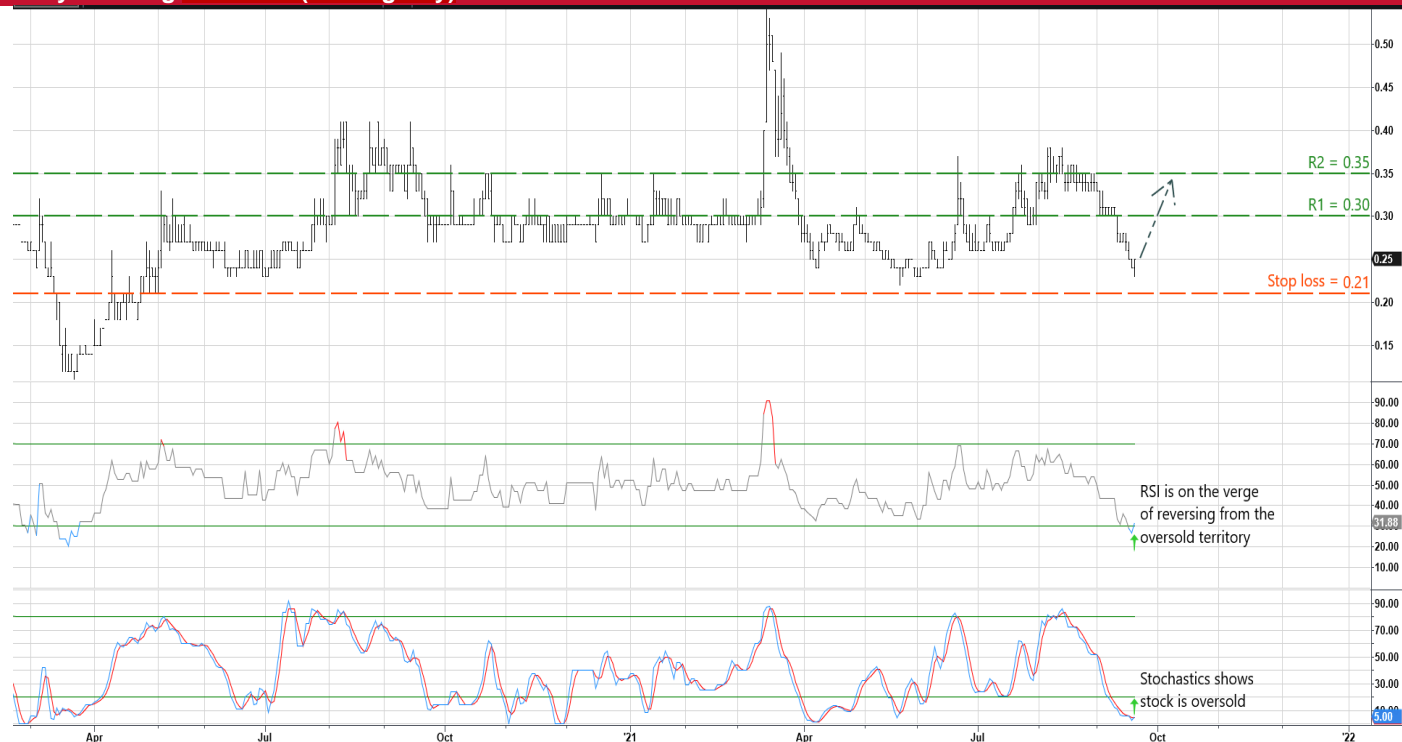


22 September 2021

By Goh Yin Foo, CFA, CMT | gohyf@kenanga.com.my

Daily technical highlights – (HEXIND, REX)

Daily Charting – HEXIND (Trading Buy)

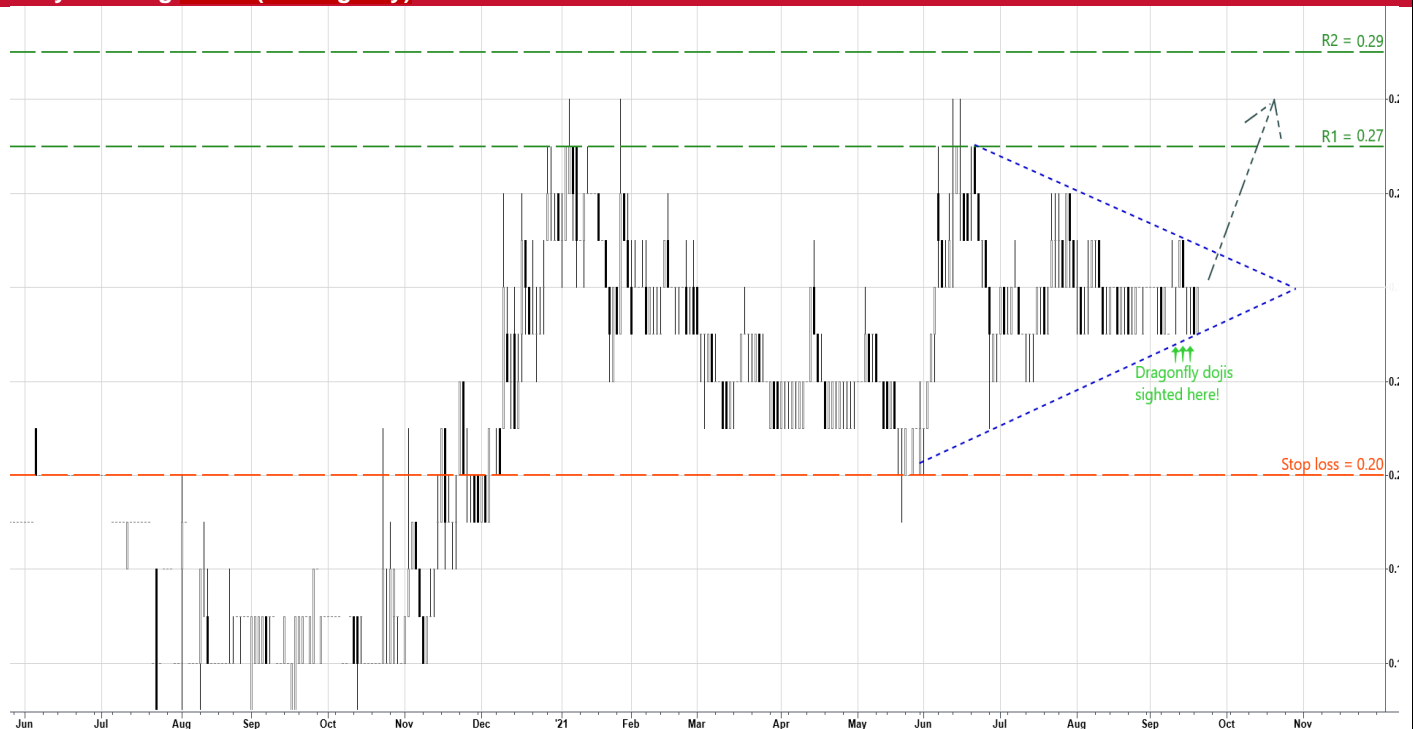


About the Stock:		Key Support & Resistance Levels	
Name	: Hextar Industries Bhd	52 Week High/Low	: 0.54/0.22
Bursa Code	: HEXIND	3-m Avg. Daily Vol.	: 7,394,592
CAT Code	: 0161	Free Float (%)	: 43.6
Market Cap	: RM46.5m	Beta vs. KLCI	: 1.3
		Last Price	: RM0.25
		Resistance	: RM0.30 (R1) RM0.35 (R2)
		Stop Loss	: RM0.21

Hextar Industries Bhd (Trading Buy)

- HEXIND is a proxy to the surging fertiliser prices, as fertiliser nutrients such as urea and phosphate are presently trading near their highest price levels since 2012 / 2013.
- In addition to the business of manufacturing and distributing fertiliser products (catering mainly to the oil palm industry) – which contributed RM81.6m or two-thirds of overall revenue in FY August 2020 – the group is involved in the supply and distribution of quarry related products and rental of machinery and equipment.
- For the nine-month financial period ended May 2021, the group made a marginal net profit of RM1.4m, a turnaround from the net loss of RM3.7m posted in the prior corresponding period.
- In terms of corporate developments, HEXIND has completed a 3-into-1 share consolidation exercise in mid-March this year. It is now in the midst of undertaking a 5-for-1 rights issue (at an issue price of RM0.12 per rights share) to raise proceeds of up to RM110.0m (before warrants conversion) for the purpose of debt repayment and working capital requirements.
- The shares – which will be traded ex-right issue on 28 September (next Tuesday) – are currently trading at a theoretical ex-right price of RM0.14 (based on yesterday's close of RM0.25).
- From a charting standpoint, HEXIND shares could stage a technical rebound after sliding from a recent high of RM0.38 in mid-August to a 3-month low currently.
- With both the RSI and stochastics indicators set to climb out from their oversold positions, the stock is expected to ride on the positive momentum to shift higher ahead.
- On the way up, HEXIND shares will probably advance towards our resistance thresholds of RM0.30 (R1; 20% upside potential) and RM0.35 (R2; 40% upside potential).
- We have placed our stop loss price at RM0.21 (representing a 16% downside risk).

Daily Charting – REX (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Rex Industry Bhd	52 Week High/Low	: 0.28/0.15
Bursa Code	: REX	3-m Avg. Daily Vol.	: 2,914,721
CAT Code	: 9946	Free Float (%)	: 46.7
Market Cap	: RM115.9m	Beta vs. KLCI	: N.A.
		Last Price	: RM0.235
		Resistance	: RM0.27 (R1) RM0.29 (R2)
		Stop Loss	: RM0.20

Rex Industry Bhd (Trading Buy)

- The existence of a symmetrical triangle formation suggests that REX’s share price is currently in a position to stage a technical breakout from the listless trading pattern since early December last year.
- And following the simultaneous appearance of the bullish dragonfly doji candlesticks as the stock approaches the apex of the triangle, a short-term price rally may be forthcoming.
- Riding on the upward momentum, REX shares could challenge our resistance targets of RM0.27 (R1; 15% upside potential) and RM0.29 (R2; 23% upside potential).
- Our stop loss price is pegged at RM0.20 (or 15% downside risk from the last traded price of RM0.235).
- Business-wise, as a manufacturer of canned food, beverage and confectionary products, REX derives its sales from both the domestic and overseas markets with a 35%:65% split based on FY21’s revenue.
- For the financial year ended June 2021, the group returned to the black with net profit of RM2.6m compared with FY20’s net loss of RM9.5m, as overall performance was lifted by stronger revenue, improved operational efficiency and lower operating expenses.
- Going forward, according to one recent media interview, REX is targeting to double its revenue (of RM160.5m in FY21) over the next three years by introducing new products, expanding its client base and partnering with more large-scale retailers.

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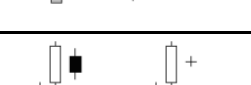
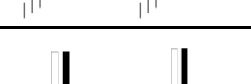


STOCK CALL MONITOR*

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 RM	Status [^]	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
HEITECH PADU BHD	24/8/2021	Trading Buy	1.34	1.52	1.18	13%	-12%	1.13x	1.40	1.29	1.31	Open	
MMS VENTURES BHD	24/8/2021	Trading Buy	0.93	1.05	0.83	14%	-10%	1.32x	1.15	0.91	1.12	TP Hit	6/9/2021
SAMCHEM HOLDINGS BHD	25/8/2021	Trading Buy	0.74	0.85	0.65	15%	-12%	1.25x	0.86	0.75	0.81	TP Hit	13/9/2021
CCK CONSOLIDATED HOLDINGS BH	25/8/2021	Trading Buy	0.60	0.70	0.51	18%	-14%	1.24x	0.62	0.57	0.58	Open	
BUMI ARMADA BERHAD	26/8/2021	Trading Buy	0.42	0.48	0.37	14%	-12%	1.20x	0.47	0.42	0.43	Open	
AMMB HOLDINGS BHD	26/8/2021	Trading Buy	3.00	3.30	2.79	10%	-7%	1.43x	3.35	2.98	3.24	TP Hit	6/9/2021
SOLARVEST HOLDINGS BHD	27/8/2021	Trading Buy	1.36	1.54	1.21	13%	-11%	1.20x	1.40	1.24	1.29	Open	
SARAWAK OIL PALMS BERHAD	27/8/2021	Trading Buy	3.76	4.21	3.33	12%	-11%	1.05x	3.82	3.45	3.45	Open	
HEXZA CORP BHD	1/9/2021	Trading Buy	1.04	1.16	0.94	12%	-10%	1.20x	1.09	1.03	1.05	Open	
JAG BHD	1/9/2021	Trading Buy	0.35	0.40	0.30	14%	-14%	1.00x	0.38	0.33	0.34	Open	
EWEIN BHD	2/9/2021	Trading Buy	0.35	0.46	0.32	31%	-9%	3.38x	0.40	0.31	0.33	SL Hit	21/9/2021
WAH SEONG CORP BHD	2/9/2021	Trading Buy	0.67	0.79	0.57	17%	-15%	1.15x	0.71	0.65	0.66	Open	
PESTECH INTERNATIONAL BHD	3/9/2021	Trading Buy	1.02	1.15	0.91	13%	-11%	1.18x	1.13	0.99	1.02	Open	
VSTECs BHD	3/9/2021	Trading Buy	1.33	1.50	1.19	13%	-11%	1.21x	1.35	1.21	1.24	Open	
GLOBETRONICS TECHNOLOGY BHD	7/9/2021	Trading Buy	2.14	2.45	1.90	14%	-11%	1.29x	2.18	2.07	2.10	Open	
MCLEAN TECHNOLOGIES BHD	7/9/2021	Trading Buy	0.42	0.50	0.35	19%	-17%	1.14x	0.42	0.38	0.38	Open	
HIL INDUSTRIES BERHAD	8/9/2021	Trading Buy	0.97	1.10	0.85	13%	-12%	1.08x	1.12	0.93	0.94	TP Hit	8/9/2021
FOUNDPAC GROUP BHD	8/9/2021	Trading Buy	0.80	0.91	0.70	14%	-12%	1.21x	0.82	0.77	0.78	Open	
CYPARK RESOURCES BHD	9/9/2021	Trading Buy	1.00	1.12	0.89	12%	-11%	1.09x	1.05	0.96	1.00	Open	
TH PLANTATIONS BHD	9/9/2021	Trading Buy	0.56	0.66	0.49	17%	-13%	1.36x	0.58	0.51	0.53	Open	
MALAYSIAN BULK CARRIERS BHD	10/9/2021	Trading Buy	0.75	0.85	0.66	13%	-12%	1.11x	0.77	0.68	0.69	Open	
MYNEWS HOLDINGS BHD	10/9/2021	Trading Buy	0.92	1.03	0.81	13%	-11%	1.10x	0.93	0.85	0.87	Open	
MALAYSIA SMELTING CORP BHD	14/9/2021	Trading Buy	2.33	2.70	2.00	16%	-14%	1.12x	2.38	2.11	2.13	Open	
OPENSYS M BHD	14/9/2021	Trading Buy	0.42	0.50	0.36	19%	-14%	1.33x	0.47	0.41	0.42	Open	
BINASAT COMMUNICATIONS BHD	15/9/2021	Trading Buy	0.34	0.40	0.28	18%	-18%	1.00x	0.39	0.34	0.36	Open	
DRB-HICOM BHD	15/9/2021	Trading Buy	1.61	1.82	1.43	13%	-11%	1.17x	1.63	1.58	1.59	Open	
MALAYAN FLOUR MILLS BHD	17/9/2021	Trading Buy	0.85	0.95	0.76	12%	-11%	1.11x	0.85	0.78	0.79	Open	
ASTRO MALAYSIA HOLDINGS BHD	17/9/2021	Trading Buy	1.09	1.22	0.98	12%	-10%	1.18x	1.10	1.04	1.05	Open	
SOUTHERN CABLE GROUP BHD	21/9/2021	Trading Buy	0.45	0.52	0.39	16%	-13%	1.17x	0.46	0.45	0.46	Open	
POWER ROOT BHD	21/9/2021	Trading Buy	1.31	1.50	1.17	15%	-11%	1.36x	1.34	1.30	1.33	Open	





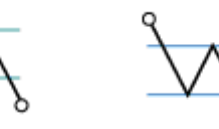
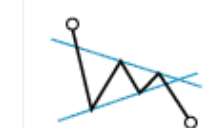




* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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

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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

