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Weekly Technical Highlights – FBM KLCI

Weekly Charting – FBMKLCI

Source: TradingView

Key Support & Resistance Levels:			
Last Price	:	1,547.27	
Resistance	:	1,564 (R1)	1,579 (R2)
Support	:	1,544 (S1)	1,521 (S2)
Weekly view	:	Downward bias	

FBM KLCI

- The FBM KLCI extended its decline for the third straight week, dropping 1.74% (-27.43 points) to 1,547.27 as escalating trade tensions weighed on sentiment. The U.S. delayed 25% tariffs on most Canadian and Mexican goods but raised duties on Chinese imports, triggering retaliatory measures and selective tariff easing under USMCA. Except for REITs (+0.6%), all sectors recorded losses, led by Energy (-5.2%), Technology (-4.4%), and Construction (-3.7%). On a positive note, Malaysia's RM1.1b partnership with ARM Holdings aims to transition the local tech sector from chip testing and assembly to in-house chip design. Meanwhile, Bank Negara Malaysia (BNM) kept the OPR at 3%, citing steady growth and manageable inflation amid global uncertainties.
- Looking ahead, investors are likely to remain cautious due to lack of buying catalysts and ongoing external headwinds. Near-term volatility is expected to persist due to U.S. trade uncertainties and geopolitical tensions. Market attention will be on U.S. inflation report (Wednesday), which could impact the Fed's timeline of policy easing, while President Trump's meeting with U.S. tech leaders may provide further clarify on tariffs and export restrictions. On the domestic front, January's unemployment data is scheduled to be released on Tuesday, following December's near-decade low of 3.1%.
- Technically, the FBM KLCI remains below its 5-week, 13-week, and 50-week SMAs, signalling continued near-to-medium-term weakness. Last Friday's close near the weekly low reflects weak buying interest ahead. Additionally, the weekly RSI and SmartMCDX index failing to break above their average lines further indicate subdued buying momentum.
- All in, we expect the market to continue its downward bias this week, influenced by the key index components that have entered/closed to overbought territory, including PBBANK, MAYBANK, IHH, HLBANK and RHBBANK. The lack of clarity around President Trump's tariff plans coupled with Chinese deflation concerns and Fed Chair Powell's acknowledgment of uncertainty in US economic outlook could continue weight on sentiment. Key support levels are at 1,544 and 1,521 (200-week SMA), while resistance levels stand at 1,564 (38.2% Fibonacci retracement) and 1,579 (5-week SMA).

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