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# Market fails to rally; pullback expected

BY BENNY LEE



Last week, the market was directionless in a short trading on Chinese New Year holidays. Trading volume was low. Furthermore, the local market lacked cues from mixed global market performances. The benchmark FBM KLCI increased only 0.2% in a week to 1,686.52 points. Yesterday, the index closed at 1,687.41 points.

The average daily trading volume fell to 1.7 billion shares from 2.5 billion shares in the previous week. The average daily trading value declined to RM1.5 billion from RM2.3 billion.

In the FBM KLCI, gainers outpaced decliners 16 to 11. The top three gainers were Westports Holdings Bhd (+3% in a week to RM3.83), Genting Bhd (+2.5% to RM7.11) and Tenaga Nasional Bhd (+2.3% to RM13.20). The top three decliners were Axiata Group Bhd (-7% to RM3.73), Malaysia Airports Holdings Bhd (-1.7% to RM7.90) and IOI Corp Bhd (-1.7% to RM4.57).

Global market performances were mixed. Market indices in Asia closed marginally higher in a week



Daily FBM KLCI chart as of February 8, 2018.

except for Japan, which fell 2.2%. The China market was closed for the week for Chinese New Year holidays. Market indices in Europe closed lower while US and London market indices closed higher.

The US dollar gained strength against major currencies last week.

The US dollar index increased to 96.6 points from 95.6 points. However, the ringgit was stronger against the US dollar. The ringgit was at RM4.07 per US dollar last Friday compared with RM4.10 in the previous week.

Commodity prices were slightly

bearish. The Commodity Exchange gold price declined 0.3% in a week to US\$1,318.35 (RM5,378.87) an ounce last Friday. Crude oil (Brent) declined 1.1% to US\$62.09 per barrel. Crude palm oil (BMD) fell 0.4% to RM2,289 per tonne last Friday.

The FBM KLCI failed to climb

above the immediate resistance level of 1,702 points in the past two weeks. This indicated that there was resistance and sentiment was weak. The immediate support level is at 1,680 points.

Momentum indicators remained flat. The Relative Strength Index and oscillator continued to stay near their mid levels and the moving average convergence divergence was just crossing below its moving average. This indicated that the market trend was directionless.

The failure to overcome the resistance level after two weeks indicates a weak market sentiment. Therefore, the FBM KLCI is expected to pull back for a correction towards the immediate support levels of 1,680 points and 1,655 points if the index continues to stay below the immediate resistance level of 1,702 points. The market would not have a clear direction if it continues to stay between 1,680 and 1,702 points.

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**VALUATOR**

Company(Brand)	Mention	Tone	ROI
Axiata Group (Axiata Group)	1	0	0
Crude Palm Oil (CPO) (Crude Palm Oil (CPO))	1	0	0
Genting Berhad (Genting Berhad)	1	0	0
IOI Corp (IOI Corp)	2	0	0
Malaysia Airports Holdings Berhad (MAHB) (Malaysia Airports)	2	0	0
Oil Palm Development (Oil Palm Development)	1	0	0
Oil Price (Oil Price )	3	0	0
Palm Oil News (Palm Oil News)	1	0	0
Tenaga Nasional Berhad (TNB) (Tenaga Nasional )	1	0	0
Westports Malaysia Sdn Bhd (Westports Malaysia Sdn Bhd)	2	0	0