

16 July 2019

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Figure 1: Daily Charting – FBMKLCI



Source: Bloomberg, Kenanga Research

Basic Data				Technical Ratings			
52-week High	1,826.90		(in Million)	Resistance 2	1,730	MACD	Bearish
52-week Low	1,572.03	KLCI Vol	78.02	Resistance 1	1,700	RSI (14)	Neutral
Current Level	1,672.37	Bursa Vol	3012.29	Current Level	1,672.37	Stochastic	Oversold
Intraday High	1,672.37	Bursa Val	1650.37	Support 1	1,650		
Intraday Low	1,664.38			Support 2	1,600	Outlook	Neutral

Asian markets recovered despite China posting weak GDP growth

- Asian markets recovered early losses despite China posting its weakest quarterly GDP growth in at least 27 years.
- Back home, the FBMKLCI rose marginally by 2.92 points (+0.17%) to close at 1672.37.
- 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, signals from key momentum indicators continue to appear uninspiring.
- 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 continues to set new closing record

- Wall Street continues to inch higher as investors await the wave of 2nd quarter earnings.
- The Dow gained 27.13 points (+0.10%) to end at 27,359.16, setting another record high.
- 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 – (PENTA, KAREX)

PENTA (Not Rated)

- Yesterday, PENTA gained 9.0 sen (+2.74%) to close at RM3.37.
- We note that a bullish candlestick was seen after 3 consecutive bearish candlesticks, potentially indicating a short consolidation phase is over and beginning of a continuation rally. We believe the share could be in the midst of testing its previous high of RM3.39 where a break above would confirm a breakout.
- Despite RSI being in the overbought territory, we note that in a rally, PENTA tends to stay in the overbought territory and a similar case as Apr-19 could play out.
- Look out for resistances at RM3.39 (R1) and RM3.58 (R2), while downside supports can be found at RM3.20 (S1) and RM3.08 (S2).

KAREX (Not Rated)

- KAREX rose 3.5 sen (+6.09%) to end at RM0.610.
- Chart-wise, yesterday's candlestick gapped up after a Doji candlestick, the previous trading day, signifying strong buying momentum. We believe the share could soon test its YTD high of RM0.665.
- Its 20- and 50-day SMAs are in a "Golden-Cross" position and coupled with positive upticks from key momentum indicators, these lead us to believe that the rally could continue.
- Expect the share to test resistance levels at RM0.650 (R1) and potentially higher at RM0.780 (R2).
- Conversely, key support level can be identified at RM0.500 (S1) and RM0.375 (S2).

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Figure 2: Daily Charting – Dow Jones Industrial Average

Figure 3: Daily Charting – Pentamaster Corporation Berhad (Not Rated)


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Figure 4: Daily Charting – Karex Berhad (Not Rated)



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Unrealised Positions (July 2019)

No	CATS Code	Stock Name	Issued Date (ID)	Price @ ID	Target Price	Stop-Loss	Upside Potential @ ID	Downside Risk @ ID	Reward/Risk Ratio @ ID	Last Price	Dividend Received since ID	Gain/Loss (incl. Div.)	Gain/Loss	Rating	Comment/ Action
					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	1.710		-0.03	-1.72%	BUY	
2	0080	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	0.725		-0.05	-5.84%	BUY	
		Simple Average					16.47%	-11.97%	1.42				-5.99%		





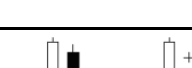

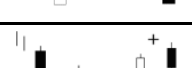
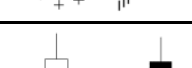
*Tracker does not include Non-Rated positions

Realised Positions (July 2019)

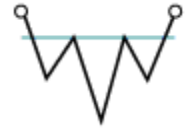

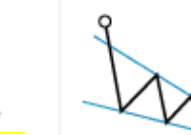




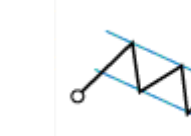

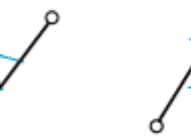
No	CATS Code	Stock Name	Issued Date	Buy Price	Price since Buy Date	Price change since Buy Date (%)	Sell Date	Sell Price	Dividend Received since ID	Gain/Loss (incl. Div.)	Gain/Loss	Rating	Comment/ Action
					(H) (L)	(H) (L)		RM	RM	RM	(%)		
		Simple Average											

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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		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

Common Chart Patterns					
Reversal Patterns	Inverted Head & Shoulders (Bullish)	Head & Shoulders (Bearish)	Wedge Reversal (Bullish/ Bearish)	Double Top (Bearish)	Double Bottom (Bullish)
					
Continuation Patterns	Symmetrical Triangle (Bullish/ Bearish)	Ascending Triangle (Bullish)	Channels (Bullish/ Bearish)	Flags (Bullish/ Bearish)	Pennant (Bullish/ Bearish)
					

Source: Various

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