

17 December 2020

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

Daily technical highlights – (EATECH, PRLEXUS)

Daily Charting – EATECH (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	E.A.Technique (M) Bhd	52 Week High/Low	: 0.425/0.20
Bursa Code	: EATECH	3-m Avg. Daily Vol.	: 637,605
CAT Code	: 5259	Free Float (%)	: 19.6
Market Cap	: RM156.5m	Beta vs. KLCI	: 0.9
		Last Price	: RM0.295
		Resistance	: RM0.35 (R1) RM0.40 (R2)
		Stop Loss	: RM0.25

E.A. Technique (M) Bhd (Trading Buy)

- A technical rebound could be in the offing for EATECH after its share price slid from a recent high of RM0.42 in late August to end at RM0.295 yesterday.
- On the chart, the stock has extended its recovery from a low of RM0.26 in mid-November to overcome a short-term downward sloping trendline recently.
- Coupled with the positive stochastic signal – which saw the %K line crossing above the %D line in the oversold territory – EATECH shares will likely ride on an upward bias ahead.
- On the way up, we reckon the share price could challenge our resistance targets of RM0.35 (R1; 19% upside potential) and RM0.40 (R2; 36% upside potential).
- Our stop loss level is pegged at RM0.25 (or 15% downside risk).
- Fundamentally, EATECH (an owner and operator of marine vessels) is in the business of providing marine transportation, offshore storage of oil & gas and port marine services.
- The Group slipped into the red with a net loss of RM65.8m for the nine-month ended September 2020 (compared with a net profit of RM24.1m previously) mainly attributable to lumpy accounting items, comprising provisions arising from arbitration costs, impairment loss on vessels and foreign exchange losses.
- Forward earnings will be underpinned by an existing order book of RM544m with an additional RM323m for extension period as of end-September this year.

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Daily Charting – PRLEXUS (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Prolexus Bhd	52 Week High/Low	: 1.95/0.305
Bursa Code	: PRLEXUS	3-m Avg. Daily Vol.	: 12,770,713
CAT Code	: 8966	Free Float (%)	: 55.8
Market Cap	: RM277.3m	Beta vs. KLCI	: 1.3
		Last Price	: RM1.56
		Resistance	: RM1.72 (R1) RM1.85 (R2)
		Stop Loss	: RM1.40

Prolexus Bhd (Trading Buy)

- PRLEXUS – which has ventured into the manufacturing of reusable fabric face masks in March this year to complement its existing core business of sportswear apparels manufacturing – just reported net profit of RM15.2m in 1QFY21 (up from RM2.0m previously) on the back of strong contribution from fabric face masks.
- The Group also saw its net cash holdings rising in tandem from RM9.8m as of end-July 2020 to RM57.3m as of end-October 2020, which works out to be 32 sen per share (or about one-fifth of the current share price).
- On the chart, after soaring from a low of RM0.64 on 10 September to peak at RM1.95 on 20 October this year, the stock subsequently pulled back and entered into a consolidation phase. This, in turn, led to the emergence of a pennant formation, which is seen as a bullish continuation pattern.
- With the share price still trading above the 38.2% Fibonacci retracement line, PRLEXUS could break away to resume its upward trajectory soon.
- When the buying momentum returns, the stock is expected to climb towards our resistance thresholds of RM1.72 (R1; 10% upside potential) and RM1.85 (R2; 19% upside potential).
- We have placed our stop loss price at RM1.40 (or 10% downside risk from its last traded price of RM1.56).



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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
REVENUE GROUP BHD	17/11/2020	Trading Buy	1.22	1.36	1.10	11%	-10%	1.17x	1.31	1.23	1.26	Open	
ASIA POLY HOLDINGS BHD	17/11/2020	Trading Buy	0.39	0.45	0.33	17%	-14%	1.18x	0.40	0.29	0.31	SL Hit	7/12/2020
SUNWAY REAL ESTATE INVESTMEN	18/11/2020	Trading Buy	1.52	1.69	1.39	11%	-9%	1.31x	1.60	1.46	1.57	Open	
IGB REAL ESTATE INVESTMENT T	18/11/2020	Trading Buy	1.73	1.89	1.59	9%	-8%	1.14x	1.78	1.64	1.77	Open	
KAWAN FOOD BHD	19/11/2020	Trading Buy	2.33	2.59	2.14	11%	-8%	1.37x	2.36	2.03	2.04	SL Hit	30/11/2020
POWER ROOT BHD	19/11/2020	Trading Buy	2.24	2.44	2.03	9%	-9%	0.95x	2.24	2.03	2.04	SL Hit	11/12/2020
TOMYPAK HOLDINGS	20/11/2020	Trading Buy	0.82	0.92	0.73	12%	-12%	1.00x	0.89	0.71	0.73	SL Hit	26/11/2020
AME ELITE CONSORTIUM BHD	20/11/2020	Trading Buy	2.21	2.45	2.00	11%	-10%	1.14x	2.35	2.14	2.21	Open	
OPENSYS M BHD	24/11/2020	Trading Buy	0.64	0.71	0.57	11%	-11%	1.00x	0.66	0.56	0.57	SL Hit	14/12/2020
JCY INTERNATIONAL BHD	24/11/2020	Trading Buy	0.64	0.73	0.57	14%	-11%	1.29x	0.67	0.53	0.56	SL Hit	14/12/2020
SERBA DINAMIK HOLDINGS BHD	25/11/2020	Trading Buy	1.70	1.92	1.49	13%	-12%	1.05x	2.09	1.61	1.77	TP Hit	7/12/2020
DELEUM BERHAD	25/11/2020	Trading Buy	0.60	0.71	0.51	18%	-15%	1.22x	0.72	0.61	0.65	TP Hit	7/12/2020
MYNEWS HOLDINGS BHD	26/11/2020	Trading Buy	0.60	0.67	0.54	12%	-10%	1.17x	0.76	0.60	0.70	TP Hit	4/12/2020
ZHULIAN CORP BHD	26/11/2020	Trading Buy	1.51	1.65	1.39	9%	-8%	1.17x	1.61	1.48	1.60	Open	
ARB BHD	27/11/2020	Trading Buy	0.29	0.33	0.26	14%	-12%	1.14x	0.29	0.27	0.28	Open	
SUPERCOMNET TECHNOLOGIES BHD	27/11/2020	Trading Buy	2.02	2.20	1.88	9%	-7%	1.29x	2.06	1.75	1.91	SL Hit	7/12/2020
YTL CORP BHD	1/12/2020	Trading Buy	0.65	0.72	0.59	12%	-9%	1.36x	0.82	0.65	0.81	TP Hit	3/12/2020
KIM HIN JOO BHD	1/12/2020	Trading Buy	0.23	0.28	0.17	24%	-24%	1.00x	0.25	0.22	0.23	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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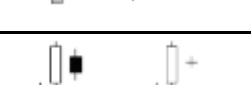
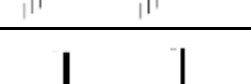
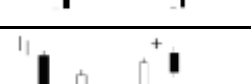

STOCK CALL MONITOR* (cont'd)

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		
TALIWORKS CORP BHD	2/12/2020	Trading Buy	0.80	0.88	0.73	10%	-9%	1.14x	0.84	0.79	0.81	Open	
PANTECH GROUP HOLDINGS BHD	2/12/2020	Trading Buy	0.40	0.45	0.35	14%	-11%	1.22x	0.43	0.40	0.41	Open	
WONG ENGINEERING CORP BHD	3/12/2020	Trading Buy	0.74	0.81	0.67	10%	-9%	1.15x	0.87	0.74	0.79	TP Hit	3/12/2020
TECHBOND GROUP BHD	3/12/2020	Trading Buy	1.30	1.43	1.17	10%	-10%	1.00x	1.31	1.24	1.26	Open	
MIECO CHIPBOARD BERHAD	4/12/2020	Trading Buy	0.79	0.87	0.74	10%	-7%	1.45x	0.88	0.73	0.86	SL Hit	8/12/2020
AEMULUS HOLDINGS BHD	4/12/2020	Trading Buy	0.72	0.79	0.67	10%	-6%	1.56x	0.72	0.64	0.65	SL Hit	11/12/2020
ORNAPAPER BHD	8/12/2020	Trading Buy	1.54	1.68	1.43	9%	-7%	1.27x	1.65	1.53	1.57	Open	
HEVEABOARD BHD	8/12/2020	Trading Buy	0.74	0.80	0.69	8%	-7%	1.20x	0.78	0.72	0.75	Open	
SKP RESOURCES BHD	9/12/2020	Trading Buy	2.15	2.37	1.95	10%	-9%	1.10x	2.19	2.03	2.10	Open	
THONG GUAN INDUSTRIES BHD	9/12/2020	Trading Buy	2.72	2.99	2.48	10%	-9%	1.13x	2.82	2.62	2.68	Open	
MEDIA PRIMA BHD	10/12/2020	Trading Buy	0.25	0.30	0.20	20%	-20%	1.00x	0.30	0.24	0.27	TP Hit	14/12/2020
ECONPILE HOLDINGS BHD	10/12/2020	Trading Buy	0.57	0.63	0.51	11%	-11%	1.00x	0.59	0.52	0.55	Open	
V.S. INDUSTRY BERHAD	11/12/2020	Trading Buy	2.63	2.95	2.45	12%	-7%	1.78x	2.71	2.56	2.70	Open	
MTAG GROUP BHD	11/12/2020	Trading Buy	0.76	0.83	0.71	10%	-6%	1.67x	0.77	0.71	0.74	SL Hit	15/12/2020
TAN CHONG MOTOR HOLDINGS BHD	15/12/2020	Trading Buy	1.18	1.32	1.05	12%	-11%	1.08x	1.20	1.18	1.19	Open	
DRB-HICOM BHD	15/12/2020	Trading Buy	2.10	2.33	1.87	11%	-11%	1.00x	2.10	2.04	2.08	Open	
MALAYSIAN RESOURCES CORP BHD	16/11/2020	Trading Buy	0.49	0.57	0.41	16%	-16%	1.00x	0.53	0.43	0.50	Open	
PCCS GROUP BERHAD	16/11/2020	Trading Buy	0.44	0.49	0.39	13%	-10%	1.22x	0.48	0.43	0.48	Open	



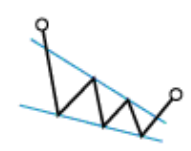


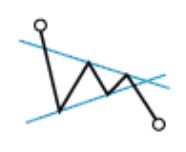

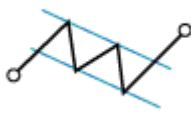


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Technical Terms:

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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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

