

04 May 2021

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Daily technical highlights – (PRLEXUS, EDGENTA)

Daily Charting – PRLEXUS (Trading Buy)



| About the Stock: | | Key Support & Resistance Levels | |
|-------------------|----------------|---------------------------------|---------------------------|
| Name | : Prolexus Bhd | 52 Week High/Low | : 1.93/0.51 |
| Bursa Code | : PRLEXUS | 3-m Avg. Daily Vol. | : 3,238,928 |
| CAT Code | : 8966 | Free Float (%) | : 55.4 |
| Market Cap | : RM203.0m | Beta vs. KLCI | : 1.3 |
| | | Last Price | : RM1.14 |
| | | Resistance | : RM1.30 (R1) RM1.46 (R2) |
| | | Stop Loss | : RM1.02 |

Prolexus Bhd (Trading Buy)

- PRLEXUS shares – which have tumbled from a high of RM1.93 in October last year – are in the midst of staging a technical rebound.
- The stock is expected to chart higher highs following the simultaneous price crossovers of a descending trendline and the 50-day SMA line recently.
- With the momentum indicator still rising after cutting above the zero line, the share price could advance towards our resistance thresholds of RM1.30 (R1) and RM1.46 (R2), which represent upside potentials of 14% and 28%, respectively.
- We have set our stop loss price at RM1.02 (or 11% downside risk from the last traded price of RM1.14).
- In terms of earnings review, PRLEXUS – which is in the business of manufacturing sportswear apparels and reusable fabric face masks – reported net profit of RM8.8m in the quarter ended January 2021 (versus 2QFY20’s net loss of RM0.2m and 1QFY21’s net profit of RM15.2m). This lifted first half earnings to RM24.1m (+1,285% YoY), which has already surpassed its FY July 2020’s net profit of RM17.6m.
- The group is also financially sound with net cash holdings of RM34.6m (translating to 19.4 sen per share) as of end-January 2021.
- In addition, PRLEXUS has recently announced a 1-for-2 bonus issue exercise, which would enhance the trading liquidity and marketability of its shares going forward.

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| About the Stock: | | Key Support & Resistance Levels | |
|-------------------|-------------------|---------------------------------|---------------------------|
| Name | : UEM Edgenta Bhd | 52 Week High/Low | : 2.67/1.47 |
| Bursa Code | : EDGENTA | 3-m Avg. Daily Vol. | : 959,236 |
| CAT Code | : 1368 | Free Float (%) | : 23.2 |
| Market Cap | : RM1,496.9m | Beta vs. KLCI | : 0.7 |
| | | Last Price | : RM1.80 |
| | | Resistance | : RM2.03 (R1) RM2.20 (R2) |
| | | Stop Loss | : RM1.62 |

UEM Edgenta Bhd (Trading Buy)

- EDGENTA's share price might have bottomed already when it bounced up from a trough of RM1.47 in late February this year to overcome a negative sloping trendline that stretches back to mid-October 2019.
- Following which, the stock is expected to ride on an upward momentum as indicated by the parabolic signal and the DMI Plus crossover of DMI Minus.
- With that, the shares will probably advance towards our resistance targets of RM2.03 (R1; 13% upside potential) and RM2.20 (R2; 22% upside potential).
- Our stop loss price is pegged at RM1.62 (representing a downside risk of 10%).
- Fundamentally, EDGENTA's core business activities are in the provision of: (i) healthcare support (comprising both concession and commercial segments, serving over 300 hospitals in Malaysia, Singapore, Taiwan and India), (ii) property & facility solutions, (iii) infrastructure services (covering expressways and rails), and (iv) asset consultancy.
- After registering net profit of RM13.5m (-93% YoY) in FY December 2020, consensus is forecasting the group's bottomline to rebound to RM97m in FY21 and RM130m in FY22, which translate to forward PERs of 15.4x and 11.5x, respectively.
- The stock currently offers attractive dividend yields of 4.9%-8.9% based on consensus DPS expectations of 8.9 sen for FY21 and 16.0 sen for FY22, respectively.
- EDGENTA's ability to pay dividends is also supported by its balance sheet strength that is backed by net cash holdings & short-term investments amounting to RM206.1m (or 24.8 sen per share) as of end-December last year.

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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 |
|------------------------------|-----------------|-------------|------------------|-------------------------|----------------------------|----------------------------|-------------------------|----------------------|------------------------------|-----------------------------|------------------|---------------------|-----------------------|
| TOMYPAK HOLDINGS | 6/4/2021 | Trading Buy | 0.61 | 0.70 | 0.52 | 16% | -14% | 1.12x | 0.64 | 0.56 | 0.57 | Open | |
| BP PLASTICS HOLDING BHD | 6/4/2021 | Trading Buy | 1.39 | 1.55 | 1.24 | 12% | -11% | 1.07x | 1.41 | 1.35 | 1.37 | Open | |
| STAR MEDIA GROUP BHD | 7/4/2021 | Trading Buy | 0.42 | 0.48 | 0.38 | 14% | -10% | 1.50x | 0.45 | 0.39 | 0.40 | Open | |
| 7-ELEVEN MALAYSIA HOLDINGS B | 7/4/2021 | Trading Buy | 1.52 | 1.70 | 1.35 | 12% | -11% | 1.06x | 1.65 | 1.38 | 1.45 | Open | |
| ASTRO MALAYSIA HOLDINGS BHD | 8/4/2021 | Trading Buy | 0.99 | 1.11 | 0.90 | 13% | -9% | 1.47x | 1.10 | 0.96 | 1.02 | Open | |
| IJM CORP BHD | 8/4/2021 | Trading Buy | 1.79 | 1.98 | 1.60 | 11% | -11% | 1.00x | 2.06 | 1.76 | 1.90 | TP Hit | 16/4/2021 |
| SAMCHEM HOLDINGS BHD | 9/4/2021 | Trading Buy | 1.46 | 1.65 | 1.30 | 13% | -11% | 1.19x | 2.06 | 1.44 | 2.01 | TP Hit | 13/4/2021 |
| OCEANCASH PACIFIC BHD | 9/4/2021 | Trading Buy | 0.57 | 0.65 | 0.50 | 14% | -12% | 1.23x | 0.66 | 0.52 | 0.60 | TP Hit | 26/4/2021 |
| MUDA HOLDINGS BERHAD | 13/4/2021 | Trading Buy | 2.81 | 3.26 | 2.48 | 16% | -12% | 1.36x | 3.04 | 2.75 | 2.96 | Open | |
| TUNE PROTECT GROUP BHD | 13/4/2021 | Trading Buy | 0.47 | 0.54 | 0.40 | 16% | -14% | 1.15x | 0.48 | 0.42 | 0.42 | Open | |
| HSS ENGINEERS BHD | 14/4/2021 | Trading Buy | 0.59 | 0.66 | 0.52 | 13% | -11% | 1.15x | 0.63 | 0.58 | 0.63 | Open | |
| EITA RESOURCES BHD | 14/4/2021 | Trading Buy | 0.94 | 1.10 | 0.82 | 18% | -12% | 1.43x | 1.13 | 0.95 | 0.98 | TP Hit | 15/4/2021 |
| FOUNDPAC GROUP BHD | 15/4/2021 | Trading Buy | 0.83 | 0.95 | 0.72 | 15% | -13% | 1.19x | 0.91 | 0.81 | 0.84 | Open | |
| KIMLUN CORP BHD | 15/4/2021 | Trading Buy | 0.91 | 1.05 | 0.78 | 16% | -14% | 1.16x | 1.01 | 0.91 | 0.93 | Open | |
| RGT BHD | 16/4/2021 | Trading Buy | 0.45 | 0.50 | 0.39 | 12% | -12% | 1.00x | 0.45 | 0.40 | 0.40 | Open | |
| REDTONE DIGITAL BHD | 16/4/2021 | Trading Buy | 0.44 | 0.50 | 0.38 | 14% | -14% | 1.00x | 0.51 | 0.43 | 0.44 | TP Hit | 26/4/2021 |
| OPCOM HOLDINGS BHD | 20/4/2021 | Trading Buy | 0.60 | 0.67 | 0.54 | 13% | -9% | 1.36x | 0.61 | 0.56 | 0.56 | Open | |
| OCK GROUP BHD | 20/4/2021 | Trading Buy | 0.50 | 0.56 | 0.44 | 13% | -11% | 1.18x | 0.54 | 0.49 | 0.52 | Open | |
| PANSAR BHD | 21/4/2021 | Trading Buy | 0.72 | 0.81 | 0.64 | 13% | -11% | 1.13x | 0.75 | 0.71 | 0.72 | Open | |
| OCR GROUP BERHAD | 21/4/2021 | 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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|-----------------------------|-----------------|-------------|------------------|-------------------------|----------------------------|----------------------------|-------------------------|----------------------|------------------------------|-----------------------------|------------------|---------------------|-----------------------|
| ECONPILE HOLDINGS BHD | 22/4/2021 | Trading Buy | 0.48 | 0.53 | 0.42 | 12% | -12% | 1.00x | 0.49 | 0.46 | 0.46 | Open | |
| UMW HOLDINGS BHD | 22/4/2021 | Trading Buy | 3.48 | 3.85 | 3.11 | 11% | -11% | 1.00x | 3.50 | 3.19 | 3.31 | Open | |
| WCT HOLDINGS BHD | 23/4/2021 | Trading Buy | 0.54 | 0.60 | 0.48 | 11% | -11% | 1.00x | 0.55 | 0.50 | 0.51 | Open | |
| FREIGHT MANAGEMENT HOLDINGS | 23/4/2021 | Trading Buy | 1.51 | 1.75 | 1.28 | 16% | -16% | 1.00x | 2.09 | 1.52 | 1.76 | TP Hit | 23/4/2021 |
| KAREX BHD | 27/4/2021 | Trading Buy | 0.73 | 0.83 | 0.64 | 14% | -12% | 1.24x | 0.75 | 0.69 | 0.70 | Open | |
| TECHFAST HOLDINGS BHD | 27/4/2021 | Trading Buy | 0.39 | 0.45 | 0.35 | 15% | -10% | 1.50x | 0.40 | 0.35 | 0.35 | SL Hit | 30/4/2021 |
| HIBISCUS PETROLEUM BHD | 28/4/2021 | Trading Buy | 0.63 | 0.71 | 0.56 | 13% | -11% | 1.14x | 0.65 | 0.62 | 0.63 | Open | |
| BUMI ARMADA BERHAD | 28/4/2021 | Trading Buy | 0.40 | 0.45 | 0.36 | 13% | -10% | 1.25x | 0.42 | 0.39 | 0.40 | Open | |
| SERBA DINAMIK HOLDINGS BHD | 30/4/2021 | Trading Buy | 1.66 | 1.85 | 1.47 | 11% | -11% | 1.00x | 1.69 | 1.63 | 1.63 | Open | |
| UCHI TECHNOLOGIES BHD | 30/4/2021 | Trading Buy | 3.18 | 3.52 | 2.86 | 11% | -10% | 1.06x | 3.22 | 3.05 | 3.10 | 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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