

Headline	Window-dressing set to continue		
MediaTitle	The Star		
Date	07 Dec 2013	Language	English
Circulation	298,821	Readership	1,839,000
Section	Star BizWeek	Page No	29
ArticleSize	352 cm ²	Journalist	Marfct Trend K.M
PR Value	RM 49,178		



Window-dressing set to continue



REVIEW: Bursa Malaysia started out the week almost flat, with the FBM Kuala Lumpur Composite Index (FBM KLCI) rising 0.03 points to 1,812.75 amid dearth of fresh market-stimulating leads on the horizon.

Sentiment was somewhat cautious in early business, depressed by a lower Wall Street overnight, but fortunately, the subdued mood was short-lived as the December effect quickly set in.

Blue chips gained grounds amid window-dressing activity by the big funds, but second and lower liners were mostly lower, tracking the frail offshore tone.

In a two-tier market the local bourse chalked up 5.43 points to close at 1,818.15.

Despite the positive ending, the overall breadth was not inspiring as decliners led winners by 474 to 284 on Monday.

Overnight Wall Street retreated deeper into the red the next day on follow-through profit-taking liquidation despite robust economic data. Like the previous day, most stock markets in the region performed poorly on renewed worries that the US Federal Reserve may start winding back stimulus sooner-than-expected on the back of solid economic figures out from the United States.

Against the negative backdrop, many people had expected Bursa to tank in the wake of fresh uncertainty, but in an unprecedented move, blue chips at home sustained the upward thrust on persistent window-dressing activity.

The star of the day was heavyweight Tenaga Nasional Bhd, jumping as much as RM2.71, or 27.4% to RM12.60 at one point, lit up by news of a tariff hike from January next year. Consequently, the key index hit a new all-time high of 1,840.12.

Later, this core index-linked counter trimmed gains to finish 83 sen higher to RM10.72 owing to profit-taking activity and the FBM KLCI followed suit. At the final bell, the local bourse came off an intra-day peak significantly to post a moderate gain of 6.14 points to 1,624.29 in mixed session on Tuesday.

Thereafter, Bursa was generally sideways on consolidation, as decline in overseas equities on extended correction was not favourable to the local bourse staging a rally.

In cautious mood, the key index shed 2.39 points to 1,821.90 in mid-week before rebounding a small 2.96 points to 1,824.86 in mixed note on Thursday.

The key index crawled back from a minor hiccup yesterday morning to log another gain of 2.09 points to 1,826.95 amid follow-through support from institutional funds, ignoring overseas losses.

Statistics: For the week just concluded, the principal index added 14.23 points, or 0.8% to 1,826.95, versus 1,812.72 on Nov 29.

Weekly turnover stood at 5.913 billion shares valued at RM8.468bil, against 7.853 billion units worth RM9.647bil done the prior week.

Technical indicators: The oscillator per cent K and the oscillator per cent D of the daily slow-stochastic momentum index were on the slide. It had triggered a short-term sell at the top on Tuesday.

In stark contrast, the daily moving average convergence/divergence (MACD) histogram continued to expand steadily against the daily trigger line to stay bullish. It had issued a buy signal a week ago.

Meanwhile, the 14-day relative strength index maintained its strong posture above the reading of 70 points. Weekly indicators improved rapidly the past week, with the weekly slow-stochastic momentum index and the weekly MACD calling for a buy.

Outlook: Bursa ignored the lacklustre overseas performance to chalk up gains the past week, thanks to local institutional funds bidding up the blue chips.

However, most second and lower liners were easier, as retail investors stayed on the sidelines amid worries about Fed unwinding its US\$85bil-a-month bond-buying campaign sooner rather than later.

Going forward, the scoreboard will be looking unattractive, if this group of market players continue to fret about this old issue and the negative impact of funds flowing back to advance economies and emerging markets getting the cold shoulder, but the market on the whole would still churn out gains in quality issues on sustained window-dressing activity by the big boys, albeit on a smaller scale compared with yesteryears.

Technically, indicators, such as the daily and weekly MACDs and the weekly slow-stochastic momentum index are improving

Headline	Window-dressing set to continue		
MediaTitle	The Star		
Date	07 Dec 2013	Language	English
Circulation	298,821	Readership	1,839,000
Section	Star BizWeek	Page No	29
ArticleSize	352 cm ²	Journalist	Marfcet Trend K.M
PR Value	RM 49,178		

steadily, suggesting Bursa is likely to advance in the short term.

A breach of the newly-established all-time high of 1,840.12 would open the gate for the bulls to explore the uncharted territory.

To the downside, support can be expected at the 14-day simple moving average (SMA) of 1,808 points, followed by the 21-day SMA of 1,803 points and at the 50-day SMA of 1,797 points.

A crack of the 100-day SMA of 1,782 points may see the lower 200-day SMA of 1,750 becoming vulnerable.

