

RESEARCH PAPER

**COMPARISON OF SOME TECHNICAL INDICATORS
IN THE KUALA LUMPUR STOCK EXCHANGE**

BY

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ABSTRACT

Technical analysis is both highly controversial and widely used; some practitioners claim that it is profitable. They say that historical technical figures, such as the past behaviour of the stock's price, give them foresight into future price movements. Many others, however, claim that the practice of looking at past technical data to help predict the future is outlandish and most academics fall into this group.

More and more writers are beginning to question whether technical analysis may serve as one tool available to those who want to trade profitably in the market. And this is the reason for this project study – to try to shed additional light on its controversy through systematic and unbiased testing of a variety of technical indicators on the Kuala Lumpur Stock Exchange trading.

Four commonly used technical indicators were tested in this study. They are Simple Moving Average (SMA), Moving Average Convergence/Divergence (MACD), Relative Strength Index (RSI) and Stochastics Oscillator (STOC). This study shows that there is a significant difference in portfolio returns obtained by applying different trading methods.

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