

19 August 2020

By Goh Yin Foo, CFA, CMT | gohyf@kenanga.com.my

Daily technical highlights – (GPA, CUSCAPI)

Daily Charting – GPA (Trading Buy)



About the Stock:		Key Support & Resistance Levels			
Name	: GPA Holdings Bhd	52 Week High/Low	: 0.24/0.07	Last Price	: RM0.16
Bursa Code	: GPA	3-m Avg. Daily Vol.	: 15,455,245	Resistance	: RM0.21 (R1) RM0.24 (R2)
CAT Code	: 7096	Free Float (%)	: 13.9	Stop Loss	: RM0.12
Market Cap	: RM156.9m	Beta vs. KLCI	: 0.6		

GPA Holdings Bhd (Trading Buy)

- GPA was in the news recently, reportedly being identified as a reverse takeover (RTO) target by data centre operator Regal Orion. In its reply to a query from the stock exchange, the Company confirmed that Tan Sri Dato' Tan Hua Choon (its major shareholder who owns a 28.3% stake) has been approached by several interested parties (including Regal Orion) for possible asset injection into GPA although there has not been any material development yet.
- GPA – which is principally involved in the marketing of automotive batteries, sealed lead acid batteries and motorcycle batteries – has a fairly clean balance sheet. As of end-March this year, the Group is debt-free with cash holdings of RM63.5m (6.5 sen per share or 41% of its current share price) and shareholders' equity of RM105.3m (11 sen per share).
- The Group registered net loss of RM2.3m in the last quarter (mainly dragged by impairment charges for slow-moving inventories & fixed assets and provision for doubtful debts totalling RM2.2m), which wiped out the YTD earnings of RM1.2m already made in the preceding nine months, pushing FY ended March 2020 to a marginal net loss of RM1.0m.
- Following the RTO news, the stock jumped to as high as RM0.24 on 10 August before pulling back to RM0.16 yesterday. Nonetheless, with its share price still trading above the 50-day SMA line, the uptrend remains intact.
- Riding on the positive momentum, GPA shares could bounce up to our resistance thresholds of RM0.21 (R1) and RM0.24 (R2), which represent upside potentials of 31% and 50%, respectively.
- We have placed our stop loss level at RM0.12 (or 25% downside risk).

19 August 2020

Daily Charting – CUSCAP (Trading Buy)



About the Stock:

Name : Cuscapi Bhd
Bursa Code : CUSCAP
CAT Code : 0051
Market Cap : RM111.7m

52 Week High/Low : 0.22/0.045
3-m Avg. Daily Vol. : 12,675,397
Free Float (%) : 60.0
Beta vs. KLCI : 2.2

Key Support & Resistance Levels

Last Price : RM0.13
Resistance : RM0.16 (R1) RM0.20 (R2)
Stop Loss : RM0.10

Cuscapi Bhd (Trading Buy)

- CUSCAP is involved primarily in the provision of restaurant management solutions, as well as IT solutions to businesses in the retail, hospitality and automotive industries.
- With a plan to tap on new business opportunities in the wake of the Covid-19 pandemic, it has recently formed a strategic alliance with Presto (a lifestyle app owned by listed PUC which has various cashless payment features) and Hungry (an app-based food delivery service provider) to offer a fully integrated and digitalized solution for food ordering, cashless payment and delivery service for the food & beverage industry.
- This new business initiative is expected to contribute positively to its future earnings. The Group was in the red in the most recent quarter, posting net loss of RM4.8m to take its 15-month result to -RM13.7m.
- Financially though, CUSCAP is fairly stable with net cash holdings of RM16.8m (2.0 sen per share) and shareholders' equity of RM81.7m (9.5 sen per share) as of end-March 2020.
- From a technical perspective, the stock – which is presently hovering at the lower end of an upward sloping channel – is expected to continue its climb towards our resistance thresholds of RM0.16 (R1) and RM0.20 (R2), respectively. This represents upside potentials of 23% and 54%, respectively.
- Our stop loss level is set at RM0.10 (or 23% downside risk from yesterday's closing price of RM0.13).



19 August 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
DRB-HICOM BHD	21/7/2020	Trading Buy	1.85	2.10	1.65	14%	-11%	1.25x	2.04	1.82	1.97	Open	
UEM EDGENTA BHD	21/7/2020	Trading Buy	2.04	2.30	1.85	13%	-9%	1.37x	2.48	2.02	2.09	TP Hit	22/7/2020
GREEN PACKET BHD	22/7/2020	Trading Buy	0.52	0.61	0.46	17%	-12%	1.50x	0.76	0.51	0.59	TP Hit	11/8/2020
INSAS BHD	22/7/2020	Trading Buy	0.76	0.86	0.67	13%	-12%	1.11x	0.92	0.74	0.84	TP Hit	4/8/2020
7-ELEVEN MALAYSIA HOLDINGS B	23/7/2020	Trading Buy	1.38	1.57	1.25	14%	-9%	1.46x	1.43	1.28	1.36	Open	
FEDERAL INTERNATIONAL HOLDIN	23/7/2020	Trading Buy	0.45	0.52	0.39	16%	-13%	1.17x	0.52	0.38	0.44	SL Hit	3/8/2020
GUAN CHONG BHD	24/7/2020	Trading Buy	2.81	3.05	2.60	9%	-7%	1.14x	3.68	2.71	3.64	TP Hit	27/7/2020
SARAWAK CONSOLIDATED INDUSTR	24/7/2020	Trading Buy	2.95	3.30	2.65	12%	-10%	1.17x	2.98	2.59	2.82	SL Hit	4/8/2020
MUI PROPERTIES BERHAD	28/7/2020	Trading Buy	0.20	0.24	0.16	23%	-18%	1.29x	0.53	0.20	0.42	TP Hit	28/7/2020
PESTECH INTERNATIONAL BHD	28/7/2020	Trading Buy	0.85	0.98	0.76	15%	-11%	1.44x	0.90	0.78	0.80	Open	
MALAYSIA SMELTING CORP BHD	29/7/2020	Trading Buy	0.72	0.82	0.65	14%	-10%	1.43x	0.74	0.68	0.72	Open	
MUDA HOLDINGS BERHAD	29/7/2020	Trading Buy	1.72	1.95	1.53	13%	-11%	1.21x	2.36	1.64	1.88	TP Hit	10/8/2020
MMC CORP BHD	30/7/2020	Trading Buy	0.73	0.85	0.67	16%	-8%	2.00x	0.74	0.66	0.67	SL Hit	4/8/2020
YTL CORP BHD	30/7/2020	Trading Buy	0.78	0.89	0.70	14%	-10%	1.38x	0.80	0.71	0.71	Open	
NAIM HOLDINGS BERHAD	4/8/2020	Trading Buy	0.85	0.97	0.76	14%	-11%	1.33x	0.92	0.82	0.84	Open	
OCK GROUP BHD	4/8/2020	Trading Buy	0.52	0.60	0.46	17%	-11%	1.55x	0.52	0.48	0.49	Open	
HLT GLOBAL BHD	5/8/2020	Trading Sell	2.45	1.78	3.05	27%	-24%	1.12x	3.33	1.26	1.71	SL Hit	6/8/2020
ES CERAMICS TECHNOLOGY BHD	5/8/2020	Trading Sell	1.40	1.07	1.75	24%	-25%	0.94x	2.07	0.72	1.05	SL Hit	6/8/2020
KELINGTON GROUP BHD	6/8/2020	Trading Buy	1.12	1.28	0.98	14%	-13%	1.14x	1.27	1.02	1.09	Open	
GENETEC TECHNOLOGY BHD	6/8/2020	Trading Buy	1.52	1.71	1.35	13%	-11%	1.12x	1.70	1.50	1.56	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.

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19 August 2020

STOCK CALL MONITOR* (cont'd)



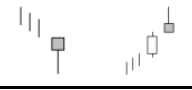





Stock Name	Issue Date (ID)	Rating	Price @ ID	Target Price (TP)	Stop Loss Price (SL)	Upside Potential @ ID	Downside Risk @ ID	Risk to Reward Ratio	Highest Price since ID	Lowest Price since ID	Last Price	Status^	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM	RM		
MASTER-PACK GROUP BHD	7/8/2020	Trading Buy	1.94	2.25	1.70	16%	-12%	1.29x	2.21	1.86	1.95	Open	
DAIBOCHI BHD	7/8/2020	Trading Buy	2.80	3.30	2.40	18%	-14%	1.25x	2.80	2.62	2.69	Open	
PUBLIC PACKAGES HOLDINGS BHD	11/8/2020	Trading Buy	0.74	0.84	0.65	14%	-12%	1.11x	0.77	0.68	0.70	Open	
ORNAPAPER BHD	11/8/2020	Trading Buy	1.18	1.33	1.04	13%	-12%	1.07x	1.21	1.10	1.13	Open	
COASTAL CONTRACTS BHD	12/8/2020	Trading Buy	0.69	0.79	0.59	15%	-14%	1.11x	0.70	0.65	0.66	Open	
DELEUM BERHAD	12/8/2020	Trading Buy	0.65	0.76	0.57	17%	-12%	1.38x	0.66	0.59	0.63	Open	
HUP SENG INDUSTRIES BHD	13/8/2020	Trading Buy	0.91	1.00	0.85	10%	-7%	1.50x	0.94	0.92	0.93	Open	
PADINI HOLDINGS BERHAD	13/8/2020	Trading Buy	2.16	2.49	1.95	15%	-10%	1.57x	2.23	2.12	2.17	Open	
SARAWAK OIL PALMS BERHAD	14/8/2020	Trading Buy	3.60	3.95	3.35	10%	-7%	1.40x	3.65	3.45	3.58	Open	
JHM CONSOLIDATION BHD	14/8/2020	Trading Buy	1.58	1.80	1.45	14%	-8%	1.69x	1.63	1.52	1.61	Open	
SURIA CAPITAL HOLDINGS BHD	18/8/2020	Trading Buy	0.93	1.06	0.85	14%	-9%	1.63x	0.93	0.92	0.93	Open	
TSH RESOURCES BHD	18/8/2020	Trading Buy	0.96	1.08	0.86	13%	-10%	1.20x	0.99	0.96	0.99	Open	

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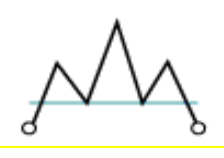
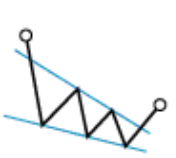




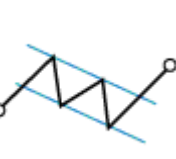


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Technical Terms:

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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Published and printed by:

KENANGA INVESTMENT BANK BERHAD (15678-H)

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

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