

Headline	Index likely to continue rally		
MediaTitle	New Straits Times		
Date	14 Dec 2013	Language	English
Circulation	95,860	Readership	236,000
Section	Business Times	Page No	B3
ArticleSize	287 cm ²	Journalist	N/A
PR Value	RM 14,041		



Index likely to continue rally

ONCE again, key heavyweight index-linked components of the FTSE Bursa Malaysia KLCI (FBM KLCI) continued to provide the momentum thrust in shoring up the overall market sentiment.

The FBM KLCI closed higher at 1,840.35 points yesterday.

The index hit an intra-week low of 1,826.93 on Monday before staging a technical rally to an intra-week high of 1,846.92 on Tuesday, giving the bourse an intra-week trading range of 19.99 points.

Institutional investors' buying support helped improve the overall market sentiment further last week. The index saw a week-on-week gain of 13.40 points with 17 gainers and 11 losers.

The FBM KLCI continued to stay above its major psychological support of 1,800. It registered a week-on-week gain of 0.73 per cent, to close at 1,840.35 yesterday.

Share prices on Bursa Malaysia staged another follow-through rebound for the week with the FBM KLCI ending higher at 1,840.35 points yesterday, giving a week-on-week gain of 13.40 point, or 0.73 per cent.

The FBM Small Cap Index gained 1.16 per cent, to close higher at 15,730.24 points while the FBM ACE Index closed higher at 5,628.69 points yesterday, with a gain of 1.36 per cent.

Followings are the readings of some of the FBM KLCI's technical indicators:-

Moving Averages: The FBM KLCI stayed above its 10-, 20-, 30-, 50-, 100- and 200-day moving averages yesterday.

Momentum Index: Its short-term momentum index stayed above the support of its neutral reference line yesterday.

On Balance Volume (OBV): Its short-term OBV trend stayed above the support of its 10-day exponential moving averages.

Relative Strength Index: Its 14-day RSI stood at 67.85 per cent yesterday.

Outlook

The FBM KLCI hit a low of 1,826.93 on Monday, staying above this column's envisaged support zone of between 1,788 and 1,822 points. It touched an intra-week high of 1,846.92 on Tuesday, moving into the confines of this column's envisaged resistance zone of between 1,831 and 1,865 points.

Genting Malaysia Bhd, Sapura-Kencana Petroleum Bhd, Telekom Malaysia Bhd and Astro Malaysia Holdings Bhd registered week-on-week gains of 5.29 per cent, 4.57 per cent, 3.58 per cent and 2.70 per cent, respectively. Tenaga Nasional Bhd was the week's top performer with a year-to-date gain of 59.65 per cent.

Chartwise, the FBM KLCI continued to stay above its intermediate-term downtrend (See FBM KLCI's daily chart - B5:B6) yesterday.

It continued to stay above the support of its intermediate-term uptrend support (B1:B2).

In the meantime, the FBM KLCI's daily, weekly and monthly fast MACDs stayed above their respective slow MACDs yesterday.

The FBM KLCI's 14-day RSI stayed at 67.85 per cent yesterday. Its 14-week and 14-month RSI stayed at 65.53 and 70.29 per cent.

From the look of it, the FBM KLCI will continue to stage another climb towards its year-end window-dressing rally. Key heavyweight counters will continue to be featured prominently in the coming week.

Next week, the FBM KLCI's envisaged resistance zone is likely to be between 1,844 and 1,878 points while its immediate downside support is likely to be between 1,802 and 1,836 points.

The subject expressed above is based purely on technical analysis and opinions of the writer. It is not a solicitation to buy or sell.



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Technically
Speaking

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