

Bursa Malaysia's volatility likely to surge next week

KUALA LUMPUR, Dec 11 — The heightened volatility that have emerged surrounding the emergence of the Omicron variant is expected to persist next week, said Rakuten Trade Sdn Bhd vice-president of equity research Thong Pak Leng.

Following this, he reckons that the barometre FTSE Bursa Malaysia KLCI (FBM KLCI) may not see any major movements thus anticipating it to trend within the 1,490-1,500 range.

"Technically, we shall see immediate support level at 1,485 with resistance at 1,515," he told Bernama.

Thong said investors also may exhibit a wait-and-see attitude ahead of the release of US inflation data that might influence Federal Reserve decision on when to roll back economic stimulus.

The Federal Open Market Committee meeting will be held on Wednesday.

European Central Bank, Bank of England, Bank of Japan and the People's Bank of China will also hold respective meetings during the week.

Domestically, window dressing activities may still emerge next week ahead of the end of the year.

Overall, the market was mixed before ending the week on a negative note.

It hit a 13-month low on Monday on fears over Omicron's possible impact on global economic recovery.

The World Health Organisation said the Omicron coronavirus variant is now present in 57 countries, causing more countries to impose stricter movement restrictions to curb the spread.

Sentiment was also hurt by Evergrande's debt crisis. It was officially declared in default on Thursday.

At home, Industrial Production Index (IPI) rose to 5.5 per cent in October 2021, driven by the manufacturing index, which saw an increase of 8.0 per cent in the month under review.

Meanwhile, the wholesale and retail trade sales in October 2021 returned to the highest level seen on record, rebounding 5.4 per cent year-on-year to RM116.4 billion, according to the **Department of Statistics Malaysia**.

Malaysia's manufacturing sales grew 15.3 per cent to RM140.7 billion in October 2021 from the same month in 2020.

On a Friday-to-Thursday basis, the benchmark index eased 12.86 points to end the week at 1,488.88 from 1,501.74 previously.

On the index board, the FBM Emas Index lost 79.12 points to 10,859.79, the FBMT100 Index dropped 84.18 points to 10,561.57, the FBM Emas Shariah Index dipped 200.65 points to 11,714.25, the FBM 70 declined 84.00 points to 14,046.03, while the FBM ACE erased 185.26 points to 6,228.32.

Sector-wise, the Financial Services Index gained 133.22 points to 15,109.33, the Industrial Products and Services Index rose 0.33 of-a-point to 193.3, but the Energy Index fell 15.00 points to 677.49.

The Healthcare Index shrank 191.44 points to 2,173.35, the Technology Index went down 0.73 of-a-point to 95.19, and the Plantation Index eased 8.92 points to 6,466.49.

Weekly turnover narrowed to 17.03 billion units valued at RM10.20 billion against 19.19 billion units valued at RM18.98 billion in the previous week.

The Main Market volume eased to 9.45 billion shares worth RM8.92 billion from 12.04 billion shares worth RM17.06 in the prior week.

Warrants volume, however rose slightly to 1.50 billion units valued at RM242.27 million versus 1.49 billion units valued at RM215.84 million previously.

The ACE Market volume depreciated to 5.47 billion shares worth RM1.03 billion compared with 5.63 billion shares worth RM1.70 billion in the previous week. — Bernama

<https://www.malaymail.com/news/money/2021/12/11/bursa-malaysias-volatility-likely-to-surge-next-week/2027631>