

07 May 2021

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### Daily technical highlights – (KAWAN, UZMA)

#### Daily Charting – KAWAN (Trading Buy)



About the Stock:			Key Support & Resistance Levels	
<b>Name</b>	: Kawan Food Bhd	<b>52 Week High/Low</b>	: 2.88/1.31	<b>Last Price</b> : RM2.15
<b>Bursa Code</b>	: KAWAN	<b>3-m Avg. Daily Vol.</b>	: 592,850	<b>Resistance</b> : RM2.40 (R1) RM2.63 (R2)
<b>CAT Code</b>	: 7216	<b>Free Float (%)</b>	: 25%	<b>Stop Loss</b> : RM1.90
<b>Market Cap</b>	: RM773.0m	<b>Beta vs. KLCI</b>	: 1.1	

#### Kawan Food Berhad (Trading Buy)

- KAWAN is a manufacturer and exporter of frozen convenience foods.
- In the financial year ended Dec 2020, the Group achieved net profit of RM28m, a 130% increase from FY19's RM12m, as frozen foods saw a boom in sales during the various MCOs imposed in 2020.
- On the back of continued strong growth in frozen food demand, consensus expects the Group to achieve net profit of RM40.3m in FY21 and RM47.1m in FY22. This translates to forward PERs of 19.2x and 16.4x, respectively, which are below its 5-year historical average of 33x.
- Technically speaking, the stock began to rally in May 2020, charting a double top pattern in August 2020. After the stock failed to break above the resistance barrier of RM2.63 in October 2020, the share price has been falling since then.
- Amid the pullbacks, in February 2021, the price found support on the 50% Fibonacci retracement level to bounce up gradually from this threshold.
- From the decline that started in October 2020, the price has subsequently formed a rounding bottom pattern, which represents a convincing sign that the stock has bottomed in the near term.
- With the MACD line trending above the signal line and heading upwards, an anticipated upward movement in the share price could challenge our resistance levels of RM2.40 (R1; 12% upside potential) and RM2.63 (R2; 22% upside potential).
- We have pegged our stop loss price at RM1.90 (12% downside risk).

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### Daily Charting – UZMA (Trading Buy)



#### About the Stock:

**Name** : Uzma Bhd  
**Bursa Code** : UZMA  
**CAT Code** : 7250  
**Market Cap** : RM225.6m

**52 Week High/Low** : 0.90/0.36  
**3-m Avg. Daily Vol.** : 8,907,218  
**Free Float (%)** : 40%  
**Beta vs. KLCI** : 1.5

#### Key Support & Resistance Levels

**Last Price** : RM0.705  
**Resistance** : RM0.78 (R1) RM0.87 (R2)  
**Stop Loss** : RM0.64

#### Uzma Berhad (Trading Buy)

- UZMA is involved in the provision of oil and gas services in the areas of geoscience & reservoir engineering, drilling & operations and project management.
- In FY20 (ended June 2020), the Group achieved a core net profit of RM2.7m. Moving forward, consensus expects the Group to achieve higher net profit of RM23.2m in FY21 and RM30.9m in FY22, translating to forward PERs of 9.7x and 7.3x, respectively.
- Since February 2021, the share price started to rally in tandem with the rise in oil price before facing resistance at RM0.87 in March 2021 when crude oil peaked at USD70 a barrel. Following the subsequent crude oil price weakness, UZMA's share price then fell in the latter half of March 2021.
- With the latest US crude oil inventories falling short of market's expectations, crude oil price could remain elevated at the current USD70 a barrel or even rise further on demand recovery as economies reopen. This may then boost sentiment on oil and gas stocks and help lift UZMA's share price.
- Technically speaking, the stock has found support at the 50% Fibonacci retracement level in April 2021. And given yesterday's emergence of a bullish hammer candlestick and rising momentum, as indicated by the MACD and stochastic indicators, an anticipated upward movement in the share price could challenge our resistance levels of RM0.78 (R1; 11% upside potential) and RM0.87 (R2; 23% upside potential).
- We have pegged our stop loss price at RM0.64 (9% downside risk), slightly below the 50% Fibonacci retracement level of RM0.68.

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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
STAR MEDIA GROUP BHD	07/04/2021	Trading Buy	0.42	0.48	0.38	14%	-10%	1.50x	0.45	0.39	0.40	Open	
7-ELEVEN MALAYSIA HOLDINGS B	07/04/2021	Trading Buy	1.50	1.70	1.35	13%	-10%	1.29x	1.64	1.37	1.48	Open	
ASTRO MALAYSIA HOLDINGS BHD	08/04/2021	Trading Buy	0.99	1.11	0.90	13%	-9%	1.47x	1.10	0.96	1.05	Open	
IJM CORP BHD	08/04/2021	Trading Buy	1.79	1.98	1.60	11%	-11%	1.00x	2.06	1.76	1.84	TP Hit	16/04/2021
SAMCHEM HOLDINGS BHD	09/04/2021	Trading Buy	1.46	1.65	1.30	13%	-11%	1.19x	2.06	1.44	1.90	TP Hit	13/04/2021
OCEANCASH PACIFIC BHD	09/04/2021	Trading Buy	0.57	0.65	0.50	14%	-12%	1.23x	0.66	0.52	0.53	TP Hit	26/04/2021
MUDA HOLDINGS BERHAD	13/04/2021	Trading Buy	2.81	3.26	2.48	16%	-12%	1.36x	3.05	2.75	2.84	Open	
TUNE PROTECT GROUP BHD	13/04/2021	Trading Buy	0.47	0.54	0.40	16%	-14%	1.15x	0.48	0.41	0.42	Open	
HSS ENGINEERS BHD	14/04/2021	Trading Buy	0.59	0.66	0.52	13%	-11%	1.15x	0.64	0.58	0.63	Open	
EITA RESOURCES BHD	14/04/2021	Trading Buy	0.94	1.10	0.82	18%	-12%	1.43x	1.13	0.93	0.95	TP Hit	15/04/2021
FOUNDPAC GROUP BHD	15/04/2021	Trading Buy	0.83	0.95	0.72	15%	-13%	1.19x	0.91	0.79	0.81	Open	
KIMLUN CORP BHD	15/04/2021	Trading Buy	0.91	1.05	0.78	16%	-14%	1.16x	1.01	0.88	0.89	Open	
RGT BHD	16/04/2021	Trading Buy	0.45	0.50	0.39	12%	-12%	1.00x	0.45	0.38	0.39	SL Hit	05/05/2021
REDTONE DIGITAL BHD	16/04/2021	Trading Buy	0.44	0.50	0.38	14%	-14%	1.00x	0.51	0.43	0.46	TP Hit	26/04/2021
OPCOM HOLDINGS BHD	20/04/2021	Trading Buy	0.60	0.67	0.54	13%	-9%	1.36x	0.61	0.53	0.55	SL Hit	05/05/2021
OCC GROUP BHD	20/04/2021	Trading Buy	0.50	0.56	0.44	13%	-11%	1.18x	0.54	0.49	0.50	Open	
PANSAR BHD	21/04/2021	Trading Buy	0.72	0.81	0.64	13%	-11%	1.13x	0.75	0.70	0.71	Open	
OCR GROUP BERHAD	21/04/2021	Trading Buy	0.23	0.26	0.20	16%	-11%	1.40x	0.25	0.22	0.24	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 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
ECONPILE HOLDINGS BHD	22/04/2021	Trading Buy	0.48	0.53	0.42	12%	-12%	1.00x	0.49	0.45	0.45	Open	
UMW HOLDINGS BHD	22/04/2021	Trading Buy	3.48	3.85	3.11	11%	-11%	1.00x	3.50	3.19	3.28	Open	
WCT HOLDINGS BHD	23/04/2021	Trading Buy	0.54	0.60	0.48	11%	-11%	1.00x	0.55	0.50	0.53	Open	
FREIGHT MANAGEMENT HOLDINGS	23/04/2021	Trading Buy	1.51	1.75	1.28	16%	-16%	1.00x	2.09	1.52	1.70	TP Hit	23/04/2021
KAREX BHD	27/04/2021	Trading Buy	0.73	0.83	0.64	14%	-12%	1.24x	0.75	0.64	0.65	SL Hit	06/05/2021
TECHFAST HOLDINGS BHD	27/04/2021	Trading Buy	0.39	0.45	0.35	15%	-10%	1.50x	0.40	0.32	0.33	SL Hit	30/04/2021
HIBISCUS PETROLEUM BHD	28/04/2021	Trading Buy	0.63	0.71	0.56	13%	-11%	1.14x	0.68	0.62	0.65	Open	
BUMI ARMADA BERHAD	28/04/2021	Trading Buy	0.40	0.45	0.36	13%	-10%	1.25x	0.44	0.39	0.43	Open	
SERBA DINAMIK HOLDINGS BHD	30/04/2021	Trading Buy	1.66	1.85	1.47	11%	-11%	1.00x	1.69	1.60	1.60	Open	
UCHI TECHNOLOGIES BHD	30/04/2021	Trading Buy	3.18	3.52	2.86	11%	-10%	1.06x	3.22	3.05	3.10	Open	
PROLEXUS BHD	04/05/2021	Trading Buy	1.14	1.30	1.02	14%	-11%	1.33x	1.14	0.99	1.03	SL Hit	06/05/2021
UEM EDGENTA BHD	04/05/2021	Trading Buy	1.80	2.03	1.62	13%	-10%	1.28x	2.00	1.79	1.93	Open	
DUTALAND BHD	05/05/2021	Trading Buy	0.41	0.46	0.37	14%	-9%	1.57x	0.41	0.40	0.40	Open	
KIM LOONG RESOURCES BHD	05/05/2021	Trading Buy	1.53	1.70	1.37	11%	-10%	1.06x	1.54	1.46	1.53	Open	
POH KONG HOLDINGS BHD	06/05/2021	Trading Buy	0.81	0.89	0.73	11%	-9%	1.13x	0.81	0.79	0.81	Open	
NTPM HOLDINGS BHD	06/05/2021	Trading Buy	0.60	0.69	0.54	15%	-10%	1.50x	0.61	0.59	0.61	Open	

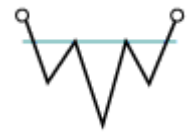



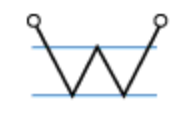
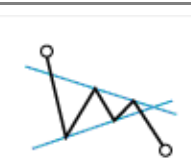
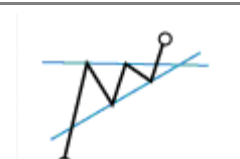
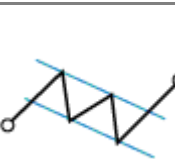
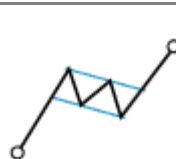

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**Technical Terms:**

Reversal Candlesticks	Patterns	Description
<b>Doji</b> <b>Dragonfly Doji (Bullish)</b> <b>Gravestone Doji (Bearish)</b>		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.
<b>Engulfing Pattern</b>		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.
<b>Hammer (Bullish)</b> <b>Shooting Star (Bearish)</b>		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.
<b>Inverted Hammer (Bullish)</b> <b>Hanging Man (Bearish)</b>		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.
<b>Harami</b> <b>Harami Cross</b>		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.
<b>Marubozu</b>		A Marubozu candlestick has no shadow extending from the body at either the open, the close or at both.
<b>Morning Doji Star (Bullish)</b> <b>Evening Doji Star (Bearish)</b>		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.
<b>Spinning Top</b>		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	<b>Inverted Head &amp; Shoulders (Bullish)</b>	<b>Head &amp; Shoulders (Bearish)</b>	<b>Wedge Reversal (Bullish/ Bearish)</b>	<b>Double Top (Bearish)</b>	<b>Double Bottom (Bullish)</b>
					
Continuation Patterns	<b>Symmetrical Triangle (Bullish/ Bearish)</b>	<b>Ascending Triangle (Bullish)</b>	<b>Channels (Bullish/ Bearish)</b>	<b>Flags (Bullish/ Bearish)</b>	<b>Pennant (Bullish/ Bearish)</b>
					

Source: Various

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