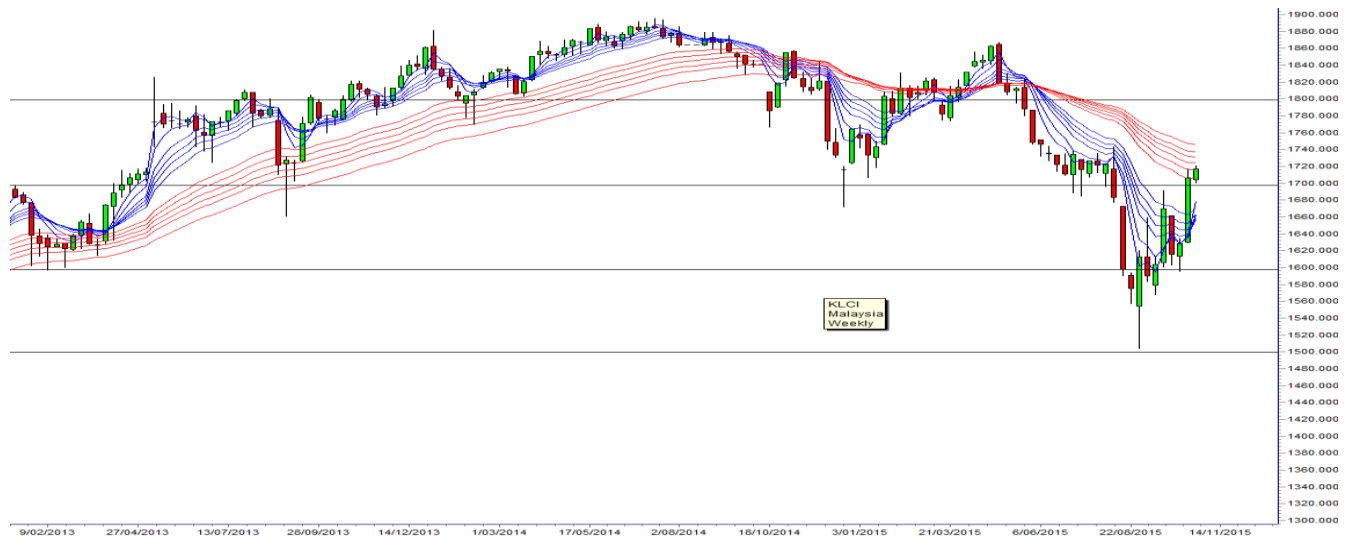


# **KLCI, MALAYSIA**

*By Daryl Guppy*

The KLCI weekly chart shows a rounding top development. The downside target near 1500 was achieved. The rapid rebound was more sustainable than expected. The move above 1700 represents a key support resistance level. A move above the upper edge of the long term GMMA near 1740 will confirm the development of a new uptrend.



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.

## **SUBJECT SUMMARY**

### **INDEX NOTES**

Each week we carry index analysis notes for regional markets. These are the markets in Singapore, Malaysia, Hong Kong, Shanghai, Thailand, Taiwan and Korea. Each market is covered once every six weeks or more often if there are significant market developments. The objective of the notes is to provide an analytical, technical background to assist readers in making better trading and investment decisions.