

Technical Analyzer

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FKLI & FCPO

FKLI: Highest Weekly Close

Figure 1: FKLI's daily chart



Source: RHB, Bloomberg

Stay long above 1,810 pts. The buying support that returned on 28 Nov continues after the firmer close last Friday. The move sent the index to the highest close in more than a month. It also leaves another white candle in the weekly chart, setting an all-time high weekly close. This indicates that buyers still have control, extending the upward movement that started in mid-Nov. The index is above both the 50-day and the 200-day MAV line too.

Thus, buying support should continue and a firm upside bias ought to keep the FKLI above 1,810 pts, near the lows of 4 and 5 Dec. The index has to get above 1,825 pts, which it could not break on two occasions last week, to extend the 4-week upward move. This will also fully cancel the black candle of 25 Oct and strong resistance is found at 1,835 pts – near the all-time intra-day high set on 6 May. A violation will extend the buying that started from 4 Sept's "Hammer". Minor support is at 6 Dec's low of 1,817 pts and a stronger one at 1,810 pts. A reversal of the upward sentiment will be completed by a close back below 1,800 pts, which also suggests that strong selling is at hand. This may even resume the downward pressure first seen from 25 Oct's "Bearish Engulfing Pattern".

FCPO: Another 52-week High Closing

Figure 2: FCPO's daily chart



Source: RHB, Bloomberg

Stay long above MYR2,625. The sideways move of the past two and a half weeks, where the FCPO was supported above the MYR2,600 level, may result in an upward continuation after the latest white candle. The latest white candle brushed off the black candle of 5 Dec and the move also sent it to the highest close in more than a year. This indicates that buying strength is still firm and another close above MYR2,660 should extend the upward move that started from the failed violation of the MYR2,220 support level in late July going. The commodity is still above both the 50-day and the 200-day MAV lines too.

Again, buying support may well continue and a firm upward bias should keep the FCPO staying above MYR2,625, near the low of 5 Dec. Another close above MYR2,660, which will leave it clear above the MYR2,650 level, should keep last Friday's strong momentum going and a break of MYR2,700 – near the high of two weeks ago - will extend the strong move that started from 27 Sept's "Long White Day". The next resistance is at MYR2,750, near the low of 21 Sept 2012. A failure to hold above MYR2,660, or worse MYR2,650, may yet again risk a return of the sellers. A close below MYR2,625, which will send it below the latest two candles, may see selling gaining traction. A break of MYR2,625 this time around will increase the possibility of getting below MYR2,600, where a violation will send it below 21 Nov's "Long White Day" and 26 Nov's "Hammer" and this may spark a correction to the two and a half-month rally.

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