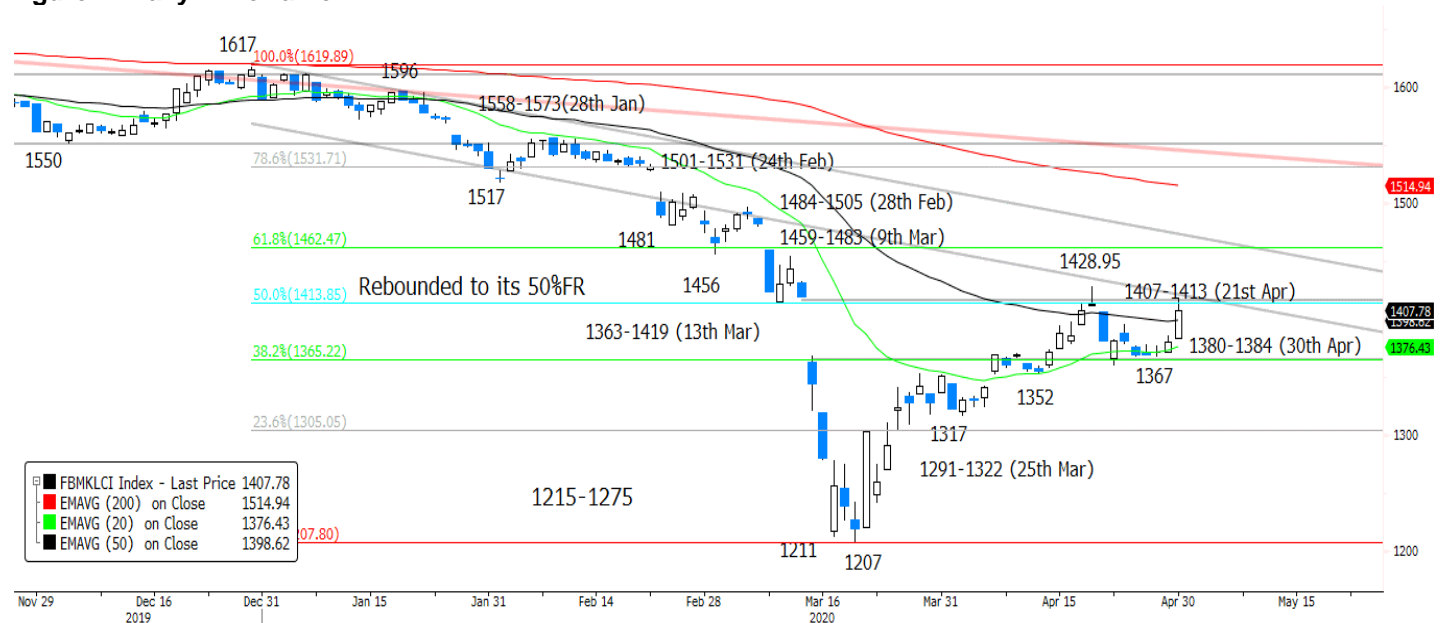


FBMKLCI Index - Technical view

Last price: 1,407.78 Ready to turn down next?

Figure 1: Daily Timeframe



Support 1: 1,352
Support 2: 1,317

Resistance 1: 1,413
Resistance 2: 1,430

Source: Bloomberg, CGS-CIMB RESEARCH

Red line = 200 period exponential moving average (EMA), Black line = 50 period EMA, Green line = 30 period EMA

10-day Market Breadth

	Gainers	Losers
17-Apr	764	211
20-Apr	504	434
21-Apr	198	827
22-Apr	458	378
23-Apr	462	376
24-Apr	445	400
27-Apr	469	396
28-Apr	305	548
29-Apr	629	249
30-Apr	629	298

All the Asian stock markets rallied on Thursday to end the holiday-shortened week on a high. The local benchmark FBMKLCI (KLCI) surged 27.48pts or 1.99% to end the day back above the 1,400 mark, at 1,407.78. Week-on-week, the KLCI added 37.93pts or 2.77%. Market breadth swung back to the positive side, its 10th in 12 trading days.

Yes, we expected the index to move higher to test its 50-day EMA but not in a day. The move up on Thursday also saw the index fill the 21st April gap of 1,407-1,413. There is no change to our short term bearish view for now. With the gap now filled, the bears are likely to resume on their selling activities in the near term. Prices ought to immediately fall from here. Otherwise, a push above the 1,428 highs may be next. The 30th April gap of 1,380-1,384 is likely the next target. We continue to **advocate selling on strength and avoid the 'bargain hunt' wagon**. Buy and hold activities/plans ought to be put on hold for now.

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Longer term, we are still bearish on the market as the double top measurement target is at 1,150. If this rebound has any residual strength, use the rebound to **sell into strength**. A strong push above 1,460-1,470 would cut the odds of one more leg down to new lows.

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