By Cheow Ming Liang I cheowml@kenanga.com.my

Weekly Technical Highlights – FBM KLCI

Weekly Charting – FBM KLCI

Source: TradingView

Key Support & Resistance Levels:

Last Price	:	1,665.56	
Resistance	:	1,681 (R1)	1,690 (R2)
Support	:	1,661 (S1)	1,655 (S2)
Weekly view	:	Cautious to downward bias	

FBM KLCI

- The FBM KLCI declined another 1.26% WoW (or 21.18 points) to 1,665.56, marking its fourth consecutive week of losses, and closing below the rising trend channel formed since May 2026. Sentiment remained weighed down by a broader regional risk-off tone amid concerns over further U.S. rate hikes, elevated oil prices and high bond yields. The challenging external backdrop was compounded by domestic headwinds, including a tougher 2H operating environment amid a higher-for-longer cost backdrop and emerging political jitters, further dampening sentiment. Sector performance was broadly negative, led by Consumer (-1.9%), Property (-1.9%) and Industrial Products (-1.9%), partially offset by gains in Technology (+1.2%), Energy (+0.8%) and Telecommunications (+0.8%).
- Looking ahead, the key global focus this week will be the Trump-Xi meeting on 24 September, with tariffs expected to feature prominently. Markets will watch for signs that the U.S.-China tariff truce agreed after last October's summit in South Korea will be extended before its 10 November expiry, as failure to do so could revive concerns over renewed trade tensions and global supply-chain disruptions. Domestically, attention will remain on the evolving political landscape following former PM Najib Razak's conditional pardon and house-arrest arrangement, which could add to political uncertainty despite assurances from Deputy PM Ahmad Zahid that relations within the Unity Government remain intact.
- Technically, the FBM KLCI's near-term outlook remains cautious-to-bearish following its breakdown below the rising trend channel and 1,681 Fibonacci support, while weakening Stochastic and RSI readings signal continued downside pressure. Nevertheless, increasingly oversold momentum could trigger a brief technical rebound.
- In short, we expect the index to continue trading with a cautious-to-downward bias this week, although a short-lived technical rebound could emerge following the recent sell-off. A clearer directional picture may only emerge after the upcoming Trump-Xi meeting. Technical setups for key constituents, including CIMB, PBBANK, MAYBANK and TNB, remain less constructive. Key resistance levels are seen at 1,681 (23.6% Fibonacci retracement), 1,690 (50-week SMA) and 1,700 (psychological level), while support levels are at 1,661 (intraweek low) and 1,655.

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