



**ROLLING PIVOT AS A PREDICTOR OF SHARE
PRICES IN MALAYSIAN MARKET**

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ABSTRACT

This project paper further investigates the predictability of technical indicators in the stock market. The study focuses on the Malaysian stock market using the data collected from 1st January 2001 to 31st December 2005. This study does not adopt all the pivot analysis' rules but only focus on the rolling pivot point to predict the future prices of the shares. The highest, lowest and closing prices of the shares are used to derive the rolling pivot prices, and both closing and rolling pivot prices will be investigated for their significant different level.

The idea behind this is from the previous studies done in the technical analysis. This study tries to spread out this unknown method of technical analysis to traders to forecast the future prices of the stock market, because this method is only known and familiar to experienced traders. From this study it shows that rolling pivot is significant to forecast the trend of the future prices of stock market. The result indicates that when the rolling pivot point is more than the closing prices; the pivot point is broken in an upward movement, then the market is bullish, and vice versa. However, the pivot points are short-term trend indicators, useful only for one day until they need to be recalculated. Further study should be carried out since there is a lack amount of research that had been done in this field.

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