

12 July 2019

## By Nikki Thang / nikkithang @kenanga.com.my; Chan Ken Yew / kychan @kenanga.com.my



## Most Asian stocks rose after Powell signalled a likely rate-cut

- · Asian markets closed mostly higher yesterday, as investors feel upbeat about the increased likelihood of a U.S. rate-cut.
- Back home, the FBMKLCI rose marginally by 0.29 points (+0.02%) to close at 1679.26.
- Chart-wise, the index is observed to be consolidating between a range of 1,650 and 1,700, likely due to the lack of major catalyst within the market. Meanwhile, key indicators appear uninspiring by ranging in the neutral zone.
- From here, resistances can be found at 1,700 (R1). A break above should see the index trend higher towards 1,730 (R2).
- Conversely, downside supports can be identified at 1,650 (S1) and 1,600 (S2).

#### Dow closes above 27,000 for the first time

- Wall Street continues to rally after signals from Fed's chairman's statement for an upcoming interest rate cut.
- The Dow rose 227.88 points (+0.85%) to end at 27,088.08, closing above 27,000 for the first time.
- Chart-wise, the index has broken above the 27,000-level. The underlying trend of the index remains bullish with the index trading above all key SMAs, while its 20- and 50-day SMAs have shown "Golden-Cross" formation, leading us to believe that the rally could continue.
- We look towards the Dow testing 27,800 (R1), where a break above would spur the index higher towards 28,600 (R2).
- Meanwhile, downside supports can be found at 26,700 (S1) and 25,500 (S2).

### Daily technical highlights - (MAGNI, KAWAN)

## MAGNI (Not Rated)

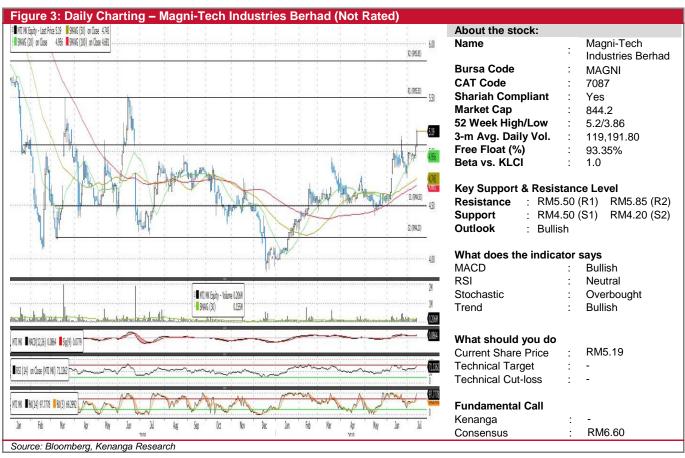
- Yesterday, MAGNI gained 14.0 sen (+2.77%) to close at RM5.19.
- We note that the share managed to break through and hold above its key resistance level at RM5.00, following two
  consecutive long white candlesticks for the past two days.
- Given its RSI indicator, which is still trading within the neutral zone, we believe that the share may be able to trend higher as it is far from the overbought territory.
- Should the bullish momentum persist, resistance levels can be identified at RM5.50 (R1) and RM5.85 (R2).
- Conversely, downside supports can be found at RM4.50 (S1) and RM4.20 (S2).

#### KAWAN (Not Rated)

- KAWAN rose 8.0 sen (+5.26%) to end at RM1.60.
- Chart-wise, the share has been rebounding since June'19, which saw it currently trading above all of its key SMAs.
- Coupled with a bullish MACD crossover, we believe that the share may continue trending upwards.
- Expect the share to test resistance levels at RM1.80 (R1) and RM1.93 (R2).
- Conversely, key support level can be identified at RM1.28 (S1) and RM1.00 (S2).







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**Unrealised Positions (July 2019)** 

No	CATS	Stock Name	Issued Date (ID)	Price @ ID	Target Price	Stop- Loss	Upside Potential	Downside Risk @ ID	Reward/ Risk Ratio	Last Price	Dividend Received	Gain/ Loss (incl.	Gain/ Loss	Rating	Comment/ Action
	Code		(.5)	© .D		2000	@ ID	rtion @ ib	@ ID	11100	since ID	Div.)			
					RM	RM	(%)	(%)	(x)	RM	RM	RM	(%)		
1	6599	AEON CO (M) BHD	28-Sep-18	1.740	1.950	1.620	12.07%	-6.90%	1.8	1.730		-0.01	-0.57%	BUY	
2	0800	STRAITS INTER LOGISTICS BHD	22-Feb-19	0.240	0.300	0.200	25.00%	-16.67%	1.5	0.215		-0.03	-10.42%	BUY	
3	7579	AWC BERHAD	27-Feb-19	0.770	0.865	0.675	12.34%	-12.34%	1.0	0.730		-0.04	-5.19%	BUY	
		Simple Average					16.47%	-11.97%	1.42				-5.40%		

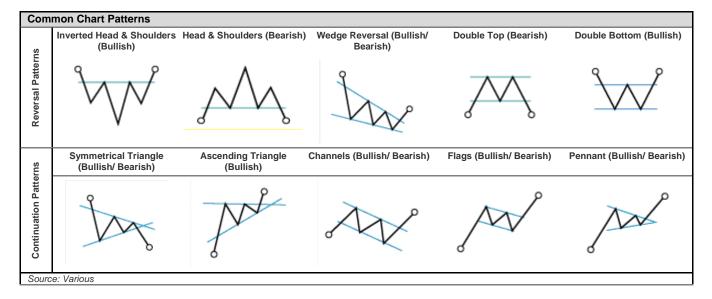
<sup>\*</sup>Tracker does not include Non-Rated positions

**Realised Positions (July 2019)** 

No	CATS	Stock Name	Issued Buy Date Price		Price since Buy Date		Price change since Buy Date (%)		Sell Date	Sell Price	Dividend Received	Loss (incl.	Gain/	Rating	Comment/ Action
	Code					70	, (,			since ID	Div.)	Loss			
					(H)	(L)	(H)	(L)		RM	RM	RM	(%)		
					, ,	,		, ,					, ,		
		Circuita Accessor													
		Simple Average													

#### **Basic Technical Terms:**

Reversal Candlesticks	Patterns	Description
Doji Dragonfly Doji (Bullish) Gravestone Doji (Bearish)		Dojis form when a security's open and close are virtually equal. The length of the upper and lower shadows can vary, and the resulting candlestick looks like, either, a cross, inverted cross, or plus sign. Doji convey a sense of indecision or tug-of-war between buyers and sellers.
Engulfing Pattern	Balah Barnin	A reversal pattern that can be bearish or bullish, depending upon whether it appears at the end of an uptrend (bearish engulfing pattern) or a downtrend (bullish engulfing pattern). The first day is characterized by a small body, followed by a day whose body completely engulfs the previous day's price action.
Hammer (Bullish) Shooting Star (Bearish)		Hammer candlesticks form when a security moves significantly lower after the open, but rallies to close well above the intraday low. This appears in a downtrend. In contrast, the Shooting Star pattern appears in an uptrend. It opens higher, trades much higher, then closes near its open. It looks just like the Inverted Hammer except that it is bearish.
Inverted Hammer (Bullish) Hanging Man (Bearish)	""	The Inverted Hammer is a single-day bullish reversal pattern. In a downtrend, the open is lower, then it trades higher, but closes near its open price, therefore looking like an inverted lollipop.  Hanging Man candlesticks form when a security moves significantly lower after the open, but rallies to close well above the intraday low.
Harami Harami Cross		The Harami is a two-day pattern that can be bullish or bearish. It has a small body day completely contained within the range of the previous body, and is the opposite colour. The Harami Cross is similar to the Harami. The difference is that the last day is a Doji.
Marubozu		A Marubozu candlestick has no shadow extending from the body at either the open, the close or at both.
Morning Doji Star (Bullish) Evening Doji Star (Bearish)	'	A Morning Doji Star (Evening Doji Star) is a three-day candlestick bullish (bearish) reversal pattern - a long-bodied black (white) candle extending the current downtrend, a short middle candle that gapped down (up) on the open, and a long-bodied white candle that gapped up (down) on the open and closed above (below) the midpoint of the body of the first day.
Spinning Top	+	Spinning Tops are candlestick lines that have small bodies with upper and lower shadows that exceed the length of the body. They are similar to the Doji candlesticks, and signal indecision.
Source: Various		•



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# KENANGA INVESTMENT BANK BERHAD (15678-H)

Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia

Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my

