

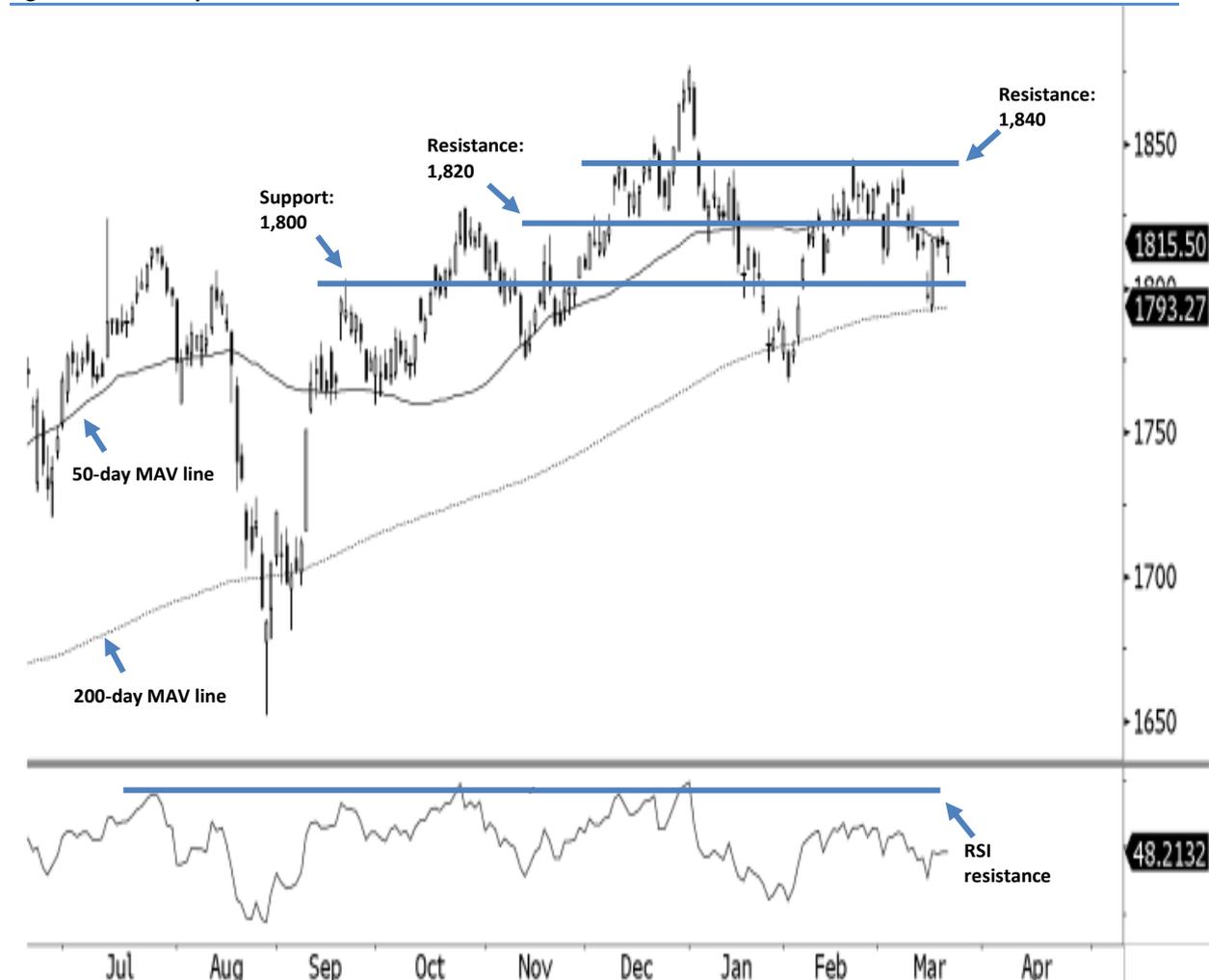
Technical Analyzer

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FKLI & FCPO

FKLI: White Candle Reinforces Upward Bias

Figure 1: FKLI's daily chart



Source: RHB, Bloomberg

Initiate long above 1,800 pts. The strong upward move that started from the “Long White Day” of 17 March looks like it will continue. In fact, the upward bias may be reinforced by the latest white candle, where the buying support overturned the early trade’s selling pressure. Sentiment was clearly upbeat as the index went on to close near the day’s high. This shows that the index continues to hold on to the gains of Monday and this could potentially extend the move, which came after it found support from the 200-day MAV line on 17 March.

Thus, buying support may continue and a firm upside bias should keep the index above the round figure of 1,800 pts. Again, it is better that it stays above 1,810 pts, near the low of 18 March, as that will likely lead to a strong continuation of the upward move. Resistance is seen at 1,820 pts, near the highs of 13 and 18 March, and a successful violation should stimulate further buying. The move will push it above the 50-day MAV line and may reignite the upward move that started from 28 Aug 2013’s “Hammer”, and resistance is then found at 1,830 pts, which it gapped down on 10 March. However, the upward bias may fizzle if the index closes below 1,810 pts. The selling pressure may gain traction if the 1,800-pt level is broken. This may even reopen the possibility of a resumption of the selling pressure that started off the black candle of 7 March. The weakness should be confirmed by a close below 17 March’s low of 1,793 pts. This will also cancel the “Long White Day” of 17 March and push the index below the 200-day MAV line.

FCPO: Staying Above MYR2,750

Figure 2: FCPO's daily chart



Source: RHB, Bloomberg

Stay long above MYR2,750. The possibility of an end to the selling pressure that started off 11 March's "Shooting Star" has increased after the commodity formed another white candle yesterday. The upward bias may even be boosted after the buyers overturned the morning decline, leaving the positive "Hammer"-like candle. This shows that the change in sentiment seen on 19 March may well continue, and it may even extend the upward move that has returned after the false breakout of the MYR2,220 level in July 2013.

Thus, the buying support may continue today. A firm upside bias should keep the commodity above MYR2,750, near the low of 19 March. It is better if it gets above yesterday's high of MYR2,780, as that should leave little doubt on the return of upward bias. This should lead to a test of the MYR2,800 level, near the high of 14 March. A successful violation will likely confirm the return in buying support and follow-through buying can be expected. Resistance is then seen at 5 March's low of MYR2,825, followed by a stronger one at MYR2,850 - which it could not break on 13 March. Immediate supports are still at MYR2,765 - near 17 March's high and MYR2,750. A break of both levels will likely nullify the latest two white candles and lead to a return in selling pressure. Such unexpected move may suggest that the prior downside pressure was never really over. This should be confirmed by the violation of the strong support at MYR2,730, near 18 March's low. This will extend the selling pressure that started from 11 March's "Shooting Star" and further support is seen at MYR2,700.

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