

28 July 2021

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Daily technical highlights – (PESTECH, LYC)

Daily Charting – PESTECH (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Pestech International Bhd	52 Week High/Low	: 1.43/0.65
Bursa Code	: PESTECH	3-m Avg. Daily Vol.	: 2,087,542
CAT Code	: 5219	Free Float (%)	: 41.7
Market Cap	: RM666.0m	Beta vs. KLCI	: 1.0
		Last Price	: RM0.875
		Resistance	: RM1.01 (R1) RM1.11 (R2)
		Stop Loss	: RM0.77

Pestech International Bhd (Trading Buy)

- PESTECH's share price could stage a price reversal soon following its slide from a high of RM1.43 in mid-February this year to RM0.875 currently.
- According to our trading system, which is built on the RSI indicator to trigger buy signals when the RSI value crosses above the pre-set oversold level, the stock is anticipated to shift higher going forward. Based on an exit rule of either a 13% profit or 10% stop loss (whichever comes first) from the trigger levels, the back-tested results showed that 13 of the 16 alerts generated by the trading system since 2015 were profitable trades (i.e. it has correctly predicted the ensuing share price gains of at least 13%), which represents an accuracy rate of 81%.
- With the emergence of the latest buy signal in end-June this year, our trading system is now predicting that PESTECH shares will probably advance to at least RM1.01. On the chart, we reckon the stock could climb towards our resistance thresholds of RM1.01 (R1; 15% upside potential) and RM1.11 (R2; 27% upside potential).
- Our stop loss price is set at RM0.77 (or 12% downside risk).
- In terms of profitability, PESTECH – an integrated electrical power technology company with businesses in power transmission infrastructure, power generation & rail electrification, transmission assets and power products & embedded system software – reported net earnings of RM37.5m (-5% YoY) for the 9-month period ended March 2021.
- Going forward, our fundamental research team is projecting the group to make net profit of RM59.5m in FY June 2021 and RM75.7m in FY June 2022, which translate to undemanding forward PERs of 11.1x this year and 8.8x next year, respectively.

28 July 2021

Daily Charting – LYC (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: LYC Healthcare Bhd	52 Week High/Low	: 0.68/0.24
Bursa Code	: LYC	3-m Avg. Daily Vol.	: 2,065,000
CAT Code	: 0075	Free Float (%)	: 27.9
Market Cap	: RM135.9m	Beta vs. KLCI	: 1.0
		Last Price	: RM0.315
		Resistance	: RM0.37 (R1) RM0.41 (R2)
		Stop Loss	: RM0.26

LYC Healthcare Bhd (Trading Buy)

- LYC shares saw price action lately when the stock jumped as much as 30% in two days to a high of RM0.37 on Monday before retracing to close at RM0.315 yesterday in tandem with the broad market weakness.
- From a technical perspective, the share price is expected to ride on an upward trajectory after overcoming the key 150-day SMA line, which is backed further by the rising momentum indicator and the appearance of bullish dragonfly doji candlesticks.
- A resumption of the buying interest could lift LYC's share price to challenge our resistance hurdles of RM0.37 (R1; 17% upside potential) and RM0.41 (R2; 30% upside potential).
- We have set our stop loss price at RM0.26 (or 17% downside risk from its last traded price of RM0.315).
- Business-wise, LYC is involved in the resilient healthcare industry, providing mother and child care related services such as postnatal & postpartum care and confinement care.
- The group has also diversified into other healthcare segments such as senior living homes, family clinic, childcare services, cosmetic & aesthetic and fertility services. It has ventured into Singapore too via the acquisitions of two companies that operate medical centres.
- While currently loss-making, the group has narrowed its quarterly net loss to RM1.7m in 4QFY21 (from -RM4.6m in 3QFY21), taking full-year net loss to RM11.7m in FY March 2021, as its underlying performance was hit mainly by impairment losses and higher depreciation charges as well as business disruptions arising from the Covid-19 pandemic.

28 July 2021









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
MATRIX CONCEPTS HOLDINGS BHD	29/6/2021	Trading Buy	1.96	2.16	1.80	10%	-8%	1.25x	2.07	1.94	2.06	Open	
MALAKOFF CORP BHD	29/6/2021	Trading Buy	0.81	0.89	0.74	10%	-9%	1.14x	0.84	0.80	0.83	Open	
BUMI ARMADA BERHAD	30/6/2021	Trading Buy	0.44	0.51	0.38	16%	-14%	1.17x	0.48	0.41	0.42	Open	
KSL HOLDINGS BHD	30/6/2021	Trading Buy	0.59	0.67	0.52	14%	-12%	1.14x	0.63	0.58	0.62	Open	
TUNE PROTECT GROUP BHD	1/7/2021	Trading Buy	0.42	0.48	0.36	16%	-13%	1.18x	0.43	0.40	0.41	Open	
ASTRO MALAYSIA HOLDINGS BHD	1/7/2021	Trading Buy	1.11	1.40	1.00	26%	-10%	2.57x	1.19	1.07	1.08	Open	
THONG GUAN INDUSTRIES BHD	2/7/2021	Trading Buy	2.57	2.93	2.28	14%	-11%	1.24x	2.67	2.49	2.54	Open	
SCGM BHD	2/7/2021	Trading Buy	2.56	3.00	2.19	17%	-15%	1.18x	2.60	2.32	2.40	Open	
MOBILIA HOLDINGS BHD	6/7/2021	Trading Buy	0.43	0.50	0.37	16%	-14%	1.17x	0.55	0.41	0.49	TP Hit	23/6/2021
FLEXIDYNAMIC HOLDINGS BERHAD	6/7/2021	Trading Buy	0.39	0.45	0.34	15%	-13%	1.20x	0.48	0.38	0.41	TP Hit	23/6/2021
POH KONG HOLDINGS BHD	7/7/2021	Trading Buy	0.87	0.98	0.76	13%	-12%	1.10x	0.87	0.82	0.82	Open	
TOMEI CONSOLIDATED BHD	7/7/2021	Trading Buy	1.01	1.15	0.88	14%	-13%	1.08x	1.04	0.92	0.93	Open	
VELESTO ENERGY BHD	8/7/2021	Trading Buy	0.15	0.19	0.12	23%	-20%	1.17x	0.16	0.14	0.14	Open	
PADINI HOLDINGS BERHAD	8/7/2021	Trading Buy	2.79	3.20	2.42	15%	-13%	1.11x	2.88	2.74	2.88	Open	
QES GROUP BHD	9/7/2021	Trading Buy	0.84	0.90	0.78	8%	-7%	1.18x	0.90	0.78	0.84	SL Hit	13/7/2021
FRONTKEN CORP BHD	9/7/2021	Trading Buy	2.99	3.35	2.75	12%	-8%	1.50x	3.39	2.97	3.37	TP Hit	15/7/2021
BOUSTEAD PLANTATIONS BHD	13/7/2021	Trading Buy	0.60	0.69	0.52	15%	-13%	1.13x	0.64	0.60	0.62	Open	
JOHORE TIN BHD	13/7/2021	Trading Buy	1.55	1.75	1.36	13%	-12%	1.05x	1.57	1.51	1.52	Open	
OMESTI BHD	14/7/2021	Trading Buy	0.41	0.47	0.36	15%	-12%	1.20x	0.51	0.41	0.49	TP Hit	16/7/2021
MSM MALAYSIA HOLDINGS BHD	14/7/2021	Trading Buy	1.16	1.32	1.02	14%	-12%	1.14x	1.41	1.15	1.30	TP Hit	19/6/2021
GLOMAC BHD	15/7/2021	Trading Buy	0.32	0.38	0.27	19%	-14%	1.33x	0.37	0.32	0.34	Open	
NWP HOLDINGS BHD	15/7/2021	Trading Buy	0.22	0.27	0.17	23%	-21%	1.11x	0.22	0.21	0.22	Open	
LOTTE CHEMICAL TITAN HOLDING	16/7/2021	Trading Buy	2.76	3.09	2.50	12%	-9%	1.27x	2.96	2.74	2.87	Open	
UNITED U-LI CORP BHD	16/7/2021	Trading Buy	1.12	1.28	1.00	14%	-11%	1.33x	1.19	1.10	1.11	Open	
7-ELEVEN MALAYSIA HOLDINGS B	21/7/2021	Trading Buy	1.47	1.65	1.31	12%	-11%	1.13x	1.51	1.45	1.51	Open	
SUNWAY BHD	21/7/2021	Trading Buy	1.73	1.93	1.56	12%	-10%	1.18x	1.75	1.72	1.72	Open	
SHIN YANG SHIPPING CORP BHD	22/7/2021	Trading Buy	0.35	0.43	0.27	25%	-22%	1.13x	0.36	0.34	0.35	Open	
JF TECHNOLOGY BHD	22/7/2021	Trading Buy	1.42	1.68	1.20	18%	-15%	1.18x	1.50	1.37	1.40	Open	
SUPERMAX CORP BHD	23/7/2021	Trading Buy	3.65	4.20	3.21	15%	-12%	1.25x	3.78	3.29	3.34	Open	
SKP RESOURCES BHD	23/7/2021	Trading Buy	1.75	1.95	1.58	11%	-10%	1.18x	1.78	1.69	1.75	Open	
RGT BHD	27/7/2021	Trading Buy	0.35	0.41	0.30	17%	-14%	1.20x	0.40	0.37	0.37	Open	
MALAYAN FLOUR MILLS BHD	27/7/2021	Trading Buy	0.77	0.88	0.68	14%	-12%	1.22x	0.78	0.77	0.77	Open	


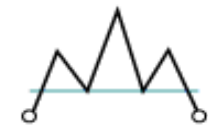



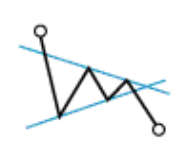

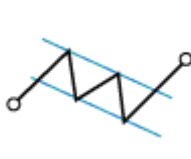


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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) 
	Symmetrical Triangle (Bullish/ Bearish) 	Ascending Triangle (Bullish) 	Channels (Bullish/ Bearish) 	Flags (Bullish/ Bearish) 	Pennant (Bullish/ Bearish) 

Source: Various

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