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Uptrend pace expected to gather momentum

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THE opening ceremony of the sixteenth Commonwealth Games on September 11, was a spectacular show. The many millions who watched it on television all over the world, as well as those who watched it at Bukit Jalil stadium, heaped praises on Malaysia for putting up such a magnificent show despite the country being in recession. With the ongoing Games now drawing to a close, we have heard more praises for the facilities available at the Games's village and venues where the Games are being held. Many have given the thumbs up for the well-done job and they are now looking forward to a closing ceremony that will be as good if not better than the opening gala.

The Western news have been highlighening Malaysia's economic problems, Dr Mahathir's shocking measures to resuscitate the economy, the sacking of his deputy Datuk Seri Anwar Ibrahim and about this time last year, the haze problem. Malaysia had protested against these inaccurate reports but it felt on deaf ears. From the reports, family members now residing in Western countries have expressed concern for the welfare of their next of kin.

However, the participants and visitors to the Games can now bear testimony to these inaccurate reports. I am sure, the first time visitors upon arrival at Kuala Lumpur International Airport cannot but be struck in awe at the beauty of our modern airport. Some have even gone to the extend of saying it is among the best in the world.

As they travel around in our light-rail transport system, to view our twin tower and Kuala Lumpur City Centre which are now free of haze, they will be further convinced on how unfair the reportings had been. Visitors cannot but be impressed with the friendly attitude of Malaysians all over the country and would soon realize that this is a great place to have their next vacation. Their strong currencies against our weak ringgit will undoubtedly allow them to have a memorable holiday.

Week before last week, we had stated the importance for our Timing Device to reverse itself out of its falling trend before it comes down to the zero support level. Last week, it did just that and we expect the uptrend pace to gather momentum this week. On a more cautious note, we have observed a slow down in the trading volume. This is not positive as for any uptrend to be sustainable it should be accompanied by a good increase in trading volume.

Our rising medium term O/O Indicator has continued to trend up with an increasing pace, this again is positive except that the weekly trading volume has suffered a fifty per cent drop. We expect the rising O/O Indicator to, at least, trend up until the end of this month.

The KLSE Composite Index is stationed very comfortably above its 30 Moving Average and we believe it will continue to trend above its 30MA for the next couple of weeks.