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Daily technical highlights – (DNEX, FLEXI)

Daily Charting – DNEX (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name : Dagang Nexchange Bhd	52 Week High/Low : 1.05/0.19	Last Price : RM0.835	
Bursa Code : DNEX	3-m Avg. Daily Vol. : 75,475,320	Resistance : RM0.95 (R1) RM1.05 (R2)	
CAT Code : 4456	Free Float (%) : 61%	Stop Loss : RM0.73	
Market Cap : RM2,634.7m	Beta vs. KLCI : 1.8		

Dagang Nexchange Berhad (Trading Buy)

- After rising 453% from RM0.19 to peak at RM1.05 in March this year, DNEX's share price has subsequently corrected 39% to bottom out at RM0.64 in May. Since then, the stock has formed higher lows.
- Since August, amid the higher lows pattern, the stock has faced resistance around RM0.83 on three occasions, which led to the formation of an ascending triangle.
- With the Parabolic SAR showing strengthening upward momentum, we believe the stock is poised to break above the ascending triangle to continue its climb.
- On its way up, DNEX could potentially challenge our resistance levels of RM0.95 (R1; 14% upside potential) and RM1.05 (R2; 26% upside potential).
- We have pegged our stop loss level at RM0.73 (or 13% downside risk).
- Business-wise, DNEX is principally involved in the provision of information communication services, which include the supplying, delivering, installation, testing, commissioning and maintenance of IT hardware. The group has also ventured into the semiconductor industry via its acquisition of a 60% stake in chip maker SiITerra Malaysia in July this year.
- In the 18-month period ended June 2021, DNEX achieved a revenue of RM330m and a net profit of RM120m. There are no comparisons with the previous financial year due to a change in financial year-end from Dec 31 to June 30.



Flexidynamic Holdings Berhad (Trading Buy)

- FLEXI provides chlorination systems to glove manufacturers for the production of powder-free gloves. In Malaysia, its key customers include Hartalega Group and Kossan Group. In the six-month period ended June 2021, 53% of FLEXI’s sales were derived in Malaysia with the remainder coming from Vietnam, Thailand and Sri Lanka.
- In FY20, FLEXI recorded a revenue of RM56.9m (+14% YoY) mainly driven by higher contributions from the design, engineering, installation and commissioning of glove chlorination systems. However, its net profit of RM4.6m remained flat YoY, mainly dragged by higher labour costs arising from higher overtime charges.
- Moving forward, despite the ongoing falling glove ASPs, the glove industry’s continued capacity expansion and volume growth should bode well for FLEXI, which will be using part of its IPO proceeds to expand its production capacity.
- Chart-wise, after peaking at a high of RM0.72 on its first listing day in late-March this year, the stock saw a subsequent slide before bottoming out at RM0.285 in September. Since then, the stock has been oscillating between a range of RM0.29 and RM0.32 amid emerging buying interest.
- However, the stock convincingly broke above the 50-day SMA yesterday, suggesting that its long-term downtrend has ended, thus setting the stage for an uptrend reversal.
- With both the MACD and Parabolic SAR indicators signalling that the stock is gaining upward momentum, an anticipated shift in share price could challenge our resistance levels of RM0.43 (R1; 21% upside potential) and RM0.48 (R2; 35% upside potential).
- We have pegged our stop loss level at RM0.29 (or an 18% downside risk), as we recommend cutting loss should the share price fall below the aforesaid support area of RM0.29 - RM0.32.

19 November 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 [^]	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
TECHBOND GROUP BHD	20/10/2021	Trading Buy	0.48	0.54	0.42	14%	-12%	1.18x	0.49	0.44	0.46	Open	
EXCEL FORCE MSC BHD	20/10/2021	Trading Buy	0.52	0.59	0.46	15%	-11%	1.36x	0.67	0.50	0.58	TP Hit	05/11/2021
OKA CORP BHD	21/10/2021	Trading Buy	0.89	1.00	0.80	12%	-10%	1.17x	0.96	0.85	0.86	Open	
AJIYA BHD	21/10/2021	Trading Buy	0.61	0.69	0.54	13%	-11%	1.14x	0.65	0.58	0.59	Open	
CYPARK RESOURCES BHD	22/10/2021	Trading Buy	0.99	1.12	0.87	14%	-12%	1.17x	1.01	0.94	0.96	Open	
DRB-HICOM BHD	22/10/2021	Trading Buy	1.65	1.86	1.48	13%	-10%	1.24x	1.68	1.62	1.66	Open	
CYL CORP BHD	26/10/2021	Trading Buy	0.49	0.55	0.44	12%	-10%	1.20x	0.50	0.45	0.49	Open	
KEJURUTERAAN ASASTERA BHD	26/10/2021	Trading Buy	0.40	0.46	0.35	14%	-13%	1.10x	0.41	0.34	0.34	SL Hit	27/10/2021
OCK GROUP BHD	27/10/2021	Trading Buy	0.50	0.56	0.44	13%	-11%	1.18x	0.53	0.46	0.46	Open	
JAG BHD	27/10/2021	Trading Buy	0.37	0.42	0.32	14%	-12%	1.11x	0.40	0.34	0.37	Open	
AIRASIA GROUP BHD	28/10/2021	Trading Buy	1.14	1.29	1.00	13%	-12%	1.07x	1.19	1.10	1.13	Open	
EKOVEST BHD	28/10/2021	Trading Buy	0.42	0.47	0.37	13%	-12%	1.10x	0.44	0.39	0.40	Open	
JF TECHNOLOGY BHD	29/10/2021	Trading Buy	1.49	1.68	1.32	13%	-11%	1.12x	1.61	1.47	1.50	Open	
SOUTHERN CABLE GROUP BHD	29/10/2021	Trading Buy	0.52	0.59	0.46	15%	-12%	1.25x	0.55	0.45	0.47	SL Hit	10/11/2021
CCK CONSOLIDATED HOLDINGS BH	02/11/2021	Trading Buy	0.60	0.68	0.53	13%	-12%	1.14x	0.64	0.59	0.61	Open	
KRONOLOGI ASIA BHD	02/11/2021	Trading Buy	0.62	0.68	0.56	11%	-9%	1.18x	0.67	0.60	0.61	Open	
OMESTI BHD	03/11/2021	Trading Buy	0.43	0.48	0.38	13%	-11%	1.22x	0.43	0.41	0.41	Open	
FOUNDPAC GROUP BHD	03/11/2021	Trading Buy	0.78	0.89	0.70	14%	-10%	1.38x	0.79	0.74	0.74	Open	
XIN HWA HOLDINGS BHD	05/11/2021	Trading Buy	0.35	0.39	0.31	13%	-10%	1.29x	0.34	0.31	0.31	SL Hit	15/11/2021
REVENUE GROUP BHD	05/11/2021	Trading Buy	1.80	2.00	1.62	11%	-10%	1.11x	1.82	1.46	1.51	SL Hit	11/11/2021

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ENGTEX GROUP BHD	09/11/2021	Trading Buy	0.62	0.70	0.55	13%	-11%	1.14x	0.63	0.60	0.61	Open	
SALUTICA BHD	09/11/2021	Trading Buy	0.62	0.69	0.56	11%	-10%	1.17x	0.64	0.57	0.61	Open	
ECO WORLD INTERNATIONAL BHD	10/11/2021	Trading Buy	0.47	0.53	0.42	13%	-11%	1.20x	0.49	0.47	0.49	Open	
GLOMAC BHD	10/11/2021	Trading Buy	0.35	0.40	0.30	14%	-14%	1.00x	0.36	0.34	0.34	Open	
FITTERS DIVERSIFIED BHD	11/11/2021	Trading Buy	0.48	0.54	0.42	14%	-12%	1.18x	0.50	0.45	0.47	Open	
PERTAMA DIGITAL BHD	11/11/2021	Trading Buy	0.56	0.63	0.49	14%	-12%	1.15x	0.57	0.50	0.53	Open	
GENTING MALAYSIA BHD	12/11/2021	Trading Buy	3.15	3.51	2.84	11%	-10%	1.16x	3.20	3.12	3.13	Open	
SARAWAK OIL PALMS BERHAD	12/11/2021	Trading Buy	3.63	4.06	3.24	12%	-11%	1.10x	3.69	3.60	3.60	Open	
POH KONG HOLDINGS BHD	16/11/2021	Trading Buy	0.85	0.96	0.76	13%	-11%	1.22x	0.87	0.82	0.82	Open	
BAHVEST RESOURCES BHD	16/11/2021	Trading Buy	0.53	0.60	0.47	13%	-11%	1.17x	0.55	0.51	0.52	Open	
PESTECH INTERNATIONAL BHD	17/11/2021	Trading Buy	1.15	1.28	1.03	11%	-10%	1.08x	1.16	0.94	1.02	SL Hit	17/11/2021
GDEX BHD	17/11/2021	Trading Buy	0.31	0.35	0.27	13%	-13%	1.00x	0.32	0.31	0.32	Open	
TUNE PROTECT GROUP BHD	18/11/2021	Trading Buy	0.51	0.57	0.46	12%	-10%	1.20x	0.49	0.46	0.47	SL Hit	18/11/2021
CJ CENTURY LOGISTICS HOLDING	18/11/2021	Trading Buy	0.64	0.73	0.56	14%	-13%	1.13x	0.65	0.63	0.64	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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Published and printed by:

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