

KL Composite Index

Cautious

FBMKLCI 1174.27Y as of close 8/28 Index **RSI**

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FBMKLCI INDEX

RSI - Relative Strength Index

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Range **01/02/02 - 08/28/09** Upper **30 50** Currency

Period Lower **15**

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



Cautious start to the holiday shortened trading week expected given the sell-off in the regional bourses especially the Shanghai market which had been pressured on rising concerns that authorities will likely to tighten policies to rein in the flush of liquidity that is in the system.

Technically, while CI's primary trend remains up, the indicators however continue to flash neutral signaling perhaps that the current consolidation will prevail in the near term. Noted the shorter term moving averages flattening slightly indicating perhaps some loss in momentum in the near term. Daily RSI is trending at neutral levels but the weekly remains slightly rich to our liking still. Immediate support is now pegged at the 1,169 level with 1,155 – 1,150 as the next possible support. Resistance however can be found at the 1,186 – 1,188 levels. Our trading stance is maintained.

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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



Yeonzon Yeow
Head of Research