

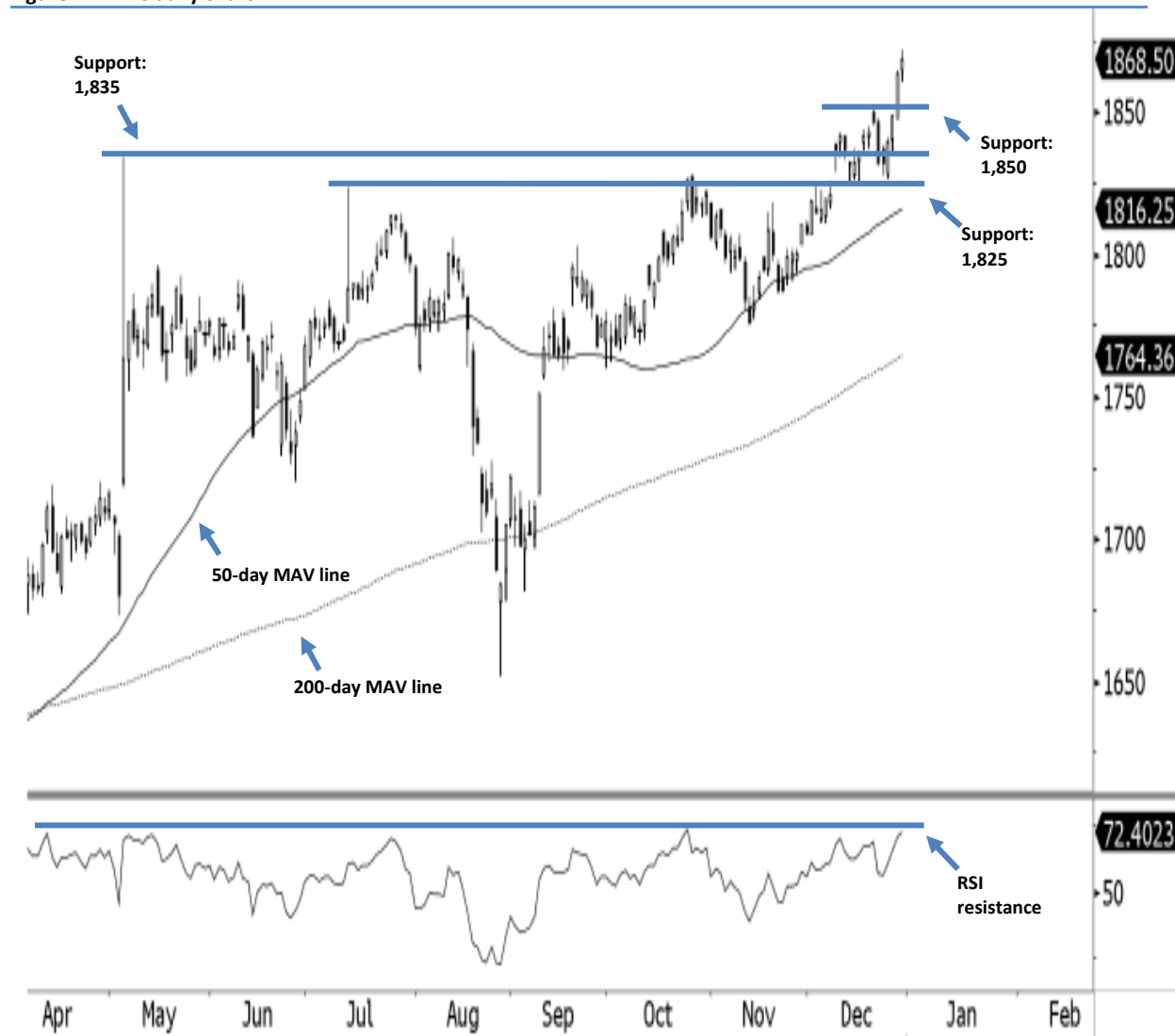
## Technical Analyzer

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## FKLI & FCPO

### FKLI: Firmly Higher

Figure 1: FKLI's daily chart



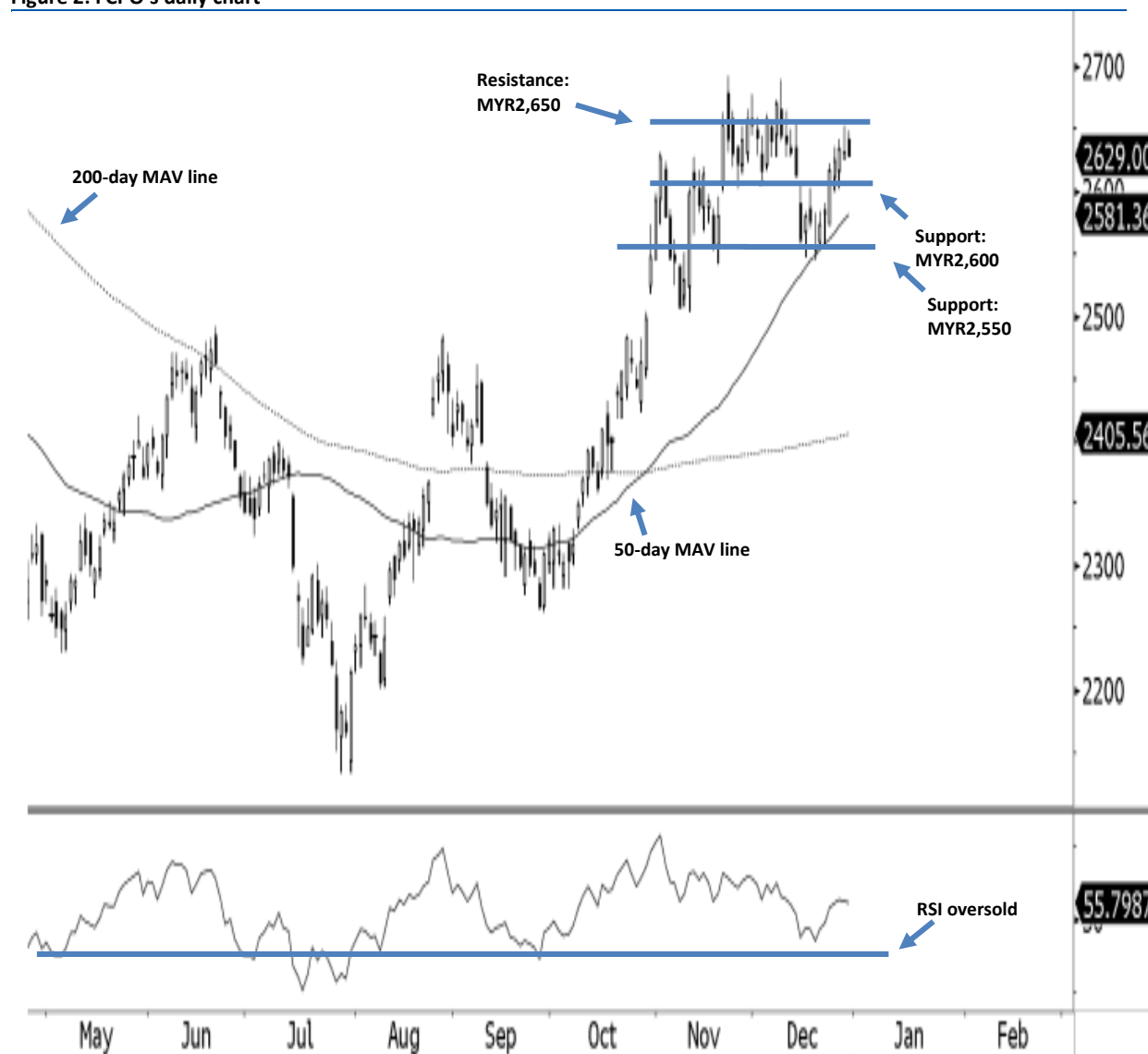
Source: RHB, Bloomberg

**Stay long above 1,850 pts.** The index responded well to 27 Dec's full-bodied white candle after the firmer close yesterday. The latest white candle marked the fourth consecutive day of rises, which sent the index to a new all-time high. This suggests that sellers are still nowhere in sight and the move also extends the upward movement that started from 4 Sept's "Hammer". The index is also above both the 50-day and 200-day MAV lines.

Thus, buying support should continue and a firm upward bias should keep the index above the round figure of 1,850 pts. Resistance is still at 1,870 pts, which was tested yesterday, and followed by 1,880 pts, which is an extrapolation based on the index's Nov-Dec rally. Stronger resistance is at the round figure of 1,900 pts. In the meantime, immediate support is at 1,860 pts, near yesterday's low, and a violation of the level may put a break on the strong upward momentum - more so with the daily RSI being at an overbought level. Stronger support is at the round figure of 1,850 pts and selling will likely gain traction if it is broken. This will also indicate the 1,870-pt resistance is too strong for the moment. Further support is seen at 1,840 pts - near the highs of 23 and 24 Dec, and 1,835 pts, near 26 Dec's low. Strong support is at 1,825 pts (near the lows of 12-16 Dec), and a break will signal that a correction has started earnestly.

FCPO: Rebound Not Over

Figure 2: FCPO's daily chart



Source: RHB, Bloomberg

**Stay long above MYR2,625.** The return of buying support that was first seen on 20 Dec's "Hammer" is not over. The first black candle in seven days may rattle some buyers, but it is not enough to conclusively signal that the buying support is over. The commodity is still above the round figure of MYR2,600 and this suggests that the rally that started from 27 Sept's "Long White Day" could still continue. Note that it is also above both the 50-day and 200-day MAV lines.

Thus, buying support may well continue and a firm upside bias should keep the commodity above MYR2,625, near the lows of 27 and 30 Dec. Immediate resistance is at MYR2,650, which it couldn't break for the past two days, and a successful violation should neutralise the latest black candle. This will stimulate further buying and resistance is at MYR2,660 and MYR2,690, near the highs of 12 and 10 Dec respectively. Failure to hold above MYR2,625 however, may suggest that the commodity is reacting to the latest black candle. A close below MYR2,600 (near the lows of 24 and 26 Dec), which will send it to a 6-day low, may well be enough to confirm the return of selling. Selling pressure will intensify as result and this may even resume the weakness that was first seen on 9 Dec. This should lead to a test of MYR2,580 (near the highs of 18-19 Dec) and a stronger support is at MYR2,550, near the low of two weeks ago.

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