

16 December 2020

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**Daily technical highlights – (MRCB, PCCS)**

**Daily Charting – MRCB (Trading Buy)**



About the Stock:		Key Support & Resistance Levels		
<b>Name</b>	Malaysian Resources Corporation Bhd	<b>52 Week High/Low</b>	: 0.81/0.28	
<b>Bursa Code</b>	: MRCB	<b>3-m Avg. Daily Vol.</b>	: 6,768,942	
<b>CAT Code</b>	: 1651	<b>Free Float (%)</b>	: 37.3	
<b>Market Cap</b>	: RM2,161.9m	<b>Beta vs. KLCI</b>	: 1.7	
		<b>Last Price</b>	: RM0.49	
		<b>Resistance</b>	: RM0.57 (R1) RM0.67 (R2)	
		<b>Stop Loss</b>	: RM0.41	

**Malaysian Resources Corporation Bhd (Trading Buy)**

- A short-term trend reversal could be on the cards for MRCB after its share price pierced through a negative sloping trendline recently.
- This is supported by the share price crossover of the 100-day SMA line at the beginning of December as the stock extended its rebound from a low of RM0.355 in early November.
- Riding on the upward bias, we reckon MRCB shares will probably climb towards our resistance thresholds of RM0.57 (R1; 16% upside potential) and RM0.67 (R2; 37% upside potential).
- Our stop loss price is set at RM0.41 (or 16% downside risk from its last traded price of RM0.49).
- From a fundamental perspective, the Group – which has three main business segments, namely (i) property development & investment, (ii) engineering, construction & environment, and (iii) facilities management & parking – saw its bottomline reversing from a net loss of RM219.6m in 2QFY20 to a slight net profit of RM0.9m in 3QFY20.
- The recovery pace is expected to continue as consensus is expecting MRCB to log net earnings of RM12m in FY20 and RM54m in FY21, translating to forward PERs of 180x this year and 40x next year, respectively.

Daily Charting – PCCS (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: PCCS Group Bhd	<b>52 Week High/Low</b>	: 0.625/0.16
<b>Bursa Code</b>	: PCCS	<b>3-m Avg. Daily Vol.</b>	: 6,856,648
<b>CAT Code</b>	: 6068	<b>Free Float (%)</b>	: 27.4
<b>Market Cap</b>	: RM92.1m	<b>Beta vs. KLCI</b>	: 1.6
		<b>Last Price</b>	: RM0.435
		<b>Resistance</b>	: RM0.49 (R1) RM0.54 (R2)
		<b>Stop Loss</b>	: RM0.39

PCCS Group Bhd (Trading Buy)

- PCCS has just entered into a memorandum of understanding (MOU) with China’s Shanghai Shenqi Medical Co Ltd to jointly pursue potential healthcare business opportunities within the Asia-Pacific region with the intention to develop the commercialization of cardiology related medical device technologies.
- If the business diversification plan materialises, it would pave the way for PCCS (which is currently involved in the manufacturing & marketing of apparels and the printing of labels & stickers for garment and other products) to venture into the medical and healthcare industry.
- This comes as the Group reported a marginal net loss of RM0.7m in 1HFY21 (versus a net profit of RM4.8m previously) amid the business disruptions in the wake of the Covid-19 pandemic.
- Nonetheless, its financial position remains stable with net cash holdings of RM14m (or 6.6 sen per share) as of end-September 2020.
- On the chart, PCCS’ share price remains in an upward trajectory even after pulling back from a high of RM0.625 in October this year to close at RM0.435 yesterday.
- The positive technical outlook is backed by an ascending trendline with the stock still trading above the 50% Fibonacci retracement threshold (as measured from a trough of RM0.16 in March to a peak of RM0.625 in October this year).
- We have set our resistance hurdles at RM0.49 (R1; 13% upside potential) and RM0.54 (R2; 24% upside potential) for PCCS shares to test going forward.
- Our stop loss level is placed at RM0.39 (or 10% downside risk).

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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 <sup>^</sup>	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	1.25	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	1.56	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	1.78	Open	
KAWAN FOOD BHD	19/11/2020	Trading Buy	2.33	2.59	2.14	11%	-8%	1.37x	2.36	2.03	2.03	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	0.74	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	2.20	Open	
OPENSYS M BHD	24/11/2020	Trading Buy	0.64	0.71	0.57	11%	-11%	1.00x	0.66	0.56	0.58	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	0.57	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	1.74	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	0.67	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	0.69	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	1.58	Open	
ARB BHD	27/11/2020	Trading Buy	0.29	0.33	0.26	14%	-12%	1.14x	0.29	0.27	0.27	Open	
SUPERCOMNET TECHNOLOGIES BHD	27/11/2020	Trading Buy	2.02	2.20	1.88	9%	-7%	1.29x	2.06	1.75	1.82	SL Hit	7/12/2020
YTL CORP BHD	1/12/2020	Trading Buy	0.65	0.72	0.59	12%	-9%	1.36x	0.79	0.65	0.79	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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			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	0.42	Open	
WONG ENGINEERING CORP BHD	3/12/2020	Trading Buy	0.74	0.81	0.67	10%	-9%	1.15x	0.87	0.74	0.75	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	0.87	0.73	0.87	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	1.59	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	2.07	Open	
THONG GUAN INDUSTRIES BHD	9/12/2020	Trading Buy	2.72	2.99	2.48	10%	-9%	1.13x	2.82	2.62	2.67	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	2.70	2.56	2.63	Open	
MTAG GROUP BHD	11/12/2020	Trading Buy	0.76	0.83	0.71	10%	-6%	1.67x	0.77	0.71	0.72	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	1.20	Open	
DRB-HICOM BHD	15/12/2020	Trading Buy	2.10	2.33	1.87	11%	-11%	1.00x	2.10	2.04	2.05	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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