

10 September 2020

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Daily technical highlights – (CSCENIC, LEESK)

## Daily Charting – CSCENIC (Trading Buy)



### About the Stock:

**Name** : Classic Scenic Bhd  
**Bursa Code** : CSCENIC  
**CAT Code** : 7202  
**Market Cap** : RM76.5m

**52 Week High/Low** : 1.06/0.57  
**3-m Avg. Daily Vol.** : 88,056  
**Free Float (%)** : 33.3  
**Beta vs. KLCI** : 0.9

### Key Support & Resistance Levels

**Last Price** : RM0.635  
**Resistance** : RM0.72 (R1) RM0.82 (R2)  
**Stop Loss** : RM0.57

### Classic Scenic Bhd (Trading Buy)

- CSCENIC shares may be due for a technical rebound after languishing near a multi-year trough since March this year.
- The stock saw price action recently when it started to move up from RM0.60 in the later part of August, probably making its way to test our first resistance target of RM0.72 (R1) initially before challenging our next resistance barrier of RM0.82 (R2).
- This represents upside potentials of 13% and 29%, respectively from yesterday's closing price of RM0.635.
- On the flip side, we have pegged our stop loss level at RM0.57 (or a downside risk of 10%).
- CSCENIC is in the business of manufacturing wooden picture frame mouldings and wooden pallets, which are mainly exported to North America, Australia, Europe and Japan.
- The Group has been profitable with annual net earnings ranging between RM6m and RM13m over the last five years. However, due to the Covid-19 led disruptions, it posted a marginal loss of RM0.5m in 2QFY20 (versus 2QFY19's net profit of RM1.7m), dragging 1HFY20's net profit to RM0.5m (1HFY19: net profit of RM3.7m).
- There is zero debt on its balance sheet, with cash holdings standing at RM15.2m (translating to 12.6 sen per share or one-fifth of its existing share price) as of end-June this year.
- Given its strong financials, CSCENIC – which has historically paid out almost all of its annual earnings as dividends (ranging between 5 sen and 11 sen over the past five years) – is in a position to continue rewarding its shareholders. Even assuming an arbitrary DPS of 3 sen (down from FY19's 5 sen), the stock still offers a prospective dividend yield of 4.7%.

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## Daily Charting – LEESK (Trading Buy)



## About the Stock:

**Name** : Lee Swee Kiat Group Bhd  
**Bursa Code** : LEESK  
**CAT Code** : 8079  
**Market Cap** : RM76.8m

**52 Week High/Low** : 0.73/0.325  
**3-m Avg. Daily Vol.** : 67,575  
**Free Float (%)** : 30.7  
**Beta vs. KLCI** : 1.1

## Key Support &amp; Resistance Levels

**Last Price** : RM0.475  
**Resistance** : RM0.54 (R1) RM0.62 (R2)  
**Stop Loss** : RM0.42

## Lee Swee Kiat Group Bhd (Trading Buy)

- LEESK shares staged a technical breakout from a downward sloping line in early June to plot a trend reversal pattern.
- Back then, the stock reached a high of RM0.62 before coming off subsequently to as low as RM0.44 in early September.
- A resumption of the uptrend may be in sight after its share price jumped to an intra-day high of RM0.535 amid increased trading activity on Tuesday.
- Riding on the positive momentum, the stock could climb to test our resistance thresholds of RM0.54 (R1) and RM0.62 (R2), which indicates upside potentials of 14% and 31%, respectively.
- We have set our stop loss level at RM0.42 (or 12% downside risk).
- LEESK is a manufacturer of natural latex mattresses and bedding accessories, with approximately 45% of its products exported.
- Over the past five years, the Group has reported annual net profit ranging between RM5m and RM10m. And despite the Covid-19 triggered disruptions, it remained slightly profitable with net earnings of RM0.2m in 2QFY20 (versus 2QFY19's net profit of RM1.6m), taking 1HFY20's net profit to RM1.4m (-62% YoY).
- Financially sound, the Group was sitting on a net cash position of RM5.8m as of end-June 2020.
- LEESK also offers attractive dividend return of 5.3% based on yesterday's closing price of RM0.475, assuming the Company maintains its DPS of 2.5 sen (which were the dividend quantum paid out in the last two years).

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## 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
PUBLIC PACKAGES HOLDINGS BHD	11/8/2020	Trading Buy	0.74	0.84	0.65	14%	-12%	1.11x	0.77	0.65	0.66	SL Hit	9/9/2020
ORNAPAPER BHD	11/8/2020	Trading Buy	1.18	1.33	1.04	13%	-12%	1.07x	1.21	1.06	1.11	Open	
COASTAL CONTRACTS BHD	12/8/2020	Trading Buy	0.69	0.79	0.59	15%	-14%	1.11x	0.70	0.61	0.62	Open	
DELEUM BERHAD	12/8/2020	Trading Buy	0.65	0.76	0.57	17%	-12%	1.38x	0.66	0.55	0.57	SL Hit	7/9/2020
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	2.44	2.12	2.34	Open	
SARAWAK OIL PALMS BERHAD	14/8/2020	Trading Buy	3.60	3.95	3.35	10%	-7%	1.40x	3.96	3.45	3.66	TP Hit	4/9/2020
JHM CONSOLIDATION BHD	14/8/2020	Trading Buy	1.58	1.80	1.45	14%	-8%	1.69x	1.91	1.52	1.65	TP Hit	1/9/2020
SURIA CAPITAL HOLDINGS BHD	18/8/2020	Trading Buy	0.93	1.06	0.85	14%	-9%	1.63x	0.94	0.90	0.91	Open	
TSH RESOURCES BHD	18/8/2020	Trading Buy	0.96	1.08	0.86	13%	-10%	1.20x	1.13	0.96	0.98	TP Hit	1/9/2020
GPA HOLDINGS BHD	19/8/2020	Trading Buy	0.16	0.21	0.12	31%	-25%	1.25x	0.33	0.16	0.21	TP Hit	26/8/2020
CUSCAPI BHD	19/8/2020	Trading Buy	0.13	0.16	0.10	23%	-23%	1.00x	0.16	0.11	0.12	TP Hit	27/8/2020
REVENUE GROUP BHD	21/8/2020	Trading Buy	1.34	1.45	1.25	8%	-7%	1.22x	1.40	1.22	1.26	SL Hit	4/9/2020
AME ELITE CONSORTIUM BHD	21/8/2020	Trading Buy	1.66	1.85	1.50	11%	-10%	1.19x	1.97	1.72	1.92	TP Hit	24/8/2020
MY EG SERVICES BHD	25/8/2020	Trading Buy	1.45	1.59	1.32	10%	-9%	1.08x	1.53	1.38	1.41	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.

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## STOCK CALL MONITOR\* (cont'd)









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
SCICOM (MSC) BHD	25/8/2020	Trading Buy	0.94	1.07	0.86	14%	-9%	1.63x	0.96	0.87	0.89	Open	
CCK CONSOLIDATED HOLDINGS BH	26/8/2020	Trading Buy	0.54	0.61	0.49	14%	-8%	1.67x	0.58	0.52	0.52	Open	
KKB ENGINEERING BHD	26/8/2020	Trading Buy	1.57	1.73	1.47	10%	-6%	1.60x	1.62	1.50	1.52	Open	
MTAG GROUP BHD	27/8/2020	Trading Buy	0.72	0.81	0.65	13%	-10%	1.29x	0.82	0.67	0.69	TP Hit	3/9/2020
I-STONE GROUP BHD	27/8/2020	Trading Buy	0.25	0.28	0.22	12%	-12%	1.00x	0.28	0.22	0.24	TP Hit	2/9/2020
JOHORE TIN BHD	28/8/2020	Trading Buy	1.53	1.75	1.36	14%	-11%	1.29x	1.63	1.47	1.55	Open	
MINETECH RESOURCES BHD	28/8/2020	Trading Buy	0.27	0.33	0.23	22%	-17%	1.33x	0.28	0.22	0.22	SL Hit	7/9/2020
PERAK TRANSIT BHD	2/9/2020	Trading Buy	0.27	0.31	0.22	17%	-17%	1.00x	0.28	0.26	0.26	Open	
FGV HOLDINGS BHD	2/9/2020	Trading Buy	1.24	1.39	1.09	12%	-12%	1.00x	1.29	1.15	1.17	Open	
MCLEAN TECHNOLOGIES BHD	3/9/2020	Trading Buy	0.24	0.28	0.20	19%	-15%	1.29x	0.24	0.18	0.19	SL Hit	7/9/2020
RADIANT GLOBALTECH LTD	3/9/2020	Trading Buy	0.37	0.42	0.32	14%	-14%	1.00x	0.38	0.33	0.35	Open	
MALAYSIAN GENOMICS RESOURCE	4/9/2020	Trading Buy	0.54	0.62	0.47	16%	-12%	1.31x	0.54	0.43	0.47	SL Hit	7/9/2020
POWER ROOT BHD	4/9/2020	Trading Buy	2.25	2.60	1.95	16%	-13%	1.17x	2.30	2.13	2.15	Open	
GDB HOLDINGS BHD	8/9/2020	Trading Buy	0.64	0.71	0.57	12%	-10%	1.15x	0.65	0.59	0.61	Open	
OCR GROUP BERHAD	8/9/2020	Trading Buy	0.29	0.34	0.25	17%	-14%	1.25x	0.30	0.27	0.28	Open	
HEVEABOARD BHD	9/9/2020	Trading Sell	0.53	0.43	0.62	19%	-17%	1.12x	0.53	0.48	0.48	Open	
LATITUDE TREE HOLDINGS BHD	9/9/2020	Trading Sell	2.44	2.15	2.70	12%	-11%	1.09x	2.43	2.30	2.40	Open	

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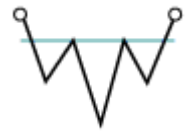

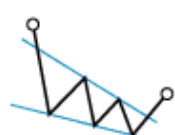

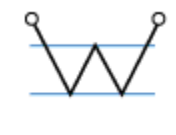
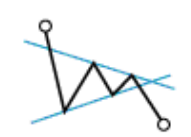
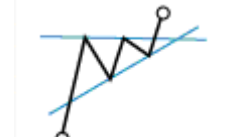
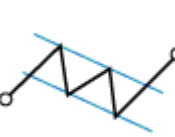


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## Technical Terms:

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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