector re-ratings. The focus remains on technically strong names with clear trends, improving relative strength, and supportive sector-specific tailwinds. Our technical bottom-up approach prioritises breakout or accumulation patterns supported by stock-specific catalysts and structural growth drivers, while maintaining liquidity across market capitalisation segments. Our 1H2026 momentum picks include *Press Metal Aluminium, SD Guthrie, Malayan Cement, Hong Leong Industries, Farm Fresh, ITMAX System, UWC, KSL Holdings, Aquawalk Group, and Life Water.*

Key Indicators

Technical Analysis

Relative strength
Chart patterns
Exponential moving averages
(i) 21-day EMA
(ii) 50-day EMA
(iii) 200-day EMA

Momentum Stock Picks

Large-Cap

Press Metal Aluminium
SD Guthrie
Malayan Cement

Mid-Cap

Hong Leong Industries
Farm Fresh
ITMAX System
UWC
KSL Holdings

Small-Cap

Aquawalk Group
Life Water

Indices Outlook

Technical views on FBM KLCI, FBM Mid-70, and FBM Small-Cap

EXHIBIT 1. BURSA MALAYSIA KLCI INDEX (FBM KLCI)



Source: AmInvestment Bank

Support / Resistance levels
 Support: 1,650, 1,600
 Resistance: 1,700, 1,730

KLCI hits new 52-week high. The FBM KLCI maintains an upward bias, reflecting underlying support from large-cap names. A sequence of higher highs and higher lows since mid-2025, along with price holding above key EMAs, points to a positive trend. The technical setup favors continuation, though short-term corrections cannot be ruled out. As long as pullbacks remain shallow and hold above 1,650, the broader uptrend stays intact. Resistance is at the 1,700 psychological level, followed by 1,730. On the downside, support lies at 1,650 and more critically at 1,600 near the 200-day EMA. A decisive break above 1,700 would further strengthen bullish conviction in the KLCI.

EXHIBIT 2. BURSA MALAYSIA MID 70 INDEX (FBM Mid-70)



Source: AmInvestment Bank

Support / Resistance levels
 Support: 16,500, 16,000
 Resistance: 18,000, 18,400

Mid-Caps: sideways consolidation with a gradual upward drift. The FBM Mid 70 Index has transitioned from a sharp downtrend earlier in 2025 into a stabilisation and recovery phase. After bottoming around the March–April lows, the index has formed a series of higher lows, signalling improving medium-term sentiment. Price action has since moved into a rising consolidation channel, reflecting gradual accumulation rather than aggressive upside momentum. In the near term, the index is expected to remain range-bound with an upward bias. A decisive breakout above the 17,700 resistance would signal a resumption of the recovery trend and pave the way for further gains. Key support levels are at 16,500 and 16,000, while resistance levels are at 18,000 and 18,400.

FBI SMALL CAPXKL Daily T: 2026/01/12 O: 16,248.28 H: 16,263.78 L: 16,219.42 C: 16,256.4 V: 346.01 Chg: 48.37 (0.30%)
Volume_M ☐ Volume: 346.01
EMA(21) ☐ EMA: 15,200.57
EMA(50) ☐ EMA: 15,099.05
EMA(200) ☐ EMA: 16,122.95



Support / Resistance levels
Support: 15,500, 15,000
Resistance: 17,000, 18,000

Large-Cap Stock Picks

EXHIBIT 4. PRESS METAL ALUMINIUM (PMETAL | 8869)



Structural aluminium demand and hydropower-backed cost advantage support long-term growth

Share Price: RM7.17
Entry: RM7.00-7.17
Target: RM8.00, RM8.50
Exit: RM6.58

Technical analysis. The stock may trend higher after surging to a new multi-year high and closing above the RM7.00 resistance a few sessions ago. Given that the stock has also broken out from the 2-week bullish pennant pattern, the uptrend is likely to persist. A bullish bias may emerge above the **RM7.00** level, with a stop-loss set at **RM6.58**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM8.00**, followed by **RM8.50**.

EXHIBIT 5. SD GUTHRIE (SDG | 5285)

SD GUTHRIE BERHAD.KL Daily T: 2026/01/12 O: 5.75 H: 5.93 L: 5.75 C: 5.91 V: 18,032.2 Chg: 0.16 (2.78%)
 Volume_M [] [] Volume: 18,032.2
 EMA(21) [] [] EMA1: 5.617
 EMA(50) [] [] EMA1: 5.476
 EMA(200) [] [] EMA1: 5.141



Source: AmInvestment Bank

Integrated plantation leader leveraging sustainability, landbank monetisation and renewables for growth

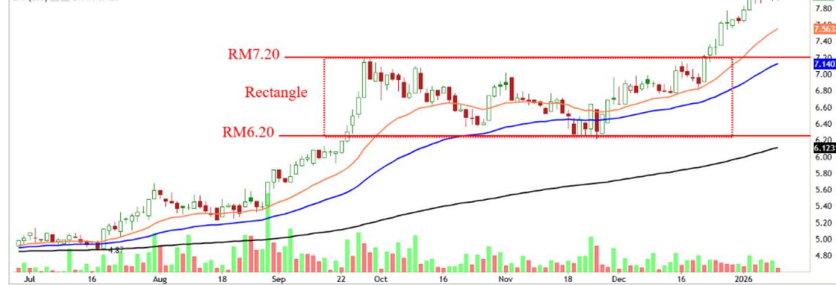
Investment thesis. SD Guthrie is anchored by a resilient upstream plantation base, complemented by scalable growth across its downstream, industrial and renewable segments. Its integrated operations underpin stable cash flow and earnings visibility. Ongoing transformation initiatives, a strong sustainability agenda, and early EUDR readiness enhance long-term value creation. The group strategically leverages its extensive landbank through monetisation to support solar development, capital expenditure and working capital, with firmer CPO prices and an improving downstream outlook as key earnings catalysts.

Share Price: **RM5.91**Entry: **RM5.80-5.91**Target: **RM6.50, RM7.00**Exit: **RM5.46**

Technical analysis. We expect further upside for the stock after it broke above the RM5.80 resistance and surged to a new all-time high yesterday. With the 21-day EMA remaining above the 50-day EMA since the bullish crossover in mid-July 2025, the uptrend may persist. A bullish bias may emerge above the **RM5.80** level, with a stop-loss set at **RM5.46**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM6.50**, followed by **RM7.00**.

EXHIBIT 6. MALAYAN CEMENT (MCEMENT | 3794)

MALAYAN CEMENT BERHAD.KL Daily T: 2026/01/12 O: 7.95 H: 8 L: 7.9 C: 7.98 V: 410.9 Chg: 0.03 (0.38%)
 Volume_M [] [] Volume: 410.9
 EMA(21) [] [] EMA1: 7.563
 EMA(50) [] [] EMA1: 7.141
 EMA(200) [] [] EMA1: 6.123



Source: AmInvestment Bank

Market leadership and cost efficiency drive resilient earnings with leverage to the infrastructure upcycle

Investment thesis. Malayan Cement stands out for its robust earnings momentum, margin expansion, and clear leverage to Malaysia's infrastructure upcycle. The group's dominant market position, cost efficiencies, and extensive logistics network underpin pricing power and earnings resilience despite input cost volatility. With construction demand improving, Malayan Cement is well positioned for sustained earnings growth and further margin upside, offering investors a compelling blend of defensive stability and infrastructure-driven growth.

Share Price: **RM7.98**Entry: **RM7.50-7.98**Target: **RM9.00, RM9.50**Exit: **RM6.98**

Technical analysis. After consolidating for nearly 3 months, the stock successfully broke out of its bullish rectangle pattern (the RM6.20–7.20 range) recently, signaling the continuation of its previous uptrend. With the EMAs trending higher, additional upward momentum may be present in the near term. A bullish bias may emerge above the **RM7.50** level, with a stop-loss set at **RM6.98**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM9.00**, followed by **RM9.50**.

Mid-Cap Stock Picks

Technical views on Hong Leong Industries, Farm Fresh, ITMAX System, UWC, and KSL Holdings

EXHIBIT 7. HONG LEONG INDUSTRIES (HLIND | 3301)



Source: AmInvestment Bank

Earnings supported by market leadership and structural gig-economy demand

Investment thesis. Hong Leong Industries is favoured for its market-leading position as the Yamaha motorcycle assembler in Malaysia and Vietnam, driving strong sales and margin expansion amid robust demand. Record profits, healthy revenue growth, and strategic product-mix optimisation underpin earnings resilience. The group is also a direct beneficiary of the growing gig economy, with motorcycles remaining the essential backbone of last-mile delivery services. A conservative balance sheet with ample cash supports dividends and potential earnings-accretive initiatives.

Share Price: **RM16.66**

Entry: **RM16.00-16.66**

Target: **RM18.00, RM20.00**

Exit: **RM14.90**

Technical analysis. The stock's upward momentum has returned after it broke out of the 2-week bullish falling wedge pattern with another bullish candle a few sessions ago. As the stock has also surged to a new all-time high, the bullish trend may persist. A bullish bias may emerge above the **RM16.00** level, with a stop-loss set at **RM14.90**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM18.00**, followed by **RM20.00**.

EXHIBIT 8. FARM FRESH (FFB | 5306)



Source: AmInvestment Bank

Capacity-led growth and regional expansion support sustained dairy and ice cream demand

Investment thesis. Farm Fresh's growth catalysts are anchored by capacity expansion, including a larger dairy herd at Muadzam Shah and higher ice-cream output at Taiping and Enstek, to meet rising demand across fresh milk, ice cream and new categories. Ongoing product innovation and new launches broaden revenue streams, while expansion into the Philippines, Cambodia and wider ASEAN, alongside deeper HORECA and retail penetration, supports sustained top-line growth. Its widening regional footprint offers a rare blend of defensive staples resilience and attractive expansion potential.

Share Price: **RM2.84**

Entry: **RM2.68-2.84**

Target: **RM3.00, RM3.50**

Exit: **RM2.48**

Technical analysis. After testing its rising 50-day EMA a few sessions ago, the stock formed a bullish harami pattern and rebounded, signaling renewed buying interest. As it approaches its all-time high, supported by rising EMAs, upward momentum appears to be accelerating. A bullish bias may emerge above the **RM2.68** level, with a stop-loss set at **RM2.48**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM3.00**, followed by **RM3.50**.

EXHIBIT 9. ITMAX SYSTEM (ITMAX | 5309)

Source: AmInvestment Bank

Smart city digital infrastructure leader with high earnings visibility and recurring government-led revenue

Investment thesis. ITMAX System is a leading smart city and AI-powered digital infrastructure provider, with core strengths in public surveillance, traffic management, and smart lighting solutions. The group's strong exposure to government and municipal contracts underpins stable, recurring revenue and high earnings visibility. Supported by a solid order book, proven execution in large-scale urban projects, and ongoing expansion into new cities and service offerings, ITMAX is well positioned to deliver sustainable earnings growth and capture long-term upside from Malaysia's smart city and urban digitalisation initiatives.

Share Price: **RM5.07**

Entry: **RM4.80-5.07**

Target: **RM5.50, RM6.00**

Exit: **RM4.65**

Technical analysis. The stock may trend higher after breaking out of a 2-week bullish flag pattern with a bullish candle a few sessions ago. Having surged to a new all-time high and being supported by rising EMAs, its upward momentum is likely to strengthen further. A bullish bias may emerge above the **RM4.80** level, with a stop-loss set at **RM4.65**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM5.50**, followed by **RM6.00**.

EXHIBIT 10. UWC (UWC | 5292)

Source: AmInvestment Bank

Precision engineering exposure to semiconductor upcycle with improving earnings visibility

Investment thesis. UWC is well positioned as a precision engineering and tooling provider to the semiconductor and industrial automation sectors. Earnings recovery is supported by improving semiconductor capital expenditure, rising order visibility, and a diversified customer base across front-end and back-end equipment makers. Ongoing capacity optimisation, automation initiatives, and a net cash balance sheet enhance margin resilience. As semiconductor demand normalises, UWC offers leveraged earnings upside with improving growth visibility.

Share Price: **RM4.39**

Entry: **RM4.30-4.39**

Target: **RM5.00, RM5.20**

Exit: **RM3.97**

Technical analysis. After consolidating for about 3 months, the stock recently broke out of its cup pattern (RM3.50-4.30) and its 2-week bullish flag pattern, signaling a continuation of the uptrend. Trading at a 52-week high and supported by rising key EMAs, it maintains a bullish outlook. A bullish bias may emerge above the **RM4.30** level, with a stop-loss set at **RM3.97**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM5.00**, followed by **RM5.20**.

EXHIBIT 11. KSL HOLDINGS (KSL | 5038)

Source: AmInvestment Bank

*Diversified Johor-centric property platform
with recurring income and JS-SEZ driven
growth upside*

Investment thesis. KSL Holdings is supported by a diversified property portfolio spanning residential, retail, hospitality, and township developments, providing recurring income and earnings stability. Its Johor-centric exposure positions the group to benefit from structural growth driven by the Johor–Singapore Special Economic Zone (JS-SEZ) and rising cross-border activity, supported by upcoming connectivity from the Rapid Transit System (RTS) link. A robust balance sheet supports ongoing development, landbank monetisation, and selective expansion, while recurring income assets enhance cash flow resilience and long-term earnings visibility.

Share Price: **RM3.27**

Entry: **RM3.15-3.27**

Target: **RM3.60, RM4.00**

Exit: **RM2.88**

Technical analysis. We expect further upside for the stock after it pushed above the RM3.15 resistance with a long bullish candle a few sessions ago. Given that the stock has recently broken out of a 3-month bullish triangle pattern, the resumption of its previous uptrend appears to be underway. A bullish bias may emerge above the **RM3.15** level, with a stop-loss set at **RM2.88**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM3.60**, followed by **RM4.00**.

Small-Cap Stock Picks

Technical views on Aquawalk Group and Life Water

EXHIBIT 12. AQUAWALK GROUP (AQUAWALK | 0380)

Source: AmInvestment Bank

*Leading Southeast Asian aquarium operator
leveraged to tourism recovery and experiential
attractions growth*

Investment thesis. Aquawalk Group is a leading Southeast Asian aquarium operator, managing attractions including Aquaria KLCC, Aquaria Phuket, and a stake in Jakarta Aquarium & Safari. Leveraging in-house design and maintenance expertise, the group delivers immersive visitor experiences. Strategic locations, high entry barriers, and operational know-how position Aquawalk as a key player in the region's experiential tourism sector. Growth is underpinned by tourism recovery, Visit Malaysia 2026 initiatives, upgrades to flagship attractions, and new aquaria planned in Kota Kinabalu and Java.

Share Price: **RM0.405**

Entry: **RM0.40-0.405**

Target: **RM0.45, RM0.50**

Exit: **RM0.36**

Technical analysis. The stock surged to a new all-time high with a long bullish candle a few sessions ago, accompanied by higher-than-average daily volume, signaling a resurgence of buying interest. The stock's move above the RM0.39–0.40 resistance area indicates that the near-term bullish trend may persist. A bullish bias may emerge above the **RM0.40** level, with a stop-loss set at **RM0.36**. On the upside, near-term resistance is seen at **RM0.45**, followed by **RM0.50**.

EXHIBIT 13. LIFE WATER (LWSABAH | 5328)

Structural rural demand and capacity expansion underpin beverage sector growth

Investment thesis. Life Water is a Sabah-based bottled water and beverage company with an estimated 11% share of Malaysia's bottled water market. The group benefits from expanded production capacity, vertically integrated operations that optimise costs, and strong structural & recurring demand driven by rural areas. Geographic expansion into Sarawak and Brunei, alongside a diversified product portfolio beyond bottled water, supports growth. Efficient manufacturing, extensive distribution networks, and established brand recognition underpin Life Water's position as a leading player in Malaysia's beverage sector.

Share Price: RM1.53

Entry: RM1.50-1.53

Target: RM1.80, RM2.00

Exit: RM1.33

Technical analysis. The stock may extend its uptrend after breaking out of a 1-month bullish pennant pattern and reaching a new 52-week high a few sessions ago. Positive slopes in the key EMAs indicate that near-term upward momentum could continue. A bullish bias may emerge above the RM1.50 level, with a stop-loss set at RM1.33, below the 50-day EMA. On the upside, near-term resistance is seen at RM1.80, followed by RM2.00.

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