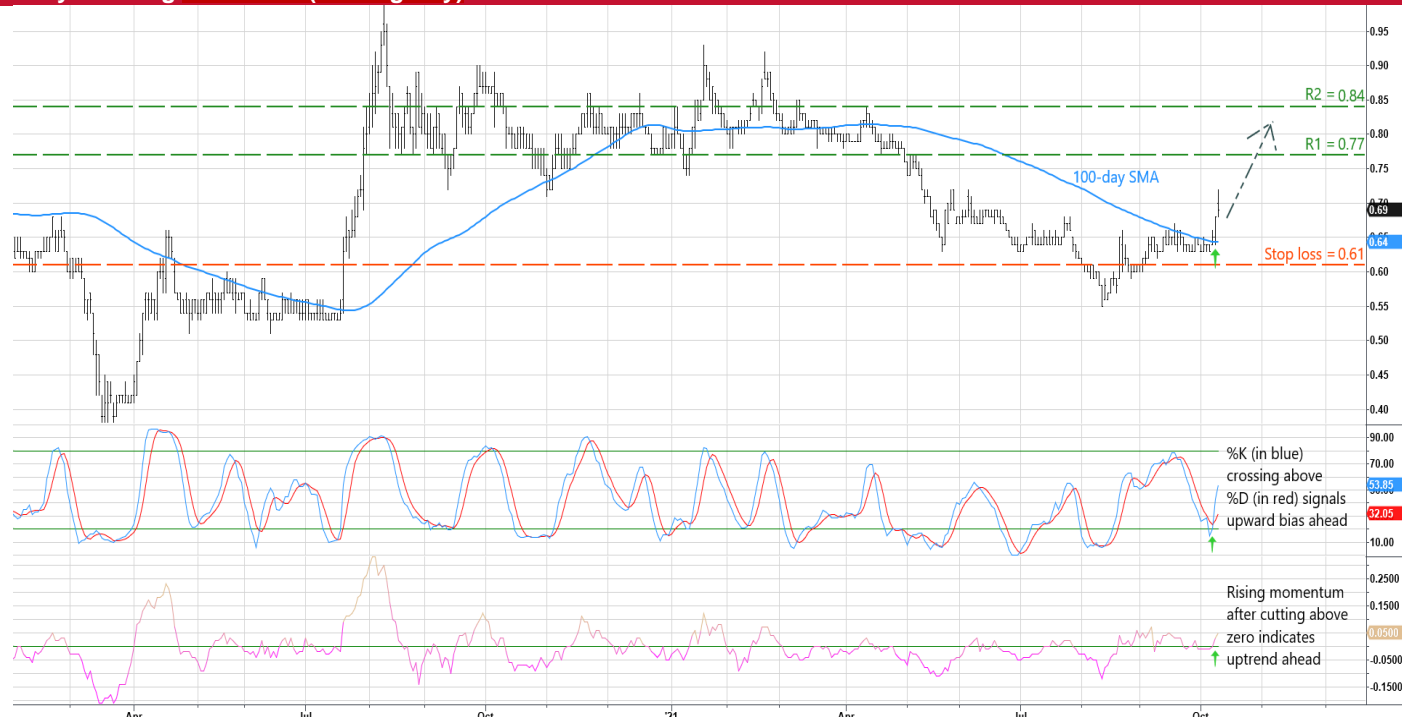


12 October 2021

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

Daily technical highlights – (PTRANS, PERDANA)

Daily Charting – PTRANS (Trading Buy)

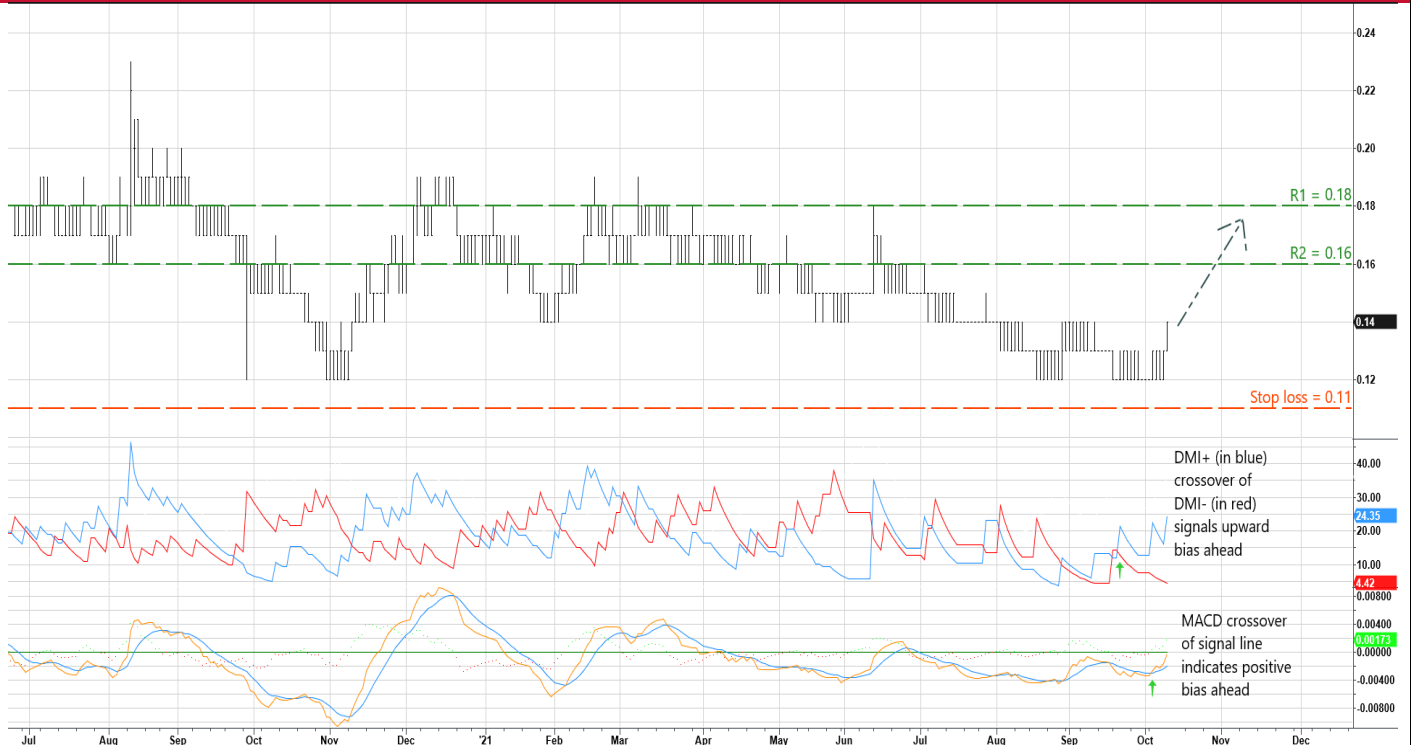


About the Stock:		Key Support & Resistance Levels	
Name	: Perak Transit Bhd	52 Week High/Low	: 0.90/0.55
Bursa Code	: PTRANS	3-m Avg. Daily Vol.	: 2,959,342
CAT Code	: 0186	Free Float (%)	: 59.2
Market Cap	: RM434.8m	Beta vs. KLCI	: 1.1
		Last Price	: RM0.685
		Resistance	: RM0.77 (R1) RM0.84 (R2)
		Stop Loss	: RM0.61

Perak Transit Bhd (Trading Buy)

- PTRANS' prospects are brightening following the reopening of state borders for travelling across the country. This is expected to boost the Perak-based group's income from its: (i) integrated public transportation terminal operations (via the rental of advertising and promotional spaces, rental of shops and kiosks, project facilitation fee and other miscellaneous incomes), (ii) the provision of public stage bus and express bus services and bus charter services, and (iii) petrol stations operations.
- PTRANS has registered increasing year-on-year earnings in the last five years with net profit growing at CAGR of 17% from RM19.2m in FY15 to RM42.0m in FY20. And the rising earnings trend has continued this year amid the business disruptions triggered by the Covid-19 movement restrictions when the group's bottomline came in at RM26.9m (+61% YoY) in the first half ended June 2021.
- Going forward, consensus is forecasting PTRANS to log net profit of RM51.0m (+21% YoY) in FY Dec 2021 and RM54.0m (+6% YoY) in FY Dec 2022, translating to undemanding forward PERs of 8.5x this year and 8.1x next year, respectively.
- An added positive is the stock's offering of dividend yields of 4.2% - 4.7% based on consensus DPS estimates of 2.9 sen for FY21 and 3.2 sen for FY22, respectively.
- Technically speaking, after bouncing up from a recent trough of RM0.55 in mid-August this year, PTRANS shares – which saw strong trading interest in the past two market days before closing at RM0.685 yesterday – could be on the way to plot higher highs ahead.
- On the back of the prevailing share price strength, PTRANS has overcome the 100-day SMA with the simultaneous bullish crossovers by the stochastics and momentum indicators signalling a likely extension in the upward trajectory.
- That being the case, the stock could advance to challenge our resistance targets of RM0.77 (R1; 12% upside potential) and RM0.84 (R2; 23% upside potential).
- We have placed our stop loss price at RM0.61 (representing an 11% downside risk).

Daily Charting – PERDANA (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Perdana Petroleum Bhd	52 Week High/Low	: 0.19/0.115
Bursa Code	: PERDANA	3-m Avg. Daily Vol.	: 2,810,397
CAT Code	: 7108	Free Float (%)	: 32.7
Market Cap	: RM299.2m	Beta vs. KLCI	: 1.9
		Last Price	: RM0.135
		Resistance	: RM0.16 (R1) RM0.18 (R2)
		Stop Loss	: RM0.11

Perdana Petroleum Bhd (Trading Buy)

- On the back of improved sentiment in the oil & gas sector following the soaring crude oil price (with the Brent crude oil currently hovering at USD85 per barrel or near its 3-year high), PERDANA shares (up 12% since 20 September versus the Bursa Malaysia Energy Index's 20% gain during the same period) may play catch-up with its peers.
- PERDANA – which is involved in the provision of offshore marine support services for the upstream oil and gas industry in the domestic and regional markets – has been loss-making with the most recent quarterly results showing net loss of RM39.1m, bringing cumulative net loss to RM66.6m in 1H ended June 2021 (including an impairment loss on property, plant & equipment amounting to RM30m).
- Nonetheless, with the elevated oil price levels expected to incentivise oil majors to carry out their planned capital expenditure going forward, the worst may be over for the group as business activity is poised to pick up.
- On the chart, after a jump in price yesterday, a technical rebound could be in the making following: (i) the DMI Plus' crossing above the DMI Minus, and (ii) the MACD cutting over the signal line, thus setting the stage for PERDANA's share price to shift higher ahead.
- With that, the stock will probably climb towards our resistance thresholds of RM0.16 (R1; 19% upside potential) and RM0.18 (R2; 33% upside potential).
- Our stop loss price is pegged at RM0.11 (or 19% downside risk from yesterday's close of RM0.135).

12 October 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 RM	Status ^A	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
MALAYSIA SMELTING CORP BHD	14/9/2021	Trading Buy	2.33	2.70	2.00	16%	-14%	1.12x	2.51	2.10	2.46	Open	
OPENSYS M BHD	14/9/2021	Trading Buy	0.42	0.50	0.36	19%	-14%	1.33x	0.47	0.40	0.41	Open	
BINASAT COMMUNICATIONS BHD	15/9/2021	Trading Buy	0.34	0.40	0.28	18%	-18%	1.00x	0.47	0.34	0.40	TP Hit	22/9/2021
DRB-HICOM BHD	15/9/2021	Trading Buy	1.61	1.82	1.43	13%	-11%	1.17x	1.70	1.58	1.66	Open	
MALAYAN FLOUR MILLS BHD	17/9/2021	Trading Buy	0.85	0.95	0.76	12%	-11%	1.11x	0.85	0.73	0.76	SL Hit	27/9/2021
ASTRO MALAYSIA HOLDINGS BHD	17/9/2021	Trading Buy	1.07	1.22	0.98	14%	-9%	1.55x	1.10	0.99	1.02	Open	
SOUTHERN CABLE GROUP BHD	21/9/2021	Trading Buy	0.45	0.52	0.39	16%	-13%	1.17x	0.50	0.45	0.49	Open	
POWER ROOT BHD	21/9/2021	Trading Buy	1.31	1.50	1.17	15%	-11%	1.36x	1.39	1.30	1.36	Open	
HEXTAR INDUSTRIES BHD#	22/9/2021	Trading Buy	0.14	0.17	0.12	20%	-16%	1.25x	0.20	0.13	0.15	TP Hit	28/9/2021
REX INDUSTRY BERHAD	22/9/2021	Trading Buy	0.24	0.27	0.20	15%	-15%	1.00x	0.26	0.23	0.24	Open	
OCK GROUP BHD	23/9/2021	Trading Buy	0.51	0.57	0.46	12%	-11%	1.09x	0.53	0.47	0.50	Open	
PADINI HOLDINGS BERHAD	23/9/2021	Trading Buy	3.08	3.47	2.77	13%	-10%	1.26x	3.15	2.97	3.10	Open	
REDTONE DIGITAL BHD	24/9/2021	Trading Buy	0.49	0.56	0.43	14%	-12%	1.17x	0.61	0.48	0.57	TP Hit	8/10/2021
GAMUDA BHD	24/9/2021	Trading Buy	3.07	3.45	2.73	12%	-11%	1.12x	3.15	2.97	3.08	Open	
NTPM HOLDINGS BHD	28/9/2021	Trading Buy	0.49	0.57	0.44	16%	-11%	1.50x	0.51	0.48	0.50	Open	
SIME DARBY PLANTATION BHD	28/9/2021	Trading Buy	3.63	4.05	3.26	12%	-10%	1.14x	4.32	3.54	4.27	TP Hit	7/10/2021
MUHIKBAH ENGINEERING (M) BHD	29/9/2021	Trading Buy	0.89	1.00	0.79	13%	-11%	1.21x	0.99	0.89	0.97	Open	
LOTTE CHEMICAL TITAN HOLDING	29/9/2021	Trading Buy	2.59	2.94	2.25	14%	-13%	1.03x	2.72	2.55	2.70	Open	
SHIN YANG SHIPPING CORP BHD	30/9/2021	Trading Buy	0.36	0.42	0.30	18%	-15%	1.18x	0.41	0.33	0.38	Open	
SUCCESS TRANSFORMER CORP BHD	30/9/2021	Trading Buy	0.93	1.06	0.80	15%	-14%	1.08x	0.98	0.89	0.95	Open	
IOI CORP BHD	1/10/2021	Trading Buy	3.77	4.22	3.41	12%	-10%	1.25x	4.11	3.71	4.07	Open	
ANN JOO RESOURCES BHD	1/10/2021	Trading Buy	2.42	2.74	2.14	13%	-12%	1.14x	2.76	2.30	2.69	TP Hit	11/10/2021
ROHAS TECNIC BHD	5/10/2021	Trading Buy	0.33	0.39	0.28	18%	-15%	1.20x	0.36	0.32	0.34	Open	
SUNWAY REAL ESTATE INVESTMEN	5/10/2021	Trading Buy	1.40	1.52	1.30	9%	-7%	1.20x	1.47	1.39	1.46	Open	
MTAG GROUP BHD	6/10/2021	Trading Buy	0.65	0.74	0.57	14%	-12%	1.13x	0.69	0.65	0.68	Open	
K SENG SENG CORP BHD	6/10/2021	Trading Buy	0.80	0.91	0.69	14%	-13%	1.10x	0.87	0.79	0.85	Open	
ACO GROUP BHD	7/10/2021	Trading Buy	0.30	0.34	0.27	13%	-10%	1.33x	0.32	0.29	0.30	Open	
PAVILION REAL ESTATE INVEST	7/10/2021	Trading Buy	1.40	1.55	1.29	11%	-8%	1.36x	1.43	1.40	1.42	Open	
PARKSON HOLDINGS BHD	8/10/2021	Trading Buy	0.21	0.24	0.19	14%	-12%	1.20x	0.24	0.22	0.24	TP Hit	11/10/2021
CUSCAPI BHD	8/10/2021	Trading Buy	0.23	0.27	0.20	15%	-13%	1.17x	0.24	0.23	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.

^A 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.

Share price data adjusted for a 5-for-1 rights issue (at an issue price of RM0.12 per rights share) following the ex-entitlement date on 28 Sep 2021.

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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