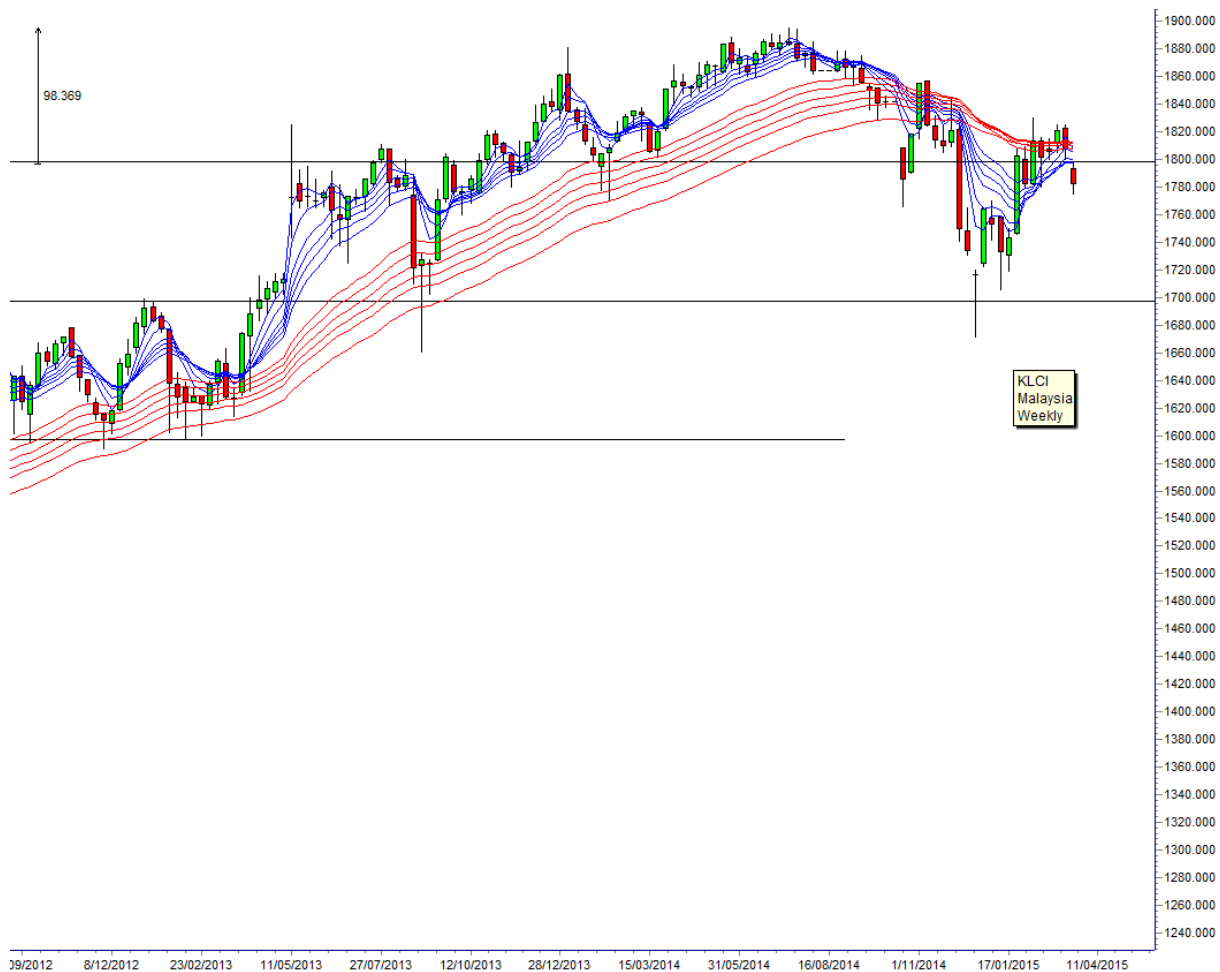


# **KLCI, MALAYSIA**

*By Daryl Guppy*

The KLCI weekly chart shows a rounding top development. This is a bearish chart pattern. A sustained fall below 1800 has a downside target near 1700. This target was achieved. This was followed by a strong rebound rally but this has been unable to move above 1820. This suggests a continuation of the downtrend with an initial downside target near 1700. .

The index tested the lower edge of the long term GMMA and has moved below it .



The move below the long term GMMA shows up trend weakness.

The pattern of trend behaviour is also defined by trading bands. These bands are about 1000 index points wide. They are located at 1600, 1700, 1800 and 1,900. Once the index moves above one of these levels there is a rally and retreat pattern behaviour that precedes the move to the next trading band projection target. When the market falls below the trade band support then the next support level is at the next lower band.