

## Technical Analyzer

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## FKLI & FCPO

### FKLI: On The March

Figure 1: FKLI's daily chart



Source: RHB, Bloomberg

**Stay long above 1,825 pts.** The buying support that returned on 28 Nov remained after the index rose yesterday to another all-time high. Buyers seem to be having strong control as the index closed near its day high. This has also left the 9 Dec gap uncovered and extends the upward movement that started from 4 Sept's "Hammer". The index is also above both the 50-day and the 200-day MAV lines. Note that the daily RSI still has a bit of headroom before becoming overbought.

Thus, buying support should continue while a firm upside bias ought to keep the FKLI above the broken resistance of 1,825 pts. Another close above 1,840 pts, near the high of 9 Dec, is preferred as it should keep the strong momentum since Monday going. Resistance is still expected at 1,850 pts and 1,870 pts, both of which are extrapolations based on the strong Sept-Oct rally. Minor support is seen at 1,830 pts, near the low of 9 Dec, and a stronger one at 1,825 pts. A violation of both levels, which will also close 9 Dec's gap, may see sellers making a return. Such an uncharacteristic move may catch buyers by surprise and stimulate further selling. Supports are seen at 6 Dec's low of 1,817 pts and a stronger one at 1,810 pts – near the lows of 4 and 5 Dec, where a violation of both levels will mark a false break of the 1,835-pt level. This should lead to the test of the round figure of 1,800 pts.

## FCPO: Rally In Need Of a Boost

Figure 2: FCPO's daily chart



Source: RHB, Bloomberg

**Stay long above MYR2,625.** The rally that started from 27 Sept's "Long White Day" suffered further setback after the FCPO declined two days in a row. Buyers could not muster enough strength to take control as the commodity gave way to the morning decline. Thus, it is imperative that the FCPO neutralises this weakness today if it is to extend the upward move that started from the failed violation of the MYR2,220 support level in late July.

Again, the commodity has to at least get back above MYR2,650 to keep the upward bias going. It is preferable that it moves above MYR2,665, as that will push the commodity above yesterday's high and significantly reduce the downside pressure seen in the past two days. Resistance still lies at MYR2,690, near the highs of 22 Nov and 9 Dec, while a violation will completely cancel the two black candles and extend the rally, which may in turn lead to a break of the MYR2,700 resistance level. Another close below MYR2,650, however, may see sellers exerting more control and intensify the selling pressure, thus taking the index to a close below the MYR2,625 support level that it failed to crack yesterday. This should lead to a test of MYR2,600, at which a break will send the commodity below 21 Nov's "Long White Day" and 26 Nov's "Hammer". This should complete the reversal and possibly spark off a correction to the two and a half-month rally.

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