

17 January 2022

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The Malaysian bourse could still give way to a resumption of selling activities ahead after putting up a fairly steady performance last week. The key FBMKLCI soared as high as 1,570 on Thursday only to surrender parts of the earlier gains to end at 1,555 last Friday. This translates to a weekly rise of 12.2 points or 0.8%. The biggest winners during the week were the financial and oil & gas stocks – as tracked by the Financial Services Index (+2.8%) and the Energy Index (+2.1%) – while the weekly top losers were captured by the Technology Index (-13.6%) and the Health Care Index (-2.5%). Over in the US, the DJIA settled at 35,912 for a week-on-week decline of 319.8 points or 0.9%.

Amid a negative market breadth in four of the five trading days, the local stock exchange saw daily average turnover expanding to 4.3b shares valued at RM2.4b, up from the preceding week's daily average of 3.6b shares worth RM1.8b. While domestic institutions sold more shares than they had bought (registering net weekly selling trades of RM531m), foreigners and local retail investors turned net buyers (with net weekly inflows of RM398m and RM133m, respectively).

All ears will be on Bank Negara Malaysia's monetary policy committee meeting scheduled for this Thursday as the policymakers – who are expected to keep rates unchanged for now – may drop hints on the timing expectations of future interest rate hikes. This follows growing rhetoric among central bankers around the world to raise rates faster-than-previously thought to fight rising inflationary pressures with knock-on implications on global fund flows.

On the same day, there will be a new listing on the ACE Market by Coraza Integrated Technology (an integrated engineering supporting services provider focussing on the fabrication of sheet metal and precision machined components), which will be valued at a market cap of RM120m based on an IPO offer price of RM0.28. Meanwhile, investor sentiment is expected to stay cautious as the surging number of new Covid-19 cases linked to the more transmissible Omicron virus variant in many more countries still poses a threat to global economic activities.

Technically speaking, the key FBMKLCI may still be vulnerable to pullbacks ahead following last week's climb. In the wake of the bearish signals triggered by the Bollinger Band (with the bellwether on the edge of slipping below the upper band again), the RSI indicator (which is reversing from an overbought position) and the stochastic indicator (as the %K is on the brink of crossing below the %D in an overbought zone), the FBMKLCI could face downward bias going forward. On the chart, after settling just slightly above our immediate resistance-turned-support threshold of 1,550 (S1), the benchmark index could backtrack and slide towards our next support level of 1,510 (S2). Our first resistance hurdle is presently seen at 1,600 (R1).

Over on Wall Street, amid an ongoing consolidation phase, the DJIA may strive to chart higher highs to extend its upward trajectory. Our immediate support and resistance levels stay at 35,400 (S1) and 36,800 (R1), respectively.



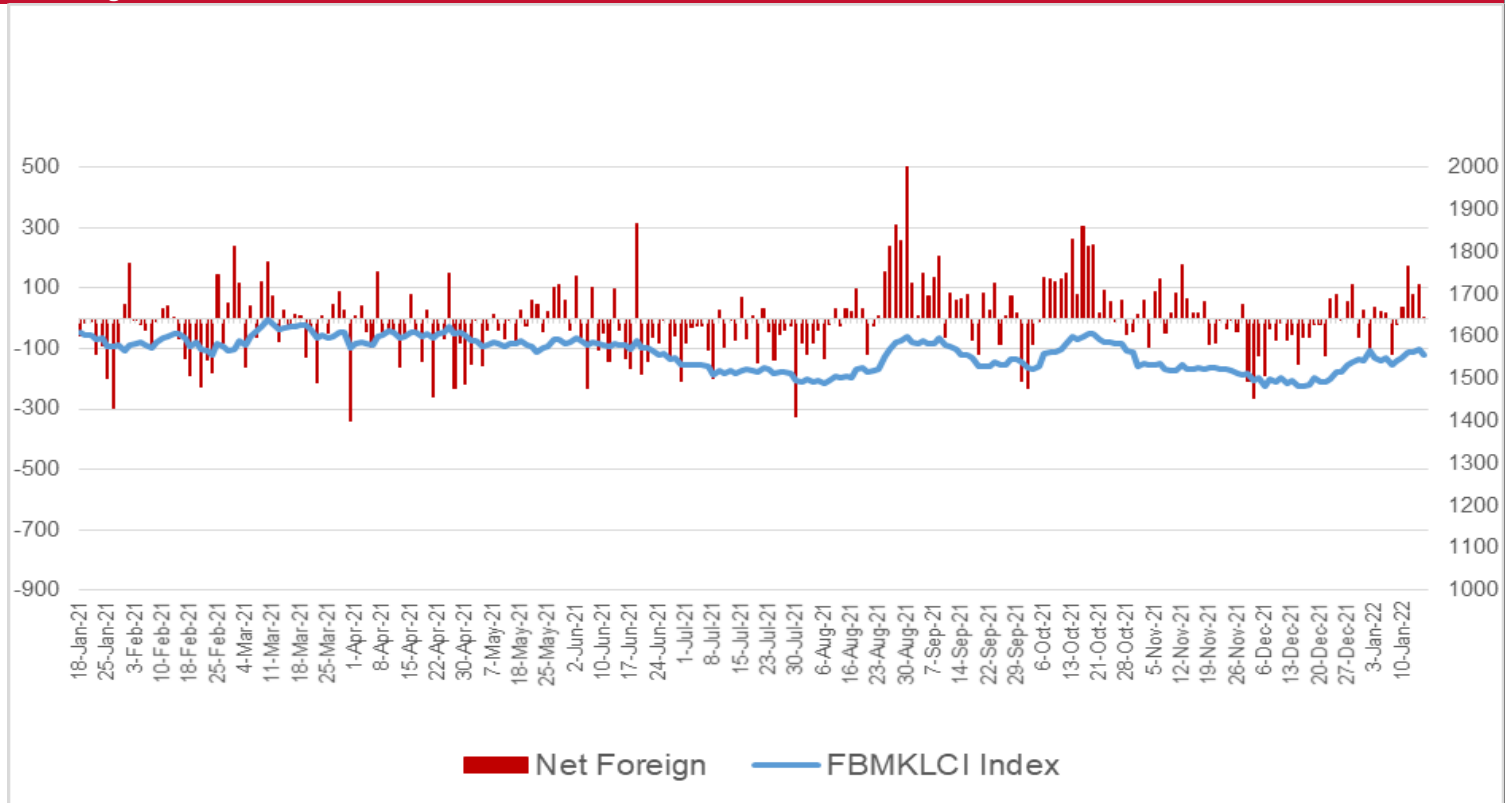
Source: Kenanga Research

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Source: Kenanga Research

Net Foreign Trade Position vs FBMKLCI



Foreign investors turned net buyers with net inflows of RM397.9m last week compared to cumulative net outflows of RM62.2m in the prior week.

Source: Kenanga Research

17 January 2022

STOCK CALL MONITOR*


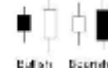

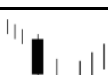
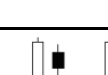

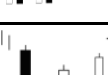

Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Target Price (TP) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status [^]	Date Status Fulfilled
CTOS DIGITAL BHD	17/12/2021	Trading Buy	1.75	1.98	1.53	13%	-13%	1.05x	1.96	1.71	1.80	Open	
DIALOG GROUP BHD	17/12/2021	Trading Buy	2.46	2.78	2.18	13%	-11%	1.14x	2.91	2.36	2.89	TP Hit	12/1/2022
HARBOUR-LINK GROUP BHD	21/12/2021	Trading Buy	1.17	1.34	1.05	15%	-10%	1.52x	1.32	1.13	1.18	Open	
SHIN YANG SHIPPING CORP BHD	21/12/2021	Trading Buy	0.32	0.36	0.28	13%	-13%	1.00x	0.35	0.32	0.35	Open	
NOVA WELLNESS GROUP BHD	22/12/2021	Trading Buy	0.98	1.11	0.85	14%	-13%	1.08x	1.07	0.96	1.01	Open	
UNITED U-LI CORP BHD	22/12/2021	Trading Buy	1.30	1.47	1.14	13%	-12%	1.06x	1.34	1.22	1.25	Open	
OPTIMAX HOLDINGS BHD	23/12/2021	Trading Buy	1.38	1.56	1.21	13%	-12%	1.06x	1.40	1.21	1.27	SL Hit	11/1/2021
GENTING MALAYSIA BHD	23/12/2021	Trading Buy	2.81	3.13	2.52	11%	-10%	1.10x	2.97	2.81	2.91	Open	
AXIATA GROUP BERHAD	24/12/2021	Trading Buy	3.69	4.05	3.34	10%	-9%	1.03x	4.16	3.67	3.78	TP Hit	31/12/2021
SYARIKAT TAKAFUL MALAYSIA KE#	24/12/2021	Trading Buy	3.64	4.00	3.35	10%	-8%	1.26x	3.89	3.54	3.74	TP Hit	14/1/2022
OPCOM HOLDINGS BHD	4/1/2022	Trading Buy	0.99	1.15	0.85	16%	-14%	1.14x	1.03	0.90	0.91	Open	
BINASAT COMMUNICATIONS BHD	4/1/2022	Trading Buy	0.32	0.36	0.27	14%	-14%	1.00x	0.33	0.30	0.30	Open	
INSAS BHD	5/1/2022	Trading Buy	0.96	1.05	0.87	10%	-9%	1.12x	0.99	0.93	0.93	Open	
JHM CONSOLIDATION BHD	5/1/2022	Trading Buy	1.77	2.03	1.53	15%	-14%	1.08x	1.87	1.54	1.57	Open	
BP PLASTICS HOLDING BHD	6/1/2022	Trading Buy	1.58	1.85	1.38	17%	-13%	1.35x	1.60	1.43	1.43	Open	
SIME DARBY PROPERTY BHD	6/1/2022	Trading Buy	0.63	0.73	0.55	16%	-13%	1.25x	0.64	0.61	0.61	Open	
SOUTHERN STEEL BERHAD	7/1/2022	Trading Buy	0.82	0.94	0.72	15%	-12%	1.20x	0.85	0.79	0.81	Open	
ABLE GLOBAL BHD	7/1/2022	Trading Buy	1.66	1.86	1.48	12%	-11%	1.11x	1.67	1.58	1.62	Open	
SERSOL BHD	11/1/2022	Trading Buy	0.50	0.60	0.39	21%	-21%	1.00x	0.54	0.46	0.48	Open	
SOUTHERN CABLE GROUP BHD	11/1/2022	Trading Buy	0.42	0.47	0.37	13%	-11%	1.22x	0.41	0.40	0.40	Open	
POH HUAT RESOURCES HLDGS BHD	12/1/2022	Trading Buy	1.35	1.52	1.20	13%	-11%	1.13x	1.38	1.34	1.34	Open	
EG INDUSTRIES BHD	12/1/2022	Trading Buy	0.59	0.67	0.50	15%	-15%	1.00x	0.61	0.57	0.59	Open	
GDEX BHD	13/1/2022	Trading Buy	0.29	0.34	0.25	17%	-14%	1.25x	0.29	0.28	0.28	Open	
MYNEWS HOLDINGS BHD	13/1/2022	Trading Buy	0.86	0.95	0.77	11%	-10%	1.12x	0.88	0.86	0.86	Open	
SCGM BHD	14/1/2022	Trading Buy	2.23	2.55	1.96	14%	-12%	1.19x	2.24	2.16	2.16	Open	
UEM SUNRISE BHD	14/1/2022	Trading Buy	0.34	0.40	0.29	16%	-15%	1.10x	0.34	0.33	0.33	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.

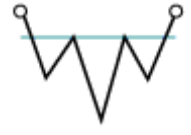

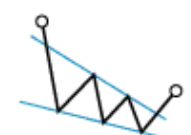

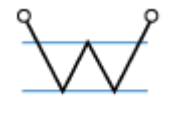
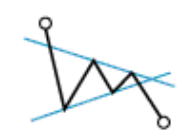

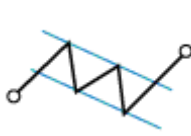

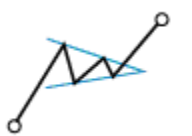
[^] Status will be categorised as either: (i) "TP hit" when stock reaches target price first or (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

Stock has traded ex-entitlement for DPS of 12 sen on 29 Dec 2021. TP Hit after taking into account the dividend returns.

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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