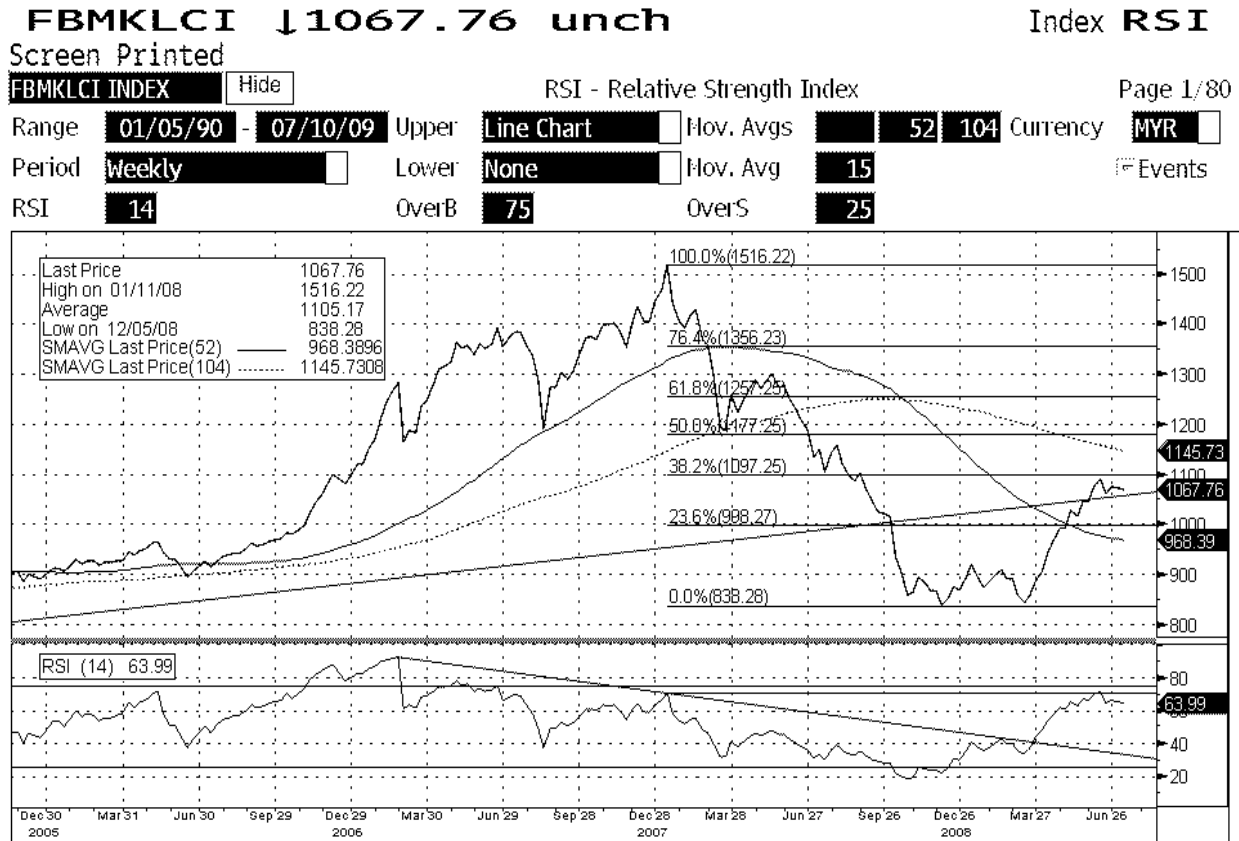


# KL Composite Index

## Stalemate



Stalemate still with both sides toughing it. Our local market remains to be in a consolidation mode with little clues as to the possible direction in the near term. CI is continuing to trend gingerly above the long term uptrend line with support at the 1,055 – 1,060 levels. Weekly RSI continues to hover with the 70 mark proving to be a challenge. Expect resistance to be pegged at the 1,078 – 1,091 levels while 1,055 – 1,044 can be counted as immediate support.

Our strategy remains unchanged which is to sell into strength given that risk / reward is tilting towards the former should market move any higher. Harsh reality that the global economic slowdown still has legs could finally dawn upon investors thereby providing the necessary downside risk in the near to medium term.

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published and printed by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**

8th Floor, Kenanga International, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia

Telephone: (603) 2166 6822 Facsimile: (603) 2166 6823 Website: [www.kenangaresearch.com](http://www.kenangaresearch.com)



Yeonzon Yeow  
Head of Research