

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

Daily technical highlights – (ORNA, HEVEA)

Daily Charting –ORNAPAPER BERHAD (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: ORNAPAPER BHD	52 Week High/Low	: 1.56/0.70
Bursa Code	: ORNA	3-m Avg. Daily Vol.	: 257,953.1
CAT Code	: 5065	Free Float (%)	: 43.8
Market Cap	: RM114.2m	Beta vs. KLCI	: 1.1
		Last Price	: RM1.54
		Resistance	: RM1.68 (R1) RM1.79 (R2)
		Stop Loss	: RM1.43

ORNAPAPER Bhd (Trading Buy)

- ORNA is a company that manufactures and supplies corrugated boards and carton boxes with its customers mainly being located in Malaysia. The group’s main contracts come from customers in the (i) paper industry, (ii) furniture, rubber, hardware & steel and the (iii) food based, beverage & Tobacco industry.
- QoQ, the group’s revenue increased to RM84.1m (+32%, QoQ) as of 3QFY20, given the pent-up sales after the lifting of the Movement Control Order (MCO). Meanwhile, the group’s net income jumped to RM4.9m (+350%, QoQ) due to better control of its operating costs and economies of scale achieved through better sales volumes.
- Coupled with the recent developments on the vaccine front, we thus believe the group would benefit from the resumption of business activities from its customers post-Covid.
- Chart-wise, the stock has been on an uptrend since the March crash this year, with this uptrend remaining intact through respecting the 100-day SMA. With the uptick in RSI and shorter key-SMA which continues to respect its longer-term key SMA, we thus believe the buying interest will persist.
- With that, our overhead resistance levels are positioned at RM1.68 (R1:+9%, upside potential) and RM1.79 (+16% upside potential)
- Our stop loss level is pegged at RM1.43 (-7%, downside risk).

Daily Charting –HEVEA Group Bhd (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: HEVEABOARD BHD	52 Week High/Low	: 0.84/0.23
Bursa Code	: HEVEA	3-m Avg. Daily Vol.	: 9,009,588.0
CAT Code	: 5095	Free Float (%)	: 60.3
Market Cap	: RM415.9m	Beta vs. KLCI	: 1.6
		Last Price	: RM0.735
		Resistance	: RM0.795 (R1) RM0.835 (R2)
		Stop Loss	: RM0.685

HEVEA Group Bhd (Trading Buy)

- HEVEA is a company involved in the manufacturing, trading and distribution of wide-range particleboard and particleboard-based products. The group also has a ready-to-assemble segment which is involved in the business of manufacturing and trading of ready-to-assemble furniture.
- We believe the group is poised to benefit from the rising work from home trend given the current pandemic which has increased the demand for furniture's. In addition, these "RTA" ready to assemble furniture are easy to assemble and compact enough to distribute making it suitable for the shift in trend from bulk-buying to online shopping.
- QoQ, the group's sales increased to RM111m (+79%,QoQ) in 3QFY20 given the resumption of its factories' operation post the MCO. Meanwhile, the group's net income turned from a net loss of RM4.5m to a net gain of RM8.2m as of 3QFY20 as the better selling volume resulted in the group being able to achieve its optimum production capacity.
- Chart-wise the stock has been on an uptrend since the March crash this year. With the stock continually finding support near its 20-day SMA from early-August till early-November before breaking out, with that we thus believe the stock can find support at its current level (near the 20-Day SMA).
- Should the buying momentum persist, our overhead resistance are plotted at RM0.795 (R1:+8% upside potential) and RM0.835 (R2:+14%, upside potential)
- Meanwhile, our stop loss level is pegged at RM0.685 (-7%, downside risk).

08 December 2020

STOCK CALL MONITOR*

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 RM	Status [^]	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
HO WAH GENTING BHD	10/11/2020	Trading Buy	0.80	0.91	0.70	14%	-13%	1.10x	1.03	0.71	0.89	TP Hit	4/12/2020
LYC HEALTHCARE BHD	10/11/2020	Trading Buy	0.34	0.39	0.29	16%	-13%	1.22x	0.37	0.32	0.36	Open	
YTL HOSPITALITY REIT	11/11/2020	Trading Buy	0.77	0.87	0.68	13%	-12%	1.11x	0.92	0.77	0.91	TP Hit	17/11/2020
MUHIBBAH ENGINEERING (M) BHD	11/11/2020	Trading Buy	0.86	1.00	0.73	16%	-15%	1.08x	1.15	0.82	0.99	TP Hit	17/11/2020
ELK-DESA RESOURCES	12/11/2020	Trading Buy	1.36	1.50	1.25	10%	-8%	1.27x	1.48	1.37	1.46	Open	
UEM EDGENTA BHD	12/11/2020	Trading Buy	1.92	2.11	1.77	10%	-8%	1.27x	2.03	1.88	1.95	Open	
SAMAIDEN GROUP BHD	13/11/2020	Trading Buy	0.83	0.91	0.77	9%	-7%	1.25x	1.67	0.81	1.32	TP Hit	18/11/2020
HEXTAR GLOBAL BHD	13/11/2020	Trading Buy	0.74	0.83	0.66	12%	-11%	1.13x	1.00	0.73	0.95	TP Hit	26/11/2020
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	0.31	0.32	SL Hit	
SUNWAY REAL ESTATE INVESTMEN	18/11/2020	Trading Buy	1.52	1.69	1.39	11%	-9%	1.31x	1.57	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	1.75	1.64	1.74	Open	
KAWAN FOOD BHD	19/11/2020	Trading Buy	2.33	2.59	2.14	11%	-8%	1.37x	2.36	2.07	2.18	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	2.05	2.06	Open	
TOMYPAK HOLDINGS	20/11/2020	Trading Buy	0.82	0.92	0.73	12%	-12%	1.00x	0.89	0.72	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	2.16	2.28	Open	
OPENSYS M BHD	24/11/2020	Trading Buy	0.64	0.71	0.57	11%	-11%	1.00x	0.66	0.61	0.61	Open	
JCY INTERNATIONAL BHD	24/11/2020	Trading Buy	0.64	0.73	0.57	14%	-11%	1.29x	0.67	0.61	0.62	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.

08 December 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		
SERBA DINAMIK HOLDINGS BHD	25/11/2020	Trading Buy	1.70	1.92	1.49	13%	-12%	1.05x	2.09	1.61	1.95	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	0.70	TP Hit	7/12/2020
MYNEWS HOLDINGS BHD	26/11/2020	Trading Buy	0.60	0.67	0.54	12%	-10%	1.17x	0.70	0.60	0.68	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	1.57	Open	
ARB BHD	27/11/2020	Trading Buy	0.29	0.33	0.26	14%	-12%	1.14x	0.29	0.28	0.29	Open	
SUPERCOMNET TECHNOLOGIES BHD	27/11/2020	Trading Buy	2.02	2.20	1.88	9%	-7%	1.29x	2.06	1.80	1.83	SLHit	7/12/2020
YTL CORP BHD	1/12/2020	Trading Buy	0.65	0.72	0.59	12%	-9%	1.36x	0.72	0.65	0.69	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	0.23	0.23	Open	
TALIWORKS CORP BHD	2/12/2020	Trading Buy	0.80	0.88	0.73	10%	-9%	1.14x	0.84	0.79	0.83	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	0.80	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	1.26	1.29	Open	
MIECO CHIPBOARD BERHAD	4/12/2020	Trading Buy	0.79	0.87	0.74	10%	-7%	1.45x	0.79	0.75	0.78	Open	
AEMULUS HOLDINGS BHD	4/12/2020	Trading Buy	0.72	0.79	0.67	10%	-6%	1.56x	0.72	0.68	0.69	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

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

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

