

Market commentary

Equity market review and outlook

December 2025



Review

- ▶ December did not disappoint for Malaysian equities posting a gain for the month for 11 consecutive years. During the month newsflow was light ahead of the year end festivities. On the 16 Dec 2025, PM Anwar announced 10 ministerial changes to his Cabinet line-up, with two ministers dropped from the new roster. Among the most notable changes are the appointments of Datuk Seri Johari Abdul Ghani as the new MITI minister, Johor Bahru MP Akmal Nasrullah Mohd Nasir as the new economy minister, as well as Hannah Yeoh as minister in the Prime Minister's Department (Federal Territories). Overall, the number of Cabinet ministers now stands at 32 (including the prime minister), while the number of deputy ministers has increased to 30. This expansion reflects a net increase of one ministerial post via the addition of a dedicated portfolio for Sabah and Sarawak Affairs in the Prime Minister's Department, and one additional deputy minister through the creation of a new Federal Territories deputy role.
- ▶ The KLCI closed the month at 1,680.11, up 4.71% mom. The FBM Small Cap index was up 0.36% for the month, underperforming the KLCI. The best performing sectors were Finance (+6.1%) and Plantation (+3.1%). The worst performing sectors were Construction (-4.8%) and Technology (-3.5%). Average value traded on Bursa in November was RM2844 up by 38% mom.

Outlook

- ▶ 2026 started off with a bang literally, as the US carried out large scale strike against Venezuela on 3 Jan 2026, which ended with the “capture” of President Nicolas Maduro and his wife, who were flown out of the country. This follows months of the US attacking vessels that the US administration accused were carrying drugs. Investors will be monitoring the developments from this US strike, as it may embolden other countries to take action against another's national sovereignty, without consequence.
- ▶ Domestically, Malaysia welcomed the new year, with Prime Minister Anwar and celebrity Michelle Yeoh launching Visit Malaysia Year 2026 (VMY2026) on 3 Jan 2026, with aims to attract 47m visitors and generate RM329b in tourism receipts. Malaysia is in a favourable position with relatively stable politics compared to some of our other ASEAN peers. GDP growth expectations for 2026 remains robust with official forecasts at 4-4.5%, whilst many economists expecting it to land at the higher end of the range. The economy continues to be supported by the FDI being realized, domestic direct investments, strong construction activities, solid consumption growth and robust tourism activities. Consumption will be aided by another SARA RM100 cash aid in mid-February 2026, for Malaysians 18 years of age and above. 2026 will also be a year of sporting events such as the 2026 FIFA World Cup to be held 11 June – 19 July 2026 in the USA, Canada and Mexico. Commonwealth Games will be held 23 July – 2 Aug in Scotland, and the Asian Games will be held in Japan 19 Sept – 4 Oct. We were optimistic on the outlook for equities in 2026, however, President Trumps strike on Venezuela was a negative surprise and this raises concerns on potential future strikes by the US, which may be a dampener on investor sentiment. Nevertheless, we see any market weakness as opportunities to accumulate fundamentally strong stocks at attractive valuations.

Index performance & movers

FBM100 INDEX

START DATE	30-Nov-25	END DATE	31-Dec-25
START	11,700.97	END	12,107.41
NET CHG	406.44		3.47%

Name	Price	Net Chg	% Chg	Name	Price	Net Chg	% Chg
1 Petronas Chemicals Group Bhd	3.63	0.63	21.00 %	1 Inari Amertron Bhd	1.68	-0.49	(22.71)%
2 UWC BHD	4.12	0.57	16.06 %	2 Guan Chong Bhd	0.73	-0.15	(17.05)%
3 OSK Holdings Bhd	1.60	0.22	15.94 %	3 Genting Malaysia Bhd	2.04	-0.31	(13.19)%
4 99 Speed Mart Retail Holdings	3.81	0.48	14.50 %	4 Natiogate Holdings Bhd	0.89	-0.12	(11.64)%
5 Malayan Cement Bhd	7.66	0.95	14.16 %	5 SP Setia Bhd Group	0.73	-0.08	(9.88)%
6 Alliance Bank Malaysia Bhd	5.05	0.53	11.78 %	6 Dialog Group Bhd	1.68	-0.14	(7.79)%
7 AMMB Holdings Bhd	6.50	0.67	11.51 %	7 Genting Bhd	3.02	-0.25	(7.65)%
8 RHB Bank Bhd	7.71	0.76	10.94 %	8 UEM Sunrise Bhd	0.55	-0.04	(7.56)%
9 TIME dotCom Bhd	5.59	0.54	10.80 %	9 Gamuda Bhd	4.98	-0.37	(6.92)%
10 Sime Darby Bhd	2.15	0.20	10.26 %	10 QL Resources Bhd	3.79	-0.26	(6.42)%

Source: Bloomberg

Indices	Last Price			MoM Changes		YTD Changes	
	31-Dec-24	30-Nov-25	31-Dec-25	+/-	%	+/-	%
FBMKLCI	1,642.33	1,604.47	1,680.11	75.64	4.71%	37.78	2.30%
FBMMES	5,380.44	4,824.62	4,872.95	48.33	1.00%	(507.49)	-9.43%
FBM100	12,265.96	11,700.97	12,107.41	406.44	3.47%	(158.55)	-1.29%
FBM70	18,841.13	16,856.08	16,803.39	-52.69	-0.31%	(2,037.74)	-10.82%
FBMSCAP	17,963.66	15,715.31	15,772.11	56.80	0.36%	(2,191.55)	-12.20%
FBMEMAS	12,585.51	11,915.97	12,303.67	387.70	3.25%	(281.84)	-2.24%
FBMSHA	12,590.57	11,850.90	12,096.29	245.39	2.07%	(494.28)	-3.93%
FBMHJRAH	13,409.12	12,925.53	13,292.13	366.60	2.84%	(116.99)	-0.87%
FBMSCAPS	16,744.61	14,900.20	14,932.99	32.79	0.22%	(1,811.62)	-10.82%
MSCI APxJ (USD)	569.41	703.38	722.19	18.81	2.67%	152.78	26.83%
MSCI ACWI (USD)	841.33	1,005.14	1,014.62	9.48	0.94%	173.29	20.60%

Source: Bloomberg

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