

30 June 2020

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Daily technical highlights – (ADVCON, OMESTI)

Daily Charting – ADVCON



About the Stock:		Key Support & Resistance Levels	
Name	: Advancecon Hldgs	52 Week High/Low	: 0.475/0.255
Bursa Code	: ADVCON	3-m Avg. Daily Vol.	: 3,741,420
CAT Code	: 5281	Free Float (%)	: 28.4
Market Cap	: RM144.2m	Beta vs. KLCI	: 1.4
		Last Price	: RM0.36
		Resistance	: RM0.46 (R1) RM0.51 (R2)
		Stop Loss	: RM0.29

Advancecon Holdings Bhd (Trading Buy)

- ADVCON's share price jumped from RM0.29 in mid-May to as high as RM0.48 in mid-Jun before pulling back gradually to settle at RM0.36 yesterday.
- On the back of a potential technical rebound, the shares could climb to challenge our resistance lines of RM0.46 (R1) and RM0.51 (R2), which imply potential upsides of 28% and 42%, respectively.
- We have pegged our stop loss level at RM0.29, representing a downside risk of 19%.
- Meanwhile, the Group has just inked a MOU to develop a rooftop solar photovoltaic system in Malacca under a build-own-operate-transfer model for the Net Energy Metering scheme in Malacca. This is a positive development as ADVCON continues to pursue its strategy to diversify from the existing business of providing earthworks and civil engineering services in the construction industry to venture into the renewable energy sector.

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Daily Charting – OMESTI



About the Stock:

Name : Omesti Bhd
Bursa Code : OMESTI
CAT Code : 9008
Market Cap : RM268.1m

52 Week High/Low : 0.715/0.32
3-m Avg. Daily Vol. : 8,613,957
Free Float (%) : 35.4
Beta vs. KLCI : 1.0

Key Support & Resistance Levels

Last Price : RM0.505
Resistance : RM0.59 (R1) RM0.65 (R2)
Stop Loss : RM0.44

OMESTI BHD (Trading Buy)

- OMESTI's share price has been swinging up and down within a trading range in recent years.
- After pulling back from a recent high of RM0.65 to close at RM0.505 yesterday, the stock may be on its way to stage a technical rebound.
- On the chart, we have identified our resistance target at RM0.59 (R1), which offers a potential upside of 17%.
- A breakout from R1 could subsequently lift the stock towards our next resistance line of RM0.65 (+29% potential upside).
- On the downside, our stop loss level is set at RM0.44 (-13% from its last done price).
- In terms of corporate development, OMESTI's 30:70 joint investment vehicle with CRIF has just been granted a credit reporting agency licence by the Ministry of Finance, which would pave the way for OMESTI to be involved in the provision of credit scoring and analytics services in Malaysia.

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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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