

29 April 2024

By **Cheow Ming Liang** | cheowml@kenanga.com.my

Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: TradingView

Key Support & Resistance Levels:	
Last Price	: 38,239.67
Resistance	: 38,503 (R1) 38,790 (R2)
Support	: 38,045 (S1) 37,689 (S2)
Weekly view	Upward Bias

Dow Jones Industrial Average (DJIA) (Upward Bias)

- The S&P 500 and NASDAQ saw significant weekly gains, breaking a three-week decline, fuelled by strong tech sector earnings. This surge helped mitigate the impact of disappointing economic and inflation data. The NASDAQ jumped over 4%, and the S&P 500 increased nearly 3%, while the Dow posted only a slight gain of 0.7%. With the earnings season at its midpoint, FactSet updated its earnings growth forecast for S&P 500 companies from 0.5% to 3.5% for the 1QCY24, reflecting improved expectations based on recent reports and forecasts for companies yet to report.
- This week may show mixed market movements with a slight upward bias. All three major indices have recovered from technically oversold conditions but remain below their 50-day SMA resistance levels. Additionally, their weekly charts suggest that the 5-week SMA will be a critical resistance to watch, as it may determine whether the market continues its upward trend or shifts to a new downtrend. Key earnings from tech giants like SMCI, Amazon, AMD, Qualcomm, and Apple could influence market sentiment this week. Additionally, the Federal Reserve's meeting starting Wednesday and Friday's employment data are also expected to add volatility to the mix.
- Technically, the DJIA has bounced off its 13-week SMA but still remains below its 5-week SMA last week. The lack of clear reversal signals in the weekly Stochastic and RSI indicators, as well as the flattish MCDX suggested that the index might continue to move sideways, awaiting new market-driving catalysts.
- In short, we're anticipating choppy sideways trading with a slight upward bias this week. A decisive move above the 5-week SMA at 38,503 could signal a continuation of the upward trend. Conversely, a fall below the critical 13-week SMA support at 37,689 may indicate the start of a new downtrend.

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies. Kenanga Investment Bank Berhad being a full-service investment bank offers investment banking products and services and acts as issuer and liquidity provider with respect to a security that may also fall under its research coverage.

Published by:
KENANGA INVESTMENT BANK BERHAD (15678-H)
 Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
 Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my