



Headline : Deleum set to challenge intermediate resistance level  
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## Deleum set to challenge intermediate resistance level

**LAST** week, the local bourse moved in step with the performances of the Wall Street and regional stock markets.

The FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) posted a technical rebound gain of 15.36 points on Friday. It hit a high of 1,640.60 before closing at 1,637.44 points.

Share prices on Bursa Malaysia rebounded in step with the rebounds on regional stock markets last week. The Hong Kong and Tokyo stock markets registered gains of 0.43 per cent and 1.94 per cent, respectively.

As it turned out, the FBM KLCI ended the trading week higher. It stayed above its immediate downside support of 1,630 at the market close last Friday.

There were 21 gainers and 7 losers with two counters unchanged. It hit a low of 1,619.97 on Monday before rebounding to a high of 1,640.60 last Friday, giving it a mid week trading range of 20.63 points.

The FBM KLCI staged a technical rebound to close at 1,637.44 points last Friday, giving a week-on-week

gain of 15.36 points, or 0.95 per cent.

The FBM Small Cap Index gained 126.14 points, or 1.11 per cent, to 11,519.72 level, while the FBM ACE Market Index added 49.53 points, or 1.26 per cent, to 3,990.41 points on Friday.



**S.N. Lock**  
Technically Speaking

On the home front, Deleum Bhd staged a technical rebound last week. Its daily price trend rebounded to close at RM2.02 on Friday, giving it a week-on-week gain of 19 sen, or 10.38 per cent.

The following are the readings of some of Deleum's technical indicators:-

**Moving Averages:** Deleum's daily price trend stayed above its 10-, 20-, 30-, 50-, 100- and 200-day moving averages at the market close on Friday.

**Momentum Index:** Its short-term momentum index stayed above the support of its neutral reference line last week.

**On Balance Volume (OBV):** Its short-term OBV was above the support of its 10-day moving averages.

**Relative Strength Index (RSI):** Its 14-day RSI had since stayed above the 50 level. Its technical reading

stood at the 69.35 per cent level on Friday.

### Outlook

Select second and third liners remained the trading focus last week with Deleum being one of those counters with a week-on-week gain of 19 sen, or 10.38 per cent.

Deleum's monthly price trend staged a decisive breach of its intermediate-term downtrend pattern formation.

Its weekly price trend staged a successful technical breakout of its intermediate-term overhead resistance (See Deleum's weekly price chart B1:B2) and has since stayed above.

Its daily price trend staged a technical breakout of its intermediate-term downtrend pattern formation (See Deleum's daily price trend C1:C2) last Friday.

Deleum's daily, weekly and monthly fast MACDs (moving average convergence divergence) continued to stay above their respective slow MACDs at the market close on Friday.

Its 14-day Relative Strength Index (RSI) stood at the 69.35 per cent level last Friday.

Its 14-week and 14-month RSI



were at the 64.74 per cent and 68.52 per cent levels, respectively.

From the perspectives of the technical breakout of its intermediate-term downtrend (C1:C2) on its daily price charts,

Deleum's price trend is now

poised to move towards its intermediate-term resistance zone (RM2.10- RM2.38 levels).

The subject expressed above is based purely on technical analysis and opinions of the writer. It is not a solicitation to buy or sell.