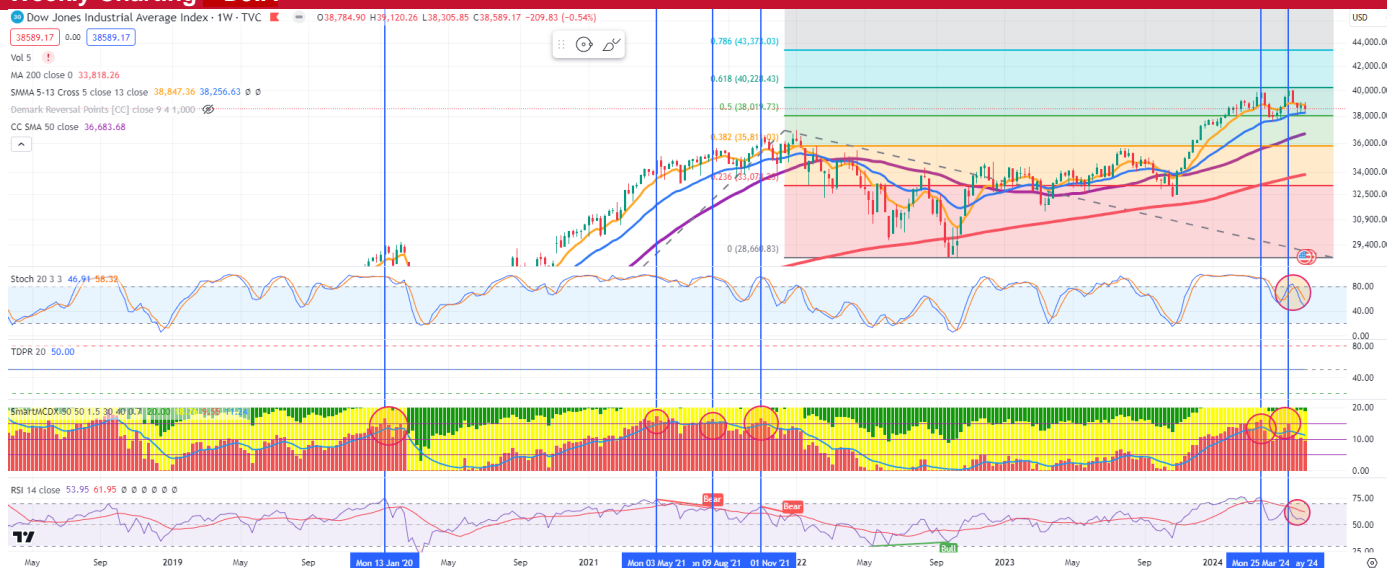


18 June 2024

By **Cheow Ming Liang** | cheowml@kenanga.com.my

Weekly Technical Highlights – Dow Jones Industrial Average (DJIA)

Weekly Charting – DJIA



Source: *TradingView*

Key Support & Resistance Levels:	
Last Price	: 38,589.17
Resistance	: 38,847(R1) 40,077(R2)
Support	: 38,256 (S1) 37,611(S2)
Weekly view	Downside Bias

Dow Jones Industrial Average (DJIA) (Downside Bias)

- The S&P 500 and NASDAQ marked their seventh positive week for the last eight weeks, with the NASDAQ gaining 3.3% and the S&P 500 up 1.6%, while the Dow declined by 0.5%. The Federal Reserve kept interest rates unchanged last week, indicating only one possible rate cut this year. The World Bank, on the other hand, raised its 2024 global growth forecast to 2.6%, driven by an improved U.S. outlook, now expected to grow by 2.5%, nearly a full point higher than previously estimated.
- Looking ahead, there is no major economic data set for release during the shortened holiday week, with the US market closed on June 19 for Juneteenth. The focus will likely shift to Europe, where market volatility surged last week due to falling government bond yields after the European Parliament election results. French and Italian stocks saw significant declines of over 5% last week.
- Technically, the DJIA has consolidated within the 5 and 13-week SMA ranges over the past three weeks with divergence shown in both the weekly Stochastic and RSI indicators, which could be a sign of market fatigue. Although the S&P 500 and NASDAQ posting another all-time high is a bullish catalyst to the market, the risk-reward ratio is beginning to skew towards potential pullback with the NVIDIA share split, Apple’s WWDC and FOMC meeting now behind us.
- In short, we expect the market to lean towards the downside this week. Disappointments from key economic data, European market surprises, or AI sector valuation reset could push the index to test its 13-week SMA support at 38,256 and 37,611 level next. Conversely, continued bullish momentum in tech could cheer the overall market sentiment and drive the index past the 5-week SMA resistance at 38,847, potentially testing the all-time high of 40,077.

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KENANGA INVESTMENT BANK BERHAD (15678-H)
 Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
 Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my