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Weekly Technical Highlights – FBM KLCI

Weekly Charting – FBMKLCI



Source: TradingView

Key Support & Resistance Levels:

Last Price	: 1,613.25	
Resistance	: 1,620 (R1)	1,648 (R2)
Support	: 1,609 (S1)	1,600 (S2)
Weekly view	: Bargain hunting with limited upside	

FBM KLCI

- As anticipated, the FBM KLCI gained 1.19% last week, closing at 1,613.25, supported by strong performances in Health Care (+6.2%), Technology (+5.8%), and Utilities (+3.2%), while Financial Services recorded a marginal decline of 0.1%. Despite the index's advance, foreign investors remained net sellers last week, with an outflow of RM619m as of 5 December. Local institutional funds continued to act as net buyers, providing much-needed market stability. Meanwhile, the MYR strengthened slightly against the USD, appreciating to RM4.417 from RM4.440 the prior week.
- Looking ahead, market attention will focus on the U.S. November inflation data, scheduled for release on December 11. This report is expected to influence the Federal Reserve's final rate decision of the year on December 18. While markets anticipate a 25 bps rate cut—the third in 2024—with an 89% probability, Federal Reserve officials have provided limited guidance for the upcoming meeting. Regionally, South Korea's political developments may affect market sentiment, given its role as a key U.S. ally and a major global producer of semiconductors, batteries, and automobiles.
- Technically, the FBM KLCI's weekly chart has formed a 'morning doji star' candlestick pattern, indicating a potential bullish reversal after rebounding from its 50-week SMA (approximately 1,586) two weeks ago. Additionally, the weekly stochastic and Relative Strength Index (RSI) have just risen above the 50 level, suggesting room for further recovery.
- In a nutshell, we anticipate continued bargain hunting this week, though gains may be limited. Key support levels are at 1,609 (aligned with the 23.6% Fibonacci retracement) and the psychological 1,600 mark, while resistance is expected at 1,620 (50-day SMA) and 1,648.

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