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Weekly Technical Highlights – FBM KLCI

Weekly Charting – FBMKLCI



Source: TradingView

Key Support & Resistance Levels:			
Last Price	: 1,589.59		
Resistance	: 1,600 (R1)	1,615 (R2)	
Support	1,570 (S1)	1,555 (S2)	
Weekly view	Neutral		

FBM KLCI (Neutral)

- Last week, the FBM KLCI rose 0.9% to 1,589.59, hitting a two-year high, bolstered by clarity from the US Fed's recent monetary policy meeting which lifted global equity markets. Healthcare, transportation, and utilities sectors led the gains, with increases of 4.0%, 2.7%, and 2.5%, respectively. Notably, YTL Corporation and YTL Power, components of the FBM KLCI, surged 7.6% and 8.4%, respectively, significantly contributing to the index's rise.
- This week, the local market is likely to be influenced more by domestic news than external factors due to the onset of 1QCY24 corporate earnings season. Key companies such as Hartalega and MR DIY are set to announce their financial results. Additionally, the Kuala Kubu Bharu by-election could stir political interests. Economically, the Bank Negara Malaysia's monetary policy meeting will be pivotal, though no changes to the overnight policy rate are anticipated by consensus.
- The market has recently enjoyed a robust two weeks, gaining 2.7% or 42 points. Although Monday might see a push towards the 1,600 psychological resistance level, prompted by Friday's strong performance in the US markets, it's likely that the market will then enter a period of sideways movement. This expectation is supported by the weekly Stochastic and RSI indicators, which are currently in overbought territory, hinting at a potential short-term consolidation.
- In a nutshell, we expect the index to start the week strong but to level off as it approaches the resistance levels at 1,600. If the index pulls back, strong buying interest is anticipated around the 1,570 support level. Below that, the next support is at 1,555, coincident to its 5-week SMA level, which should help stabilize any further decline.

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