

# KL Composite Index

Consolidation ahead

**FBMKLCI ↑ 1188.57 +2.38** Index **RSI**

At DELAYED Vol n.a. Op 1186.19 Hi 1196.46 Lo 1186.19 OpInt n.a.

**FBMKLCI INDEX**  RSI - Relative Strength Index Page 1/134

Range **01/02/02 - 08/14/09** Upper  **Line Chart**  Mov. Avgs **30 50** Currency **MYR**

Period **Daily**  Lower **None**  Mov. Avg **15**  Events

RSI **14** OverB **75** OverS **25**



**FBMKLCI ↑ 1188.57 +2.38** Index **RSI**

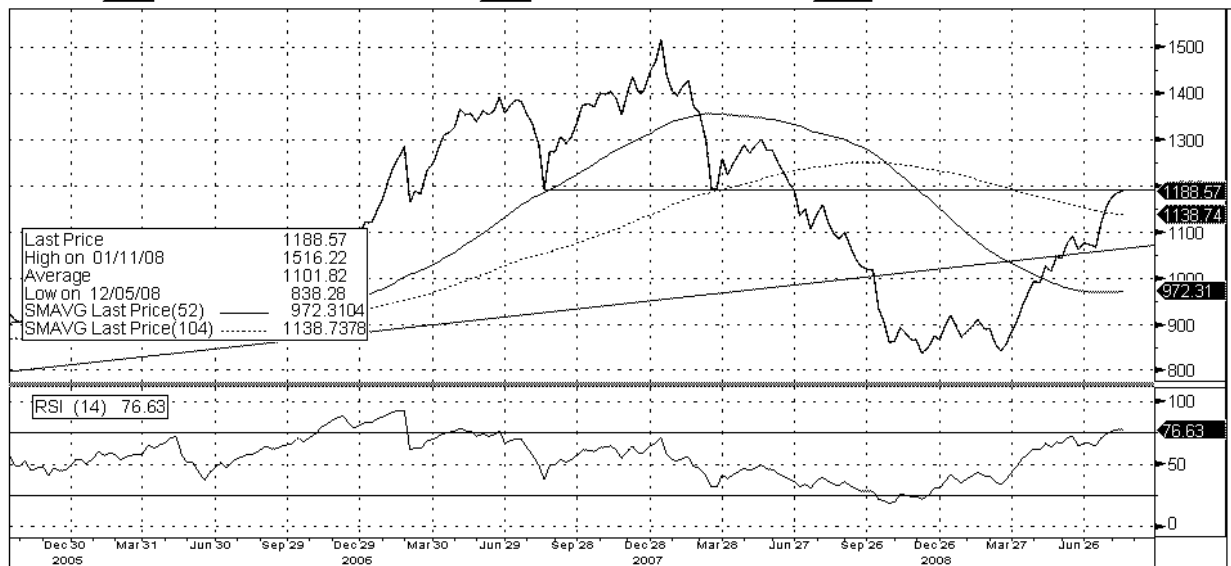
Screen Printed

**FBMKLCI INDEX**  RSI - Relative Strength Index Page 1/80

Range **01/05/90 - 08/14/09** Upper  **Line Chart**  Mov. Avgs **52 104** Currency **MYR**

Period **Weekly**  Lower **None**  Mov. Avg **15**  Events

RSI **14** OverB **75** OverS **25**



After the stellar run-up since Mar 09, the local market we suspect is due for a breather. While the run-up had been stronger and slightly more prolonged than what we had expected, technical indicators are however all flashing overbought leading to a more cautious stance on our part in the near term. While the bullish momentum remained intact, some near term pullbacks and consolidation to digest the run-up since March cannot be discounted in the near term.

As noted, RSI on both the daily and weekly basis are now trending at very rich levels with possibility of some downward adjustment not unexpected. The weekly meanwhile is also likely to face the neckline resistance at near the 1,191 – 1,189 levels which the bulls should not dismiss it lightly.

While the bigger caps are likely to undergo some corrective pullbacks and consolidation, rotational interest into the mid and lower liners are likely to prevail given their laggard status and undemanding valuations. For the near term, we would expect immediate resistance at the 1,210 – 1,220 levels with support likely to be found at the 1,170 – 1,160 levels. A trading sell on the main CI stocks are maintained with a rotation into the mid and lower liners for possible outperformance given relatively cheaper valuations and better risk / reward.

---

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