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Weekly Technical Highlights – FBM KLCI

Weekly Charting – FBM KLCI



Source: TradingView

Key Support & Resistance Levels:			
Last Price	:	1,616.58	
Resistance	:	1,625 (R1)	1,636 (R2)
Support	:	1,600 (S1)	1,593 (S2)
Weekly view	:	Sideways to downward bias	

FBM KLCI

- The FBM KLCI edged up 0.06% WoW (or 0.98 points) to 1,616.58 last week, as gains in banking heavyweights offset broad-based selling pressure amid heightened global market volatility. The benchmark surged 1.19% on Thursday, supported by Bank Negara Malaysia's decision to maintain the Overnight Policy Rate (OPR) at 2.75% and its reassuring assessment of domestic economic resilience, underpinned by sustained domestic demand and robust exports. However, these gains were largely erased on Friday following a sharp technology-led sell-off on Wall Street overnight. U.S. market sentiment was weighed down by concerns over stretched AI valuations, the sustainability of hyperscalers' capital expenditure and potential tighter AI regulations following the Democrats' midterm election victories. Locally, technology stocks bore the brunt of the selling pressure, while softer regional sentiment and profit-taking in index heavyweights capped gains.
- Looking ahead, investors will closely monitor the Melaka state election on 14 November and ongoing corporate earnings releases for market direction. The banking sector will also be in focus following reports of cyberattacks involving three local banks over the weekend. Externally, attention will shift to the US Congress's lame-duck session following the Democrats' midterm election victories, with potential policy developments influencing global risk appetite.
- Technically, the FBM KLCI's near-term outlook remains less constructive, having broken below its ascending channel and key short-term SMAs following the recent sharp correction. Nevertheless, the weekly stochastic has entered deeply oversold territory and is showing early signs of a bullish crossover, suggesting scope for a technical rebound. However, the RSI remains below 50, while the declining SmartMCDX trend indicates subdued institutional buying interest, suggesting that any recovery could be short-lived unless the index decisively reclaims its key moving averages.
- In short, we expect the FBM KLCI to trade with a sideways-to-downward bias amid relatively quiet domestic news flow and lingering Wall Street volatility, although an oversold technical rebound remains possible. The less constructive technical setups of key index constituents, including TENAGA, PMETAL and MISC, could further weigh on sentiment. A sustained recovery above 1,625–1,636 would be needed to improve the near-term outlook, while a decisive break below 1,593 could trigger further downside towards 1,570. Immediate resistance levels are at 1,625 (38.2% Fibonacci retracement) followed by 1,636 (13-week SMA), while key supports are at 1,600 and 1,593 (recent low).

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Published by:
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