

03 May 2021

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Kenanga Research wishes our Muslim clients "Salam Aidilfitri". There will be no publication of Weekly Technical Review next week. We will be back on Monday, 17 May 2021.

The absence of positive vibes could force the Malaysian bourse to face renewed weakness ahead. Last week, the key FBMKLCI swung between gains and losses, posting intra-week high of 1,623 and low of 1,598 before settling at 1,602 on Friday (down 6.8 points or 0.4% week-on-week). Over on Wall Street, the DJIA slid 168.6 points or 0.5% to end at 33,875.

Daily trading activity on the local stock exchange stood at an average of 7.2b shares in volume and RM4.8b in value during the week, compared with the 7.8b shares worth RM4.4b traded the week before. While local retail investors and domestic institutions bought more shares than they had sold to post net buying amounts of RM329m and RM47m, respectively, foreigners were net sellers with weekly net outflows of RM376m. This brought cumulative net foreign selling to a sizeable RM1.13b for the whole of April versus the overall net outflows of only RM33m in March.

While investors sieve through the busy calendar of events in the coming holiday-shortened fortnight, they will be seeking fresh catalysts from the slew of news flows, comprising: (i) Malaysia Manufacturing PMI (due for release today), (ii) March's Industrial Production Index (this Thursday), (iii) Bank Negara Malaysia's monetary policy committee meeting (also on Thursday), (iv) April's plantation statistics (next Monday), (v) Malaysia's 1QCY21 economic report card (next Tuesday), and (vi) the MSCI semi-annual index review (also next Tuesday).

They may also be hoping to see pleasant surprises in the stack of corporate earnings announcements to be unveiled by the likes of Hartalega Holdings (scheduled for tomorrow), KLCC Property (also tomorrow), MISC (Thursday) and Supermax Corporation (sometime this week).

Meanwhile, market sentiment will probably be shaken by the possibility of a re-imposition of movement control order in states hit by a high number of new Covid-19 cases, which could then impact economic activities in those areas.

With the passing of April (which saw the FBMKLCI ended up 1.8%), investors may be wondering whether to follow the investment adage of "sell in May and go away". Statistically, the local bourse performance was mixed with the benchmark index closing in positive territory for May in six of the last 10 years (including the two most recent years), logging an average monthly return of -0.3% since 2011.

On the chart, after finishing broadly flat in the past three weeks, the FBMKLCI may continue to tread within a narrow trading range for the moment with its immediate support and resistance thresholds standing at 1,600 (S1) and 1,645 (R1), respectively. However, following the emergence of negative technical signals arising from the: (i) Bollinger Band (with the index recently crossing back below the upper band after previously climbing over it), and (ii) Stochastic indicator (which saw the %K line cutting below the %D line in the overbought zone), downside risk remains elevated as the FBMKLCI appears likely to break below the psychological 1,600 mark soon, possibly drifting towards our next support level at 1,550 (S2).

Over on Wall Street, the DJIA could move with a slight upward bias after consolidating for the past two weeks. We keep our key support and resistance levels at 33,200 (S1) / 32,350 (S2) and 34,100 (R1) / 35,400 (R2), respectively.



03 May 2021



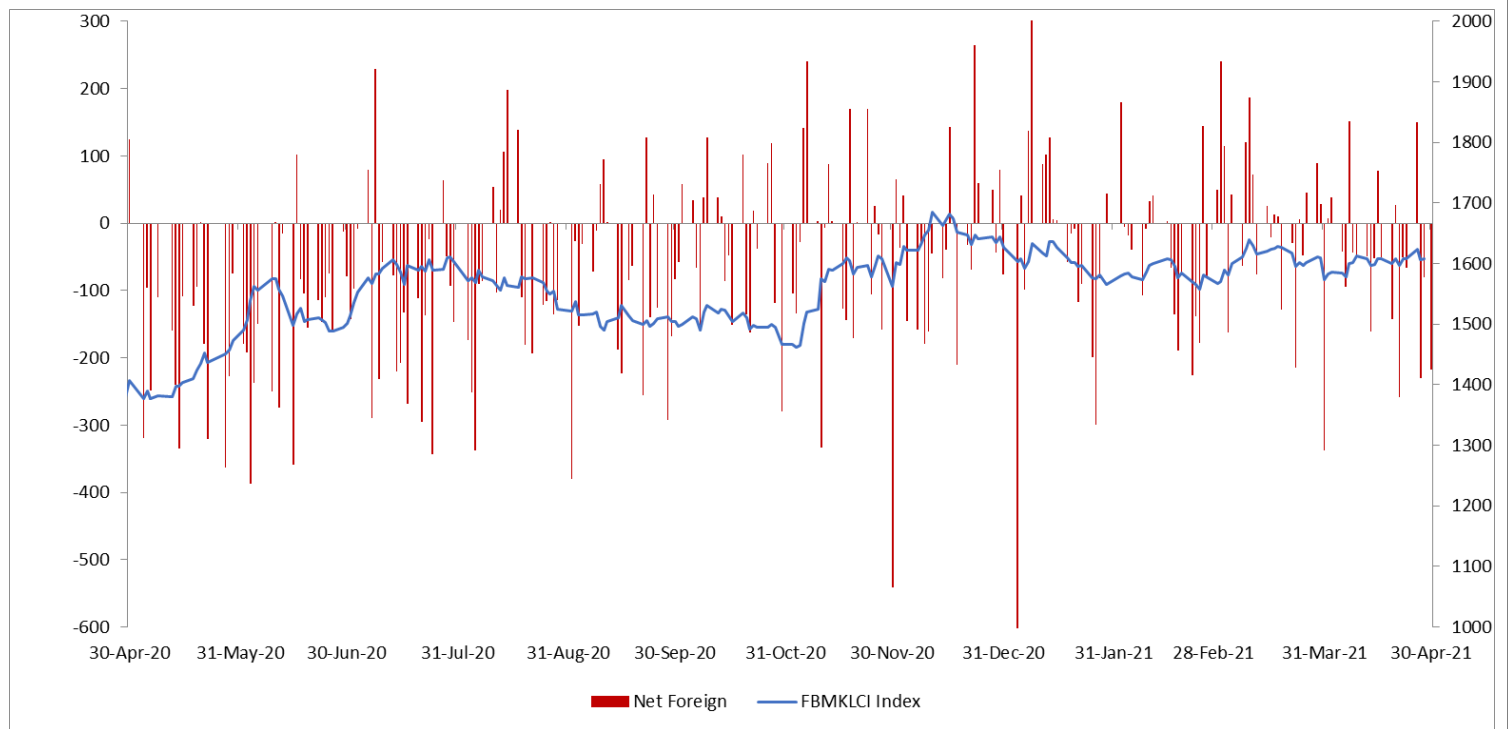
Source: Kenanga Research



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03 May 2021

Net Foreign Trade Position vs FBMKLCI



Foreign investors remained net sellers with net outflows of RM376.5m last week compared to cumulative net outflows of RM490.3m in the prior week.

Source: Kenanga Research

03 May 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 | | | |
| 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 | 1.40 | Open | |
| STAR MEDIA GROUP BHD | 7/4/2021 | Trading Buy | 0.42 | 0.48 | 0.38 | 14% | -10% | 1.50x | 0.45 | 0.39 | 0.39 | 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 | 1.48 | Open | |
| ASTRO MALAYSIA HOLDINGS BHD | 8/4/2021 | Trading Buy | 0.99 | 1.11 | 0.90 | 13% | -9% | 1.47x | 1.10 | 0.96 | 0.99 | Open | |
| IJM CORP BHD | 8/4/2021 | Trading Buy | 1.79 | 1.98 | 1.60 | 11% | -11% | 1.00x | 2.06 | 1.76 | 1.95 | TP Hit | 16/4/2021 |
| SAMCHEM HOLDINGS BHD | 9/4/2021 | Trading Buy | 1.46 | 1.65 | 1.30 | 13% | -11% | 1.19x | 1.99 | 1.44 | 1.86 | 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 | 2.89 | 2.75 | 2.81 | Open | |
| TUNE PROTECT GROUP BHD | 13/4/2021 | Trading Buy | 0.47 | 0.54 | 0.40 | 16% | -14% | 1.15x | 0.48 | 0.42 | 0.43 | Open | |
| HSS ENGINEERS BHD | 14/4/2021 | Trading Buy | 0.59 | 0.66 | 0.52 | 13% | -11% | 1.15x | 0.63 | 0.58 | 0.62 | Open | |
| EITA RESOURCES BHD | 14/4/2021 | Trading Buy | 0.94 | 1.10 | 0.82 | 18% | -12% | 1.43x | 1.13 | 0.95 | 1.03 | 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 | 0.87 | Open | |
| KIMLUN CORP BHD | 15/4/2021 | Trading Buy | 0.91 | 1.05 | 0.78 | 16% | -14% | 1.16x | 1.01 | 0.91 | 0.95 | Open | |
| RGT BHD | 16/4/2021 | Trading Buy | 0.45 | 0.50 | 0.39 | 12% | -12% | 1.00x | 0.45 | 0.41 | 0.41 | 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 | 0.57 | Open | |
| OOCK GROUP BHD | 20/4/2021 | Trading Buy | 0.50 | 0.56 | 0.44 | 13% | -11% | 1.18x | 0.52 | 0.49 | 0.50 | 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

03 May 2021

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|-----------------------------|-----------------|-------------|------------|-------------------|----------------------|-----------------------|--------------------|----------------------|------------------------|-----------------------|------------|---------|-----------------------|
| | | | RM | RM | RM | % | % | | RM | RM | RM | | |
| 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 | |
| ECONPILE HOLDINGS BHD | 22/4/2021 | Trading Buy | 0.48 | 0.53 | 0.42 | 12% | -12% | 1.00x | 0.49 | 0.46 | 0.47 | Open | |
| UMW HOLDINGS BHD | 22/4/2021 | Trading Buy | 3.48 | 3.85 | 3.11 | 11% | -11% | 1.00x | 3.50 | 3.26 | 3.30 | Open | |
| WCT HOLDINGS BHD | 23/4/2021 | Trading Buy | 0.54 | 0.60 | 0.48 | 11% | -11% | 1.00x | 0.55 | 0.51 | 0.52 | Open | |
| FREIGHT MANAGEMENT HOLDINGS | 23/4/2021 | Trading Buy | 1.51 | 1.75 | 1.28 | 16% | -16% | 1.00x | 2.09 | 1.52 | 1.67 | TP Hit | 23/4/2021 |
| KAREX BHD | 27/4/2021 | Trading Buy | 0.73 | 0.83 | 0.64 | 14% | -12% | 1.24x | 0.75 | 0.70 | 0.71 | Open | |
| TECHFAST HOLDINGS BHD | 27/4/2021 | Trading Buy | 0.39 | 0.45 | 0.35 | 15% | -10% | 1.50x | 0.40 | 0.35 | 0.36 | 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 | 0.41 | Open | |
| SERBA DINAMIK HOLDINGS BHD | 30/4/2021 | Trading Buy | 1.66 | 1.85 | 1.47 | 11% | -11% | 1.00x | 1.69 | 1.65 | 1.66 | Open | |
| UCHI TECHNOLOGIES BHD | 30/4/2021 | Trading Buy | 3.18 | 3.52 | 2.86 | 11% | -10% | 1.06x | 3.22 | 3.13 | 3.14 | Open | |

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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

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