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Weekly Technical Highlights – FBM KLCI

Weekly Charting – FBMKLCI



Source: TradingView

Key Support & Resistance Levels:	
Last Price	: 1,445.18
Resistance	: 1,452 (R1) 1,465 (R2)
Support	: 1,433 (S1) 1,428 (S2)
Weekly view	NEUTRAL

FBM KLCI (NEUTRAL)

- The FBMKLCI ended the week on a softer note, in line with regional bourses, mirroring the global market downturn, as the Fed chair's Powell expressed doubts about US interest rates' effectiveness in curbing inflation. The index has trended lower over the past four days and closed at its crucial 1,445.18 (-0.33% YoY), or close to its 50-day Simple Moving Average level.
- This week, key events include the release of the U.S. October CPI and retail sales data on Tuesday and Wednesday, respectively. These figures will offer insights into the rate decision for the December 2023 meeting. Additionally, the meeting between President Biden and Chinese President Xi Jinping will also attract traders' attention. Domestically, Bank Negara Malaysia (BNM) is scheduled to announce the 3Q GDP numbers on November 17.
- Technically, the index's inability to break above the critical 1,465 resistance indicates a lack of sustained buying interest. The overbought condition shown in the weekly Stochastic Oscillator further suggests a cautious outlook. While a corrective pullback seems more likely, upcoming U.S. economic data, including CPI and Retail Sales, will be key in moulding market expectations about the Fed's upcoming rate decisions. These decisions are expected to significantly impact short-term performance in regional markets.
- We anticipate the index to fluctuate within the 1,433 to 1,452 range, pending cues on U.S. interest rate directions. If it fails to hold at this range, a consolidation towards the 1,428 level might occur. Conversely, a firm break above the 1,452 resistance could pave the way for a retest of the recent peak at 1,465.

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