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Weekly Technical Highlights – FBM KLCI

Weekly Charting – FBMKLCI



Source: *TradingView*

Key Support & Resistance Levels:	
Last Price	: 1,636.55
Resistance	: 1,638 (R1) 1,642 (R2)
Support	: 1,632 (S1) 1,615 (S2)
Weekly view	Increased volatility with a potential trend reversal

FBM KLCI

- As expected, the FBM KLCI continued its upward trajectory last week, despite a weaker broader market. The benchmark index ended firmer on Friday, rising nearly 1.1% to 1,636.55. This gain was bolstered by continued foreign funds and retail buying interest in construction, plantation, property, and consumer products sectors, which rose by 5.5%, 4.0%, 1.9%, and 1.6%, respectively. However, the MYR weakened to RM4.6845 compared to RM4.6670 a week ago.
- Looking ahead, the market direction is expected to be influenced by several key events: (i) Monday’s June CPI data following the diesel subsidy rationalization, (ii) US corporate earnings with 131 S&P 500 companies reporting. Investors’ limelight will likely focus on the tech and AI sectors. (iii) the direction of the ‘Trump trade’ post Biden’s exit from the presidential race and its impact on Fed policy, and (iv) potential aftershocks from the recent global cyber outage caused by CrowdStrike’s routine update.
- Technically, the benchmark index continued to show strength despite a weaker broader market. The immediate resistance-turned-support level of 1,632 was surpassed last week, indicating market resilience. However, the nearly 3% surge over the past month could prompt some profit-taking this week, given increasingly challenging external market conditions. Additionally, the near or already overbought conditions indicated by the weekly stochastic oscillator and RSI reinforce our near-term cautious view.
- In short, we expect volatility to increase this week with a potential trend reversal due to sudden uncertainties. Key support levels are identified at 1,632, followed by 1,615 and 1,608 (coinciding with the 5-week SMA). On the upside, key resistance levels are at 1,638 and 1,642.

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