AmInvestment Bank

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TECHNICAL STRATEGY

Mid-Cap Momentum Picks

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Rationale for report: Market Update

Key Indicators

Technical analysis
New 52-week high
High volume breakout
Chart patterns
Exponential moving averages
(i) 21-day EMA
(ii) 50-day EMA
(iii) 200-day EMA

Investment Highlights

The Malaysian equity market has entered a more stable phase, with both the large-cap FBM KLCI and the mid-cap FBM 70 consolidating after a volatile first half of the year. Market breadth is improving, supported by renewed fund inflows, corporate earnings resilience, continued focus on the AI/DC theme, and firmer domestic demand—creating a favourable backdrop for equities, particularly in the mid-cap segment. Mid-caps are often early beneficiaries of constructive sentiment, offering a balance of liquidity and growth. A technical screen highlights four stocks—*Malayan Cement, Farm Fresh, Mi Technovation,* and *Ranhill Utilities*—that are showing strong momentum signals, including (i) breaking out to new 52-week highs, (ii) robust volume flows, and (iii) trading above key exponential moving averages (EMAs). These names stand out as key picks, combining technical strength with fundamental appeal across themes of cyclical recovery, consumer resilience, technology growth, and defensive utilities. Together, these stocks form a well-rounded basket of mid-cap opportunities for the current market phase.

- **KLCI outlook**. The FBM KLCI is stabilizing above its 200-day EMA, signaling the early stages of a potential trend reversal. Near-term consolidation is likely within 1,480–1,600. A breakout above the 1,600 psychological threshold, while holding above the 200-day EMA, would reinforce the bullish case and attract further buying, whereas failure to maintain the EMA could trigger renewed sideways pressure.

- **FBM 70 steadies, poised for upside**. The Bursa Malaysia Mid 70 Index has been consolidating between 15,600 and 17,000, oscillating around its 21- and 50-day EMAs in a healthy accumulation phase. This base stabilizes momentum and sets the stage for a potential upward push. A decisive break above the 200-day EMA would confirm a medium- to long-term bullish shift, signaling the start of a sustained uptrend.

- **Mid-Cap Momentum Picks.** The steady consolidation of the FBM 70 underpins opportunities for selective accumulation in mid-cap counters. Our technical screen identifies stocks that are (i) breaking out to new 52-week highs, reflecting leadership in price momentum, (ii) posting the highest daily volume in a year, indicating robust investor interest, and (iii) trading above key EMAs (21-day, 50-day, and 200-day), confirming sustained upward momentum. Key mid-cap selections—**Malayan Cement, Farm Fresh, Mi Technovation,** and **Ranhill Utilities**—offer diversified exposure across cyclicals, consumer defensives, technology, and utilities, combining technical momentum with solid fundamental growth drivers.

EXHIBIT 1: BURSA MALAYSIA KLCI INDEX (FBM KLCI)

Exponential Moving Average (EMA): Orange line = 21-day EMA | Blue line = 50-day EMA | Black line = 200-day EMA

Source: AmInvestment Bank

FBM KLCI Technical Outlook. The FBM KLCI is showing signs of stabilizing above its 200-day EMA, indicating the early stages of a potential trend reversal. This development suggests a possible shift from a prolonged corrective phase to a more constructive medium- to long-term outlook. The index recently broke above the 200-day EMA and decisively cleared the 11-month downtrend line from the 2024 peak, pointing to improving investor sentiment.

In the near term, the KLCI is likely to consolidate within the 1,480–1,600 range as it digests recent gains and establishes a firmer base. A decisive breakout above 1,600, while holding above the 200-day EMA, would strengthen the bullish case and could attract further buying interest. On the downside, failure to hold the 200-day EMA may trigger renewed sideways pressure. Key levels to watch are resistance at 1,600 and 1,641 (YTD high), and support at 1,550 (200-day EMA), 1,480, and 1,386 (YTD low).

EXHIBIT 2: BURSA MALAYSIA MID 70 INDEX (FBM 70)

Exponential Moving Average (EMA): Orange line = 21-day EMA | Blue line = 50-day EMA | Black line = 200-day EMA

Source: AmInvestment Bank

FBM 70 consolidates ahead of potential uptrend. The Bursa Malaysia Mid 70 Index (FBM 70) has tracked a positive technical trajectory since breaking above the downtrend line from the 2025 YTD high in early May. The index has rebounded steadily while oscillating around its 21-day and 50-day EMAs, reflecting a consolidation and base-building phase between 15,600 and 17,000 over the past couple of months. This sideways movement represents a healthy accumulation phase, allowing momentum to stabilize before a potential upward push. A decisive breakout above the 200-day EMA near 16,700 would signal a more robust shift in medium- to long-term market sentiment and could mark the beginning of a sustained uptrend. Support is seen at 15,600, with resistance at the 200-day EMA and the psychological 17,000 level. Breaching these levels could trigger renewed buying and further gains in the mid-cap space.

STOCK PICKS

Technical views on Malayan Cement, Farm Fresh, Mi Technovation, and Ranhill Utilities

EXHIBIT 3: MALAYAN CEMENT (MCEMENT | 3794) | PRICE: RM5.77

Exponential Moving Average (EMA): Orange line = 21-day EMA | Blue line = 50-day EMA | Black line = 200-day EMA

Source: AmInvestment Bank

Investment thesis. Malayan Cement is a key proxy for Malaysia's infrastructure revival, supported by government development spending and a broad-based recovery in the construction sector. With about a two-thirds share of Peninsular Malaysia's cement market, the group benefits from strong pricing power and economies of scale, which help offset rising input costs. The improving demand outlook is expected to support both earnings growth and margin expansion in the coming years. Positioned between large construction names and smaller peers by market capitalization, it offers exposure to infrastructure growth at attractive valuations, balancing growth and value.

Technical analysis. The stock surged to a new multi-year high with a long bullish candle a few sessions ago, accompanied by its highest daily volume in a year, signaling a resurgence of buying momentum. The breakout from a 1-month bullish flag pattern further reinforces the likelihood of continued strength in the near term. A bullish bias may emerge above the **RM5.70** level, with a stop-loss set at **RM5.28**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM6.50**, followed by **RM7.00**.

EXHIBIT 4: FARM FRESH (FFB | 5306) | PRICE: RM2.02

Exponential Moving Average (EMA): Orange line = 21-day EMA | Blue line = 50-day EMA | Black line = 200-day EMA

Source: AmInvestment Bank

Investment thesis. Farm Fresh stands out as a market leader in Malaysia's dairy and beverage sector, supported by strong brand loyalty and vertically integrated operations that protect margins and product quality. Its steady core demand provides earnings visibility, while diversification into plant-based milk, value-added dairy, and ice cream creates new growth channels. With an expanding distribution network across Malaysia, Singapore, and Australia, the group offers a rare combination of defensive consumer staples resilience and high-growth potential, providing a balance of stability and expansion.

Technical analysis. After consolidating for about a year, the stock recently broke out of its base pattern (RM1.60–1.90 range) on its highest daily volume in a year, signaling a continuation of the previous uptrend. Trading at an all-time high and supported by rising key EMAs (21-day, 50-day, and 200-day), the stock maintains a bullish outlook. A bullish bias may emerge above the **RM2.00** level, with a stop-loss set at **RM1.85**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM2.20**, followed by **RM2.40**.

EXHIBIT 5: MI TECHNOVATION (MI | 5286) | PRICE: RM2.33

Exponential Moving Average (EMA): Orange line = 21-day EMA | Blue line = 50-day EMA | Black line = 200-day EMA

Source: AmInvestment Bank

Investment thesis. Mi Technovation is a fast-growing semiconductor solutions provider, offering equipment, advanced packaging, and materials engineering solutions. The group benefits from structural chip demand across sectors such as AI, automotive, 5G, and data centers, while its push into higher value-added technologies broadens earnings resilience and growth visibility. It offers investors growth potential comparable to larger peers but at more attractive valuations, making it a compelling high-beta mid-cap proxy for the global semiconductor cycle.

Technical analysis. The stock may extend its uptrend after posting a long bullish candle and reaching a new 52-week high a few sessions ago. Backed by the positive slopes of its key EMAs and higher-than-average trading volume, additional near-term strength looks likely. A bullish bias may emerge above the **RM2.25** level, with a stop-loss set at **RM2.08**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM2.70**, followed by **RM3.00**.

EXHIBIT 6: RANHILL UTILITIES (RANHILL | 5272) | PRICE: RM1.59

Exponential Moving Average (EMA): Orange line = 21-day EMA | Blue line = 50-day EMA | Black line = 200-day EMA

Source: AmInvestment Bank

Investment thesis. Ranhill Utilities offers a compelling mix of stability and growth, anchored by recurring income from its regulated water distribution as the sole provider for Johor. Rising demand from economic expansion, the Johor-Singapore SEZ, and data centre developments further strengthens its earnings outlook, while its expanding footprint in solar and small hydro projects provides long-term growth catalysts. This combination of defensive core operations and renewable energy upside positions Ranhill as an attractive mid-cap utility with both resilience and growth potential.

Technical analysis. The stock has regained buying interest after breaking out of a 7-week bullish triangle pattern with its highest daily volume in a year. Having surged to a new 52-week high and supported by rising EMAs, upward momentum is likely to strengthen further. A bullish bias may emerge above the **RM1.50** level, with a stop-loss set at **RM1.38**, below the 50-day EMA. On the upside, near-term resistance is seen at **RM1.75**, followed by **RM2.00**.

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