By Lim Khai Xhiang I limkx@kenanga.com.my

Daily technical highlights – (FREIGHT, WCT)

Daily Charting – FREIGHT (Trading Buy)

About the Stock:						Key Support & Resistance Levels			
Name	:	Freight Management Holdings	**52 Week High/Low**	:	1.78/0.46	**Last Price**	:	RM1.51	
Bursa Code	:	FREIGHT	**3-m Avg. Daily Vol.**	:	1,647,018	**Resistance**	:	RM1.75 (R1)	RM1.90 (R2)
CAT Code	:	7210	**Free Float (%)**	:	23%	**Stop Loss**	:	RM1.28	
Market Cap	:	RM421.6m	**Beta vs. KLCI**	:	0.7				

Freight Management Holdings Berhad (Trading Buy)

- FREIGHT provides freight and warehousing services on an international scale, comprising sea, air & rail freight services, warehousing & distribution, customs brokerage, road transportation and project management.
- In the second half of 2020, the Group has benefited from a surge in sea and air freight rates, allowing them to raise their rates on their customers. Hence, in the 6-month period ended Dec 2020 (1HFY21), the Group's net profit rose 39% YoY to RM12m.
- Moving forward, the Group stands to benefit from an anticipated recovery in global trade flows, which should continue to drive volume growth. Consensus is expecting FREIGHT to make net profit of RM24m in FY21 and RM27m in FY22. These translate to forward PERs of 17.6x and 15.6x, respectively.
- Technically speaking, between Jan and March 2021, the stock has rallied, corrected and subsequently found support at the Fibonacci 78.6% retracement level. The stock then rebounded to continue its upward journey in late-March with a recent bullish hammer candlestick indicating further upside to the stock.
- On numerous occasions, the stock has found support on the 50-day SMA.
- With the %K line currently hovering above the %D line, the stochastic indicator also shows that the upward momentum could continue.
- With the MACD line treading above the signal line and heading upwards, an anticipated upward movement in the share price could challenge our resistance levels of RM1.75 (R1; 16% upside potential) and RM1.90 (R2; 26% upside potential).
- We have pegged our stop loss price at RM1.28 (15% downside risk).

Daily Charting – WCT (Trading Buy)

About the Stock:						Key Support & Resistance Levels			
Name	:	WCT Holdings Bhd	**52 Week High/Low**	:	0.64/0.36	**Last Price**	:	RM0.54	
Bursa Code	:	WCT	**3-m Avg. Daily Vol.**	:	7,198,137	**Resistance**	:	RM0.60 (R1)	RM0.64 (R2)
CAT Code	:	9679	**Free Float (%)**	:	48%	**Stop Loss**	:	RM0.48	
Market Cap	:	RM757.7m	**Beta vs. KLCI**	:	1.6				

WCT Holdings Berhad (Trading Buy)

- WCT provides civil engineering services, specializing in earthworks, highway construction and related infrastructure works. The Group is also involved in property investment and development, as well as trades building materials.
- Recently, the Group guided it is targeting RM2b worth of orderbook replenishments backed by a tender-book of RM10b. The potential contract wins will largely come from East Malaysia (i.e. Sabah) amid the eventual roll-out of contracts such as: (i) Pan Borneo highway and (ii) Sabah-Sarawak link road. It may also be involved in the upcoming tender exercise for the MRT Line 3 project.
- Moving forward, consensus estimates WCT's book value per share of RM2.25 and RM2.28 at the end of FY21 and FY22, respectively. These translate into forward price-to-book value (PBV) of 0.24x for both FY21 and FY22, which are below our research team's fundamental fair value assumption of 0.3x PBV.
- Technically speaking, since the sharp price crash in March 2020, the stock has formed higher lows into resistance, which suggests buying activity at increasingly higher prices.
- After having tested the resistance of RM0.60 at least thrice along the way, the stock has failed to break above the resistance level in its most recent attempt in March 2021. However, with the subsequent price correction finding support on the 50-day SMA, we believe the stock could rebound to once again re-test this resistance barrier.
- The stochastic indicator shows that the stock has been oversold and is poised to ride on an upward momentum, as the %K line starts to point upwards.
- Bouncing off the 50-day SMA, the share price could re-test the resistance level of RM0.60 (R1; 11% upside potential). Should the stock finally break above R1, we have identified the next resistance level at RM0.64 (R2; 19% upside potential).
- We have pegged our stop loss price at RM0.48 (11% downside risk).

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
SECUREMETRIC BHD	23/03/2021	Trading Buy	0.15	0.19	0.12	27%	-20%	1.33x	0.18	0.15	0.17	Open	
OMESTI BHD	23/03/2021	Trading Buy	0.49	0.55	0.44	13%	-9%	1.44x	0.55	0.47	0.49	TP Hit	12/04/2021
THONG GUAN INDUSTRIES BHD	24/03/2021	Trading Buy	2.27	2.55	2.04	12%	-10%	1.22x	2.60	2.20	2.55	TP Hit	21/04/2021
SCGM BHD	24/03/2021	Trading Buy	1.75	2.06	1.60	18%	-9%	2.03x	2.39	1.76	2.30	TP Hit	02/04/2021
KERJAYA PROSPEK GROUP BHD	25/03/2021	Trading Buy	1.18	1.32	1.06	12%	-10%	1.17x	1.53	1.18	1.33	TP Hit	29/03/2021
MALAYSIAN RESOURCES CORP BHD	25/03/2021	Trading Buy	0.48	0.57	0.42	20%	-12%	1.73x	0.51	0.45	0.49	Open	
KERJAYA PROSPEK PROPERTY BHD	26/03/2021	Trading Buy	1.26	1.43	1.11	13%	-12%	1.13x	1.37	1.07	1.10	SL Hit	19/04/2021
GLOBETRONICS TECHNOLOGY BHD	26/03/2021	Trading Buy	2.70	3.00	2.40	11%	-11%	1.00x	2.91	2.46	2.50	Open	
SHIN YANG SHIPPING CORP BHD	30/03/2021	Trading Buy	0.37	0.42	0.32	14%	-14%	1.00x	0.40	0.32	0.37	SL Hit	01/04/2021
POWER ROOT BHD	30/03/2021	Trading Buy	1.75	1.98	1.55	13%	-11%	1.15x	1.86	1.70	1.73	Open	
DRB-HICOM BHD	31/03/2021	Trading Buy	1.97	2.19	1.75	11%	-11%	1.00x	1.97	1.86	1.90	Open	
SLP RESOURCES BHD	31/03/2021	Trading Buy	0.84	0.93	0.76	11%	-10%	1.13x	1.06	0.84	0.99	TP Hit	13/04/2021
MY EG SERVICES BHD	01/04/2021	Trading Buy	1.97	2.21	1.74	12%	-12%	1.04x	2.02	1.95	1.99	Open	
UNITED U-LI CORP BHD	01/04/2021	Trading Buy	0.96	1.07	0.85	11%	-11%	1.00x	1.18	0.93	1.15	TP Hit	09/04/2021
JHM CONSOLIDATION BHD	02/04/2021	Trading Buy	1.95	2.25	1.70	15%	-13%	1.20x	2.12	1.92	1.94	Open	
INARI AMERTRON BHD	02/04/2021	Trading Buy	3.38	3.75	3.00	11%	-11%	0.97x	3.56	3.35	3.38	Open	
TOMYPAK HOLDINGS	06/04/2021	Trading Buy	0.61	0.70	0.52	16%	-14%	1.12x	0.64	0.59	0.59	Open	
BP PLASTICS HOLDING BHD	06/04/2021	Trading Buy	1.39	1.55	1.24	12%	-11%	1.07x	1.41	1.35	1.39	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.

STOCK CALL MONITOR* (con't)

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
STAR MEDIA GROUP BHD	07/04/2021	Trading Buy	0.42	0.48	0.38	14%	-10%	1.50x	0.45	0.41	0.41	Open	
7-ELEVEN MALAYSIA HOLDINGS B	07/04/2021	Trading Buy	1.52	1.70	1.35	12%	-11%	1.06x	1.65	1.38	1.42	Open	
ASTRO MALAYSIA HOLDINGS BHD	08/04/2021	Trading Buy	0.99	1.11	0.90	13%	-9%	1.47x	1.07	0.96	1.03	Open	
IJM CORP BHD	08/04/2021	Trading Buy	1.79	1.98	1.60	11%	-11%	1.00x	2.06	1.76	1.94	TP Hit	16/04/2021
SAMCHEM HOLDINGS BHD	09/04/2021	Trading Buy	1.46	1.65	1.30	13%	-11%	1.19x	1.78	1.44	1.74	TP Hit	13/04/2021
OCEANCASH PACIFIC BHD	09/04/2021	Trading Buy	0.57	0.65	0.50	14%	-12%	1.23x	0.60	0.52	0.58	Open	
MUDA HOLDINGS BERHAD	13/04/2021	Trading Buy	2.81	3.26	2.48	16%	-12%	1.36x	2.89	2.75	2.80	Open	
TUNE PROTECT GROUP BHD	13/04/2021	Trading Buy	0.47	0.54	0.40	16%	-14%	1.15x	0.48	0.43	0.45	Open	
HSS ENGINEERS BHD	14/04/2021	Trading Buy	0.59	0.66	0.52	13%	-11%	1.15x	0.63	0.58	0.59	Open	
EITA RESOURCES BHD	14/04/2021	Trading Buy	0.94	1.10	0.82	18%	-12%	1.43x	1.13	0.95	1.04	TP Hit	15/04/2021
FOUNDPAC GROUP BHD	15/04/2021	Trading Buy	0.83	0.95	0.72	15%	-13%	1.19x	0.85	0.81	0.83	Open	
KIMLUN CORP BHD	15/04/2021	Trading Buy	0.91	1.05	0.78	16%	-14%	1.16x	1.01	0.91	0.93	Open	
RGT BHD	16/04/2021	Trading Buy	0.45	0.50	0.39	12%	-12%	1.00x	0.45	0.41	0.42	Open	
REDTONE DIGITAL BHD	16/04/2021	Trading Buy	0.44	0.50	0.38	14%	-14%	1.00x	0.48	0.43	0.47	Open	
OPCOM HOLDINGS BHD	20/04/2021	Trading Buy	0.60	0.67	0.54	13%	-9%	1.36x	0.61	0.59	0.60	Open	
OCK GROUP BHD	20/04/2021	Trading Buy	0.50	0.56	0.44	13%	-11%	1.18x	0.52	0.49	0.50	Open	
PANSAR BHD	21/04/2021	Trading Buy	0.72	0.81	0.64	13%	-11%	1.13x	0.74	0.71	0.74	Open	
OCR GROUP BERHAD	21/04/2021	Trading Buy	0.23	0.26	0.20	16%	-11%	1.40x	0.23	0.22	0.23	Open	
ECONPILE HOLDINGS BHD	22/04/2021	Trading Buy	0.48	0.53	0.42	12%	-12%	1.00x	0.49	0.48	0.49	Open	
UMW HOLDINGS BHD	22/04/2021	Trading Buy	3.48	3.85	3.11	11%	-11%	1.00x	3.50	3.38	3.38	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:

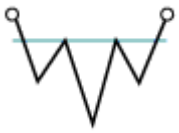
Reversal Candlesticks	Patterns	Description
Doji **Dragonfly Doji** (Bullish) **Gravestone Doji** (Bearish)		Dojis form when a security's open and close are virtually equal. The length of the upper and lower shadows can vary, and the resulting candlestick looks like, either, a cross, inverted cross, or 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)

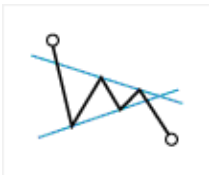
Wedge Reversal (Bullish/ Bearish)

Double Top (Bearish)

Double Bottom (Bullish)

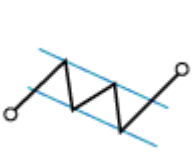
Continuation Patterns

Symmetrical Triangle (Bullish/ Bearish)

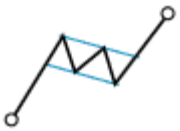


Ascending Triangle (Bullish)

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