

01 March 2021

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

The bears may want to take a breather first after hammering down Malaysian stocks of late. The benchmark FBMKLCI slid to a low of 1,558 last Wednesday before staging a subsequent recovery to close at 1,578 on Friday, which translates to a weekly decline of 7.2 points or 0.5%. Over on Wall Street, the DJIA was in the red too to finish at 30,932, down 562.0 points or 1.8% through the week.

With losers outnumbering winners in three of the five days, daily trading volume on the local bourse averaged 11.5b shares valued at RM6.4b, versus the average of 12.3b shares worth RM5.8b traded the week before. And continuing the recent trend, both foreign investors and domestic institutions remained net sellers (amounting to RM477m and RM461m, respectively) as local retail investors extended their net buying spree (of RM938m) during the week. Consequently, this brought aggregate net foreign outflows for the whole of February to RM867m (more or less similar with January's net selling value of RM834m). Meanwhile, domestic institutions also sold more shares than they bought last month (amounted to RM1.13b versus January's net outflows of RM919m) while local retail investors were still net buyers (of RM1.99b in February versus January's net inflows of RM1.75b).

Following the peak of the 4QCY20 corporate earnings reporting season last week, investors' focus will switch back to macro events in the coming week. Of probable interest will be Malaysia's Manufacturing PMI (due today), Bank Negara Malaysia's monetary policy committee outcome and the Organization of the Petroleum Exporting Countries (OPEC)'s ministerial meeting (both scheduled to happen on Thursday). Meanwhile, all eyes will be on the share price implications for AMMB Holdings after the banking group agreed to pay a whopping RM2.83b to the Malaysian government as the full and final settlement under an ongoing investigation related to the 1MDB saga.

After a broadly lacklustre performance in February (which saw the FBMKLCI inching up 0.7%), investors will be looking forward to better times in the month of March. Based on history, the FBMKLCI finished in positive territory in March in eight of the last 10 years (representing a high probability of 80%), although the two most recent years had ended in the red. The average monthly return for March worked out to be 0.3% over the past decade.

From a charting perspective, the FBMKLCI's relative resilience following its tumble to an intra-week trough of 1,558 (which came quite close to our first support level of 1,550) suggests that the falling momentum could be levelling off in the near term. Still, amid the ongoing market volatility, we reckon any technical rebounds will likely be short-lived with both the 25-day and 50-day SMA lines capping the benchmark index's advances. For the time being, the FBMKLCI is expected to swing – possibly with a marginal downward bias – between our immediate support and resistance thresholds of 1,550 (S1) and 1,600 (R1).

Separately, after last week's pullback, the DJIA may resume its attempt to challenge the multi-year ascending trendline. Our key support and resistance levels are tweaked to 30,600 (S1) / 29,100 (S2) and 31,300 (R1) / 32,350 (R2), respectively.



Source: Kenanga Research

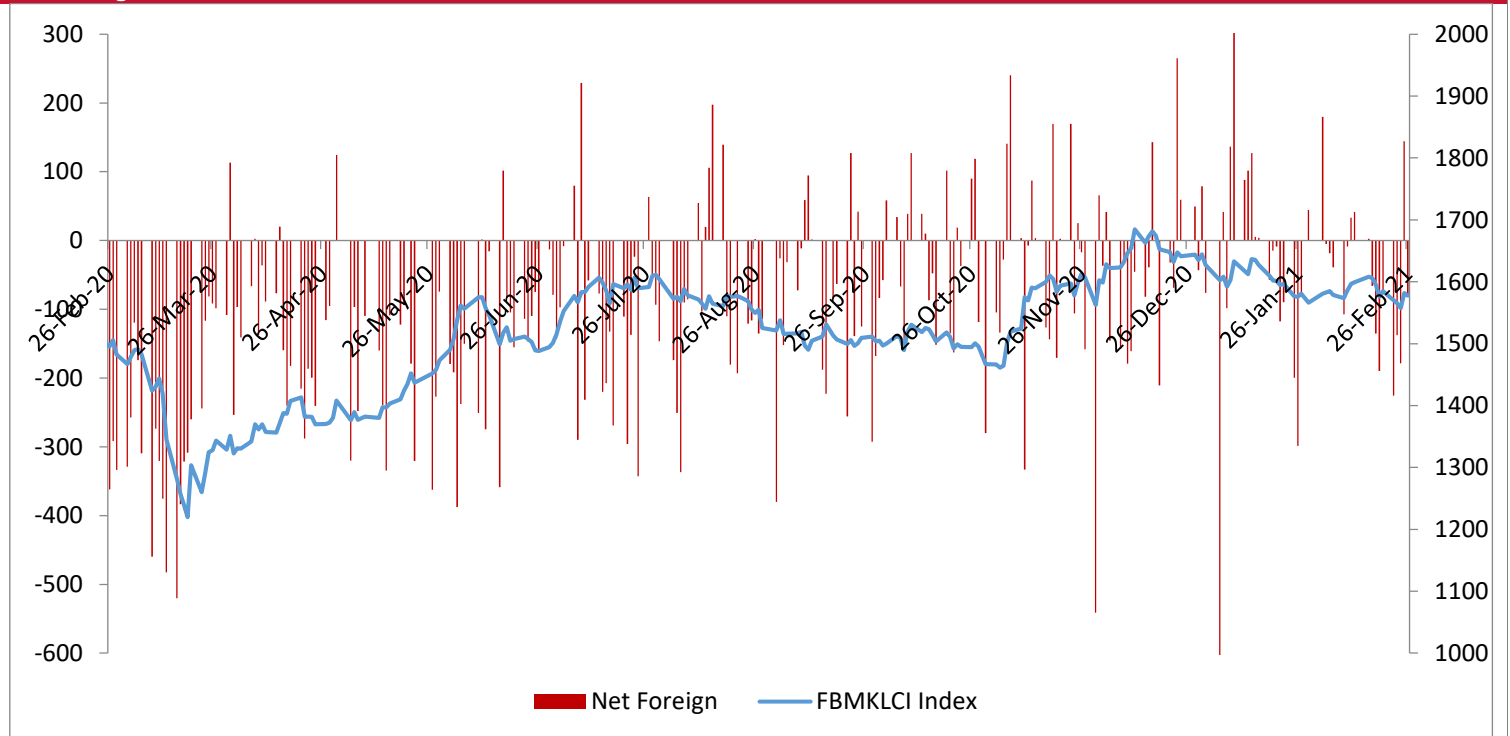


01 March 2021



Source: Kenanga Research

Net Foreign Trade Position vs FBMKLCI



Foreign investors remained net sellers with net outflows of RM477.4m last week compared to cumulative net outflows of RM466.3m in the prior week.

Source: Kenanga Research

01 March 2021


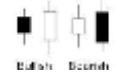

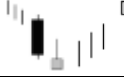




STOCK CALL MONITOR*

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	Status [^]	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM	RM		
TALIWORKS CORP BHD	3/2/2021	Trading Buy	0.81	0.88	0.75	9%	-7%	1.17x	0.85	0.81	0.83	Open	
YTL CORP BHD	3/2/2021	Trading Buy	0.65	0.72	0.59	11%	-9%	1.17x	0.69	0.65	0.66	Open	
AMMB HOLDINGS BHD	4/2/2021	Trading Buy	3.24	3.62	3.00	12%	-7%	1.58x	3.44	3.16	3.16	Open	
ECONPILE HOLDINGS BHD	4/2/2021	Trading Buy	0.41	0.48	0.36	19%	-11%	1.67x	0.48	0.40	0.43	TP Hit	22/2/2021
ANCOM BHD	5/2/2021	Trading Buy	1.07	1.20	0.95	12%	-11%	1.08x	1.33	1.06	1.23	TP Hit	11/2/2021
SPRING ART HOLDINGS BHD	5/2/2021	Trading Buy	0.39	0.43	0.35	12%	-10%	1.13x	0.49	0.32	0.33	TP Hit	8/2/2021
ARB BHD	9/2/2021	Trading Buy	0.28	0.32	0.24	14%	-14%	1.00x	0.46	0.28	0.39	TP Hit	15/2/2021
SOLUTION GROUP BHD	9/2/2021	Trading Buy	1.31	1.50	1.16	15%	-11%	1.27x	1.50	1.22	1.40	TP Hit	23/2/2021
COASTAL CONTRACTS BHD	10/2/2021	Trading Buy	0.73	0.81	0.64	12%	-12%	1.00x	0.87	0.71	0.79	TP Hit	18/2/2021
JOHORE TIN BHD	10/2/2021	Trading Buy	1.89	2.16	1.66	14%	-12%	1.17x	1.94	1.81	1.83	Open	
HAP SENG PLANTATIONS HLDGS	11/2/2021	Trading Buy	1.75	1.93	1.60	10%	-9%	1.20x	1.90	1.76	1.87	Open	
MALAYSIA BUILDING SOCIETY	11/2/2021	Trading Buy	0.65	0.72	0.59	11%	-10%	1.08x	0.69	0.64	0.68	Open	
NOTION VTEC BHD	16/2/2021	Trading Buy	0.95	1.11	0.81	17%	-15%	1.14x	1.03	0.85	0.86	Open	
SALUTICA BHD	16/2/2021	Trading Buy	0.67	0.78	0.57	16%	-15%	1.10x	0.70	0.57	0.59	SL Hit	24/2/2021
EXCEL FORCE MSC BHD	17/2/2021	Trading Buy	0.47	0.55	0.40	18%	-14%	1.31x	0.52	0.46	0.49	Open	
N2N CONNECT BHD	17/2/2021	Trading Buy	0.83	0.95	0.73	14%	-12%	1.20x	0.83	0.77	0.80	Open	
CCK CONSOLIDATED HOLDINGS BH	18/2/2021	Trading Buy	0.60	0.67	0.53	12%	-12%	1.00x	0.62	0.57	0.61	Open	
GREEN PACKET BHD	18/2/2021	Trading Buy	0.40	0.46	0.35	16%	-11%	1.44x	0.47	0.40	0.40	TP Hit	19/2/2021
JHM CONSOLIDATION BHD	19/2/2021	Trading Buy	2.42	2.70	2.14	12%	-12%	1.00x	2.45	2.13	2.32	SL Hit	24/2/2021
SARAWAK PLANTATION BHD	19/2/2021	Trading Buy	2.14	2.38	1.95	11%	-9%	1.26x	2.16	2.04	2.07	Open	
UCHI TECHNOLOGIES BHD	23/2/2021	Trading Buy	3.08	3.33	2.83	8%	-8%	1.00x	3.39	3.02	3.27	TP Hit	25/2/2021
MALYSIAN BULK CARRIERS BHD	23/2/2021	Trading Buy	0.51	0.60	0.43	18%	-16%	1.13x	0.54	0.47	0.48	Open	
DATASONIC GROUP BHD	24/2/2021	Trading Buy	0.53	0.62	0.45	18%	-14%	1.27x	0.53	0.50	0.52	Open	
GHL SYSTEMS BERHAD	24/2/2021	Trading Buy	1.80	2.04	1.58	13%	-12%	1.09x	1.84	1.71	1.77	Open	
PERDANA PETROLEUM BHD	25/2/2021	Trading Buy	0.17	0.21	0.13	27%	-21%	1.29x	0.18	0.16	0.17	Open	
BOUSTEAD PLANTATIONS BHD	25/2/2021	Trading Buy	0.57	0.64	0.50	13%	-12%	1.15x	0.57	0.56	0.56	Open	
LION INDUSTRIES CORP BHD	26/2/2021	Trading Buy	0.97	1.10	0.84	13%	-13%	1.00x	0.97	0.86	0.88	Open	
AEMULUS HOLDINGS BHD	26/2/2021	Trading Buy	0.83	0.93	0.75	12%	-9%	1.33x	0.81	0.78	0.79	Open	

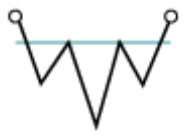
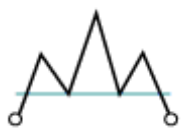




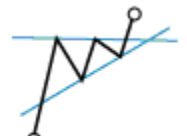
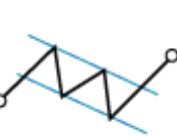


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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

Basic 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: www.kenanga.com.my E-mail: research@kenanga.com.my

