

05 November 2019

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Figure 1: Daily Charting – FBMKLCI



Source: Bloomberg, Kenanga Research

Basic Data				Technical Ratings			
52-week High	1,732.27			Resistance 2	1,650	MACD	Bullish
52-week Low	1,548.45	KLCI Vol	105.49	Resistance 1	1,630	RSI (14)	Neutral
Current Level	1,603.56	Bursa Vol	2557.73	Current Level	1,603.56	Stochastic	Overbought
Intraday High	1,603.56	Bursa Val	1856.40	Support 1	1,570		
Intraday Low	1,595.20			Support 2	1,550	Outlook	Bearish

Asian markets rise amid better development on US-China trade talk

- Asian stocks ended higher as investors digested the positive progress made between US and China, where a deal could be signed this month.
- Back home, FBMKLCI increased by 10.22 points (+0.64%) to close at 1,603.56.
- Chart-wise, we see encouraging momentum as yesterday's candlestick continued to close higher above its 20 and 50-Day SMA. Coupled with an uptick in RSI, we expect the upward momentum to continue.
- From here on, overhead resistance can be seen at 1,630 (R1) and 1,650 (R2).
- Conversely, key support levels can be found at 1,570 (R1) and 1,550 (R2).

Wall Street reached an all-time high backed by job data

- Wall Street continued its rally backed by encouraging job data released last week. In addition, the widening spread between the shorter and longer term yield curve shows signs of rising confidence in the economy.
- The Dow gained 114.75 points (+0.42%) to close at 27,462.11.
- Yesterday candlestick gapped up to break the chart's record high. Given that the chart continues to trend above all key SMAs, while trading volume continues to be inspiring we believe the buying momentum could persist.
- With that we have raised our resistance levels to 27,600 (R1) and 28,000 (R2), while support levels can be seen at 27,100(S1) and 26,600(S2).

Daily technical highlights – (TOPGLOV,FPI)

TOPGLOV (Not Rated)

- TOPGLOV increased by 12.0 sen (+2.73%) to end at RM4.52 yesterday.
- Chart-wise, the share has been declining since early-June this year.
- Yesterday candlestick closed higher with the formation of a bullish candlestick, which was supported by strong buying volume. Coupled with an uptick in RSI and a bullish MACD, we expect the uptrend to persist.
- Should buying momentum persist we expect the share to test its overhead resistance at RM4.60 (R1) and RM4.80 (R2).
- Conversely, key support levels can be seen at RM4.30 (S1) and RM4.25 (S2).

FPI (Not Rated)

- FPI gained by 7.0 sen (+4.52%) to end at RM1.62 yesterday.
- Chart-wise, the share has been declining since late-February this year.
- Yesterday candlestick punched through the 20-Day SMA, which signified strong buying interest. Coupled with a bullish MACD Crossover and above average trading volume, we believe this could be a potential reversal.
- Should buying momentum persist, key resistance levels can be found at RM1.70 (R1) and RM1.80 (R2).
- Conversely, downside supports can be identified at RM1.52 (S1) and RM1.42 (S2).

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Figure 2: Daily Charting – Dow Jones Industrial Average


Source: Bloomberg, Kenanga Research

Figure 3: Daily Charting –Top Glove Corporation Bhd (Not Rated)


Source: Bloomberg, Kenanga Research

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Figure 4: Daily Charting – Formosa Prosonic Industries Bhd (Not Rated)

Source: Bloomberg, Kenanga Research

About the stock:

Name	:	Formosa Prosonic Industries Bhd
Bursa Code	:	FPI
CAT Code	:	9172
Shariah Compliant	:	Yes
Market Cap	:	400.7
52 Week High/Low	:	2.07/1.49
3-m Avg. Daily Vol.	:	245,806.50
Free Float (%)	:	47.47%
Beta vs. KLCI	:	1.063

Key Support & Resistance Levels

Resistance	:	RM1.70 (R1)	RM1.80 (R2)
Support	:	RM1.52 (S1)	RM1.42 (S2)
Outlook	:	Bullish	

What does the indicator says

MACD	:	Bullish
RSI	:	Neutral
Stochastic	:	Neutral
Trend	:	Bullish

What should you do

Current Share Price	:	RM1.62
Technical Target	:	-
Technical Cut-loss	:	-

Fundamental Call

Kenanga	:	-
Consensus	:	-

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Unrealised Positions (November 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	1.630		-0.12	-6.90%	BUY	
2	0080	STRAITS INTER LOGISTICS BHD	22-Feb-19	0.240	0.300	0.200	25.00%	-16.67%	1.5	0.215		-0.01	-4.17%	BUY	
3	7579	AWC BERHAD	27-Feb-19	0.770	0.865	0.675	12.34%	-12.34%	1.0	0.605		-0.14	-18.18%	BUY	
		Simple Average					16.47%	-11.97%	1.42				-9.75%		

*Tracker does not include Non-Rated positions

Realised Positions (November 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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