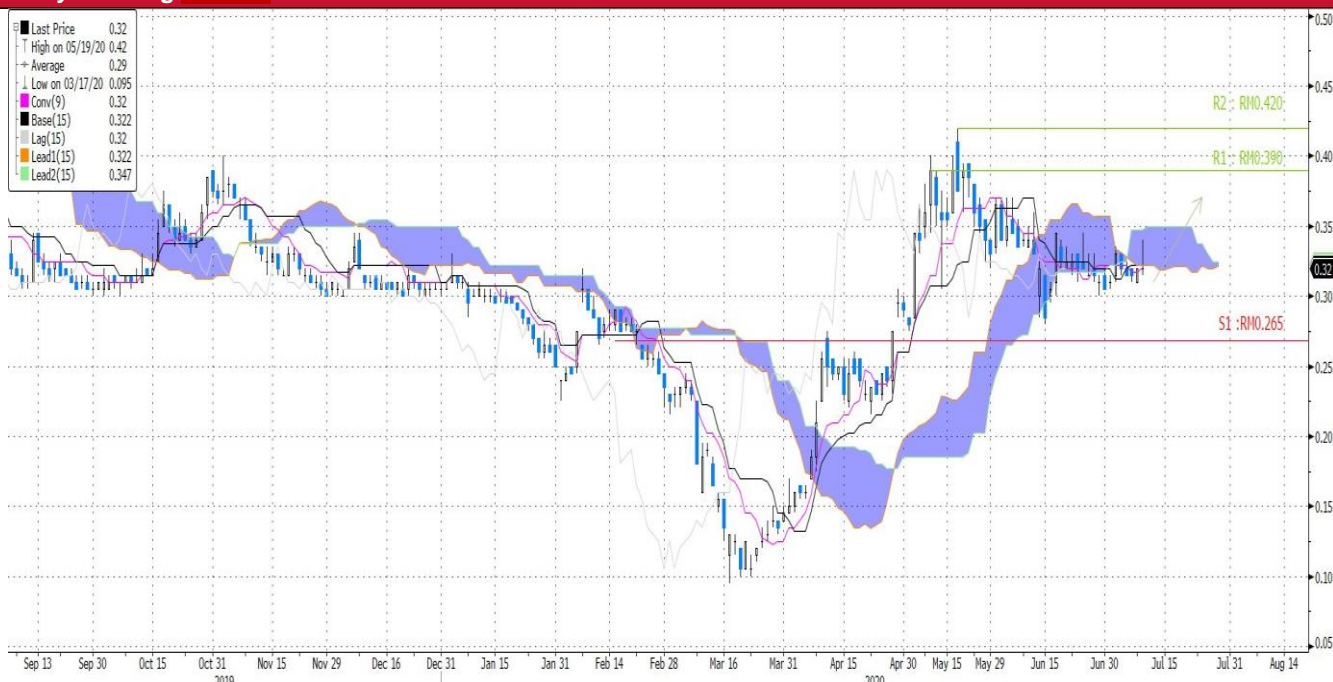


10 July 2020

By Vincent Tee | vincent.tee@kenanga.com.my

Daily technical highlights – (ARBB, SERBA)

Daily Charting – ARBB



About the Stock:

Name : ARB BHD
Bursa Code : ARBB
CAT Code : 7181
Market Cap : 120.1m

52 Week High/Low : 0.51/0.10
3-m Avg. Daily Vol. : 22,398,760.0
Free Float (%) : 84.7
Beta vs. KLCI : 1.9

Key Support & Resistance Levels

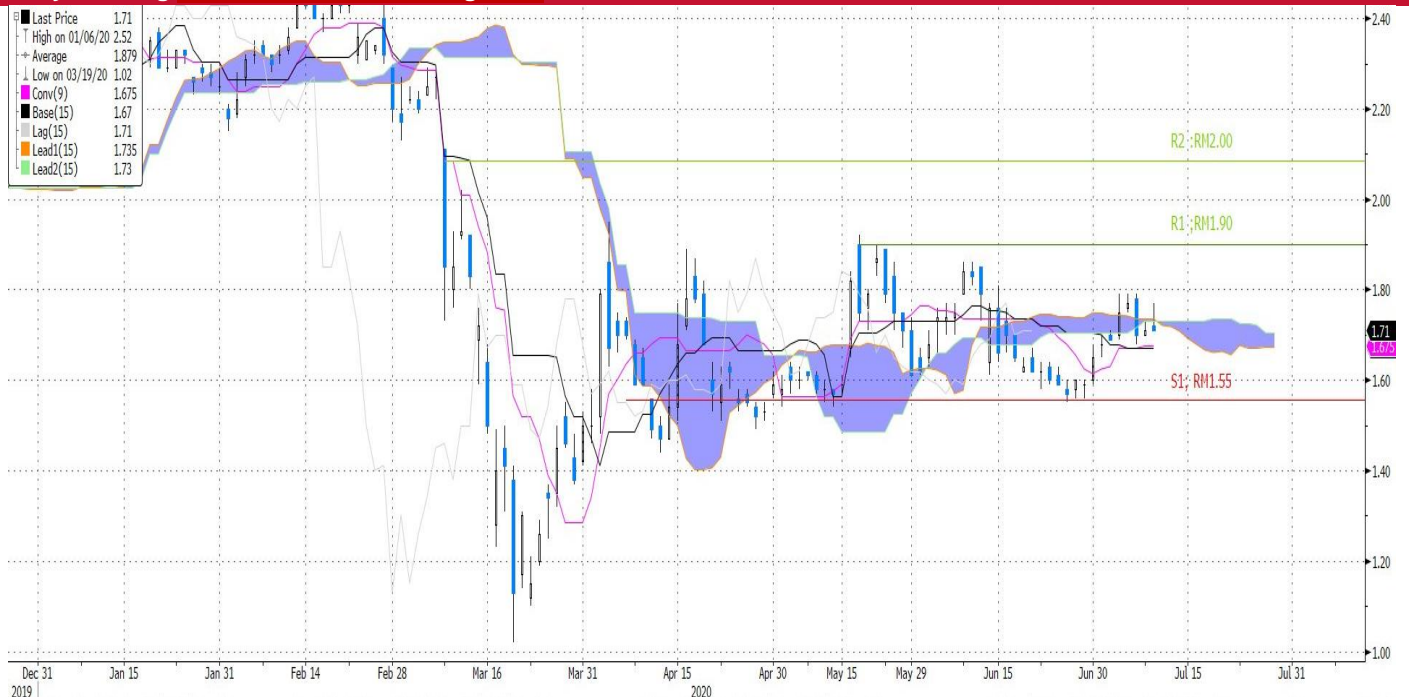
Last Price : RM0.320
Resistance : RM0.390 (R1) RM0.420 (R2)
Stop Loss : RM0.265

ARB Bhd (Trading Buy)

- Post the disposal of its remaining 51% interest in the loss-making timber business Aturmaju (Sabah) Holdings Sdn Bhd (AHSB) for RM5.6m on 24th June 2020, ARB has fully transformed itself to be involved in the IT business, focussing mainly on the Enterprise Resource Planning (ERP). Since the transformation started in 4Q18 when the group decided to diversify into the IT segment, it has then experienced a significant jump in its FY19 earnings to RM34.8m (+828%YoY). The higher earnings was attributed to sales from: (i) Small and Medium Enterprise (SMEs) (given their low adoption of business digitalisation), and (ii) Government-linked Companies in South East Asia.
- The stock (which was unchanged at RM0.32 yesterday) has recently been trending sideways after retracing from a high of RM0.42.
- From an Ichimoku technical perspective, the stock is currently staging a potential “Kumo Breakout”, which could head towards our resistance target of RM0.39 (+21.8% potential upside). Meanwhile, should the buying momentum persist the next resistance level can be seen at RM0.42 (+31.2%).
- Our stop loss level is pegged at RM0.265 (or 17.1% downside risk).
- From a fundamental perspective, the group is currently trading at an undemanding PER of 3.3x (based on historical earnings) with a net cash position of 8.6 sen/share (representing c.30% of its share price).

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Daily Charting – SERBA Dinamik Holdings Bhd



About the Stock:			Key Support & Resistance Levels	
Name	SERBA DINAMIK HOLDINGS BHD	52 Week High/Low	: 2.52/1.02	
Bursa Code	SERBA	3-m Avg. Daily Vol.	: 20,029,280.	
CAT Code	5279	Free Float (%)	: 32.9	
Market Cap	5,765.4m	Beta vs. KLCI	: 1.6	
		Last Price	: RM1.71	
		Resistance	: RM1.90 (R1) RM2.00 (R2)	
		Stop Loss	: RM1.55	

Serba Dinamik Holdings Bhd (Trading Buy)

- SERBA has recently won: (i) EPCC job from Malaysia, (ii) 2 ICT contracts from Zambia (worth c.RM543.5m), and (iii) 7 O&M contracts locally. The ICT contract win is positive as it brings the group closer to its goal of diversifying into a third business in addition to O&M and EPCC, given the uncertain nature of the Oil and Gas industry.
- Chart-wise, the stock appears to be trending sideways between R1 and S1. However, given the recent “Kumo Twist”, we believe the stock could be staging an upward bias and test its resistance target of RM1.90 (R1) (+11.1% potential upside) and RM2.00 (R2) (+16.9% potential upside).
- Our stop loss level is set at RM1.55 (or -9.3% downside risk).
- Fundamentally, the stock has continued to grow its net income to RM133.7m (+19.1%, YoY) in 1QFY20, despite the challenging business environment. It is currently trading at a 1-year forward PER of 13.7x which is at a c.50% discount compared to its peers in the KLENG index.

10 July 2020





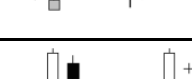
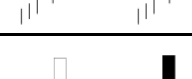


STOCK CALL MONITOR*

Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Target Price (TP) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status^	Date Status Fulfilled
ADVANCECON HOLDINGS BHD	30/6/2020	Trading Buy	0.36	0.46	0.29	28%	-19%	1.43x	0.43	0.36	0.40	Open	
OMESTI BHD	30/6/2020	Trading Buy	0.51	0.59	0.44	17%	-13%	1.31x	0.58	0.51	0.56	Open	
LYC HEALTHCARE BHD	1/7/2020	Trading Buy	0.33	0.39	0.28	18%	-15%	1.20x	0.36	0.32	0.33	Open	
NTPM HOLDINGS BHD	1/7/2020	Trading Buy	0.50	0.57	0.43	15%	-13%	1.15x	0.57	0.49	0.56	TP Hit	8/7/2020
HEVEABOARD BHD	2/7/2020	Trading Buy	0.41	0.50	0.33	22%	-20%	1.13x	0.52	0.41	0.48	TP Hit	3/7/2020
LATITUDE TREE HOLDINGS BHD	2/7/2020	Trading Buy	2.15	2.60	1.75	21%	-19%	1.13x	2.23	2.08	2.14	Open	
SCGM BHD	3/7/2020	Trading Buy	1.95	2.40	1.60	23%	-18%	1.29x	2.23	1.95	2.19	Open	
MAGNI-TECH INDUSTRIES BHD	3/7/2020	Trading Buy	2.13	2.50	1.85	17%	-13%	1.32x	2.17	2.07	2.15	Open	
MMS VENTURES BHD	7/7/2020	Trading Buy	0.65	0.77	0.55	19%	-15%	1.32x	0.71	0.66	0.70	Open	
TECHFAST HOLDINGS BHD	7/7/2020	Trading Buy	0.39	0.47	0.33	21%	-15%	1.33x	0.41	0.39	0.41	Open	
KNM GROUP BHD	8/7/2020	Trading Buy	0.22	0.27	0.18	26%	-16%	1.57x	0.25	0.22	0.24	Open	
ASTRO MALAYSIA HOLDINGS BHD	8/7/2020	Trading Buy	0.82	0.88	0.76	8%	-7%	1.18x	0.85	0.81	0.85	Open	
TOMEI CONSOLIDATED BHD	9/7/2020	Trading Buy	0.45	0.52	0.40	16%	-11%	1.40x	0.47	0.46	0.47	Open	
POH KONG HOLDINGS BHD	9/7/2020	Trading Buy	0.49	0.55	0.43	13%	-11%	1.18x	0.50	0.49	0.49	Open	

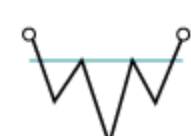




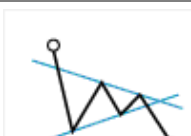




* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

^ Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

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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