

10 May 2022

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Daily technical highlights – (UZMA, RL)

Daily Charting – UZMA (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Uzma Bhd	52 Week High/Low	: 0.745/0.405
Bursa Code	: UZMA	3-m Avg. Daily Vol.	: 3,168,581
CAT Code	: 7250	Free Float (%)	: 49.6
Market Cap	: RM167.2m	Beta vs. KLCI	: 1.1
		Last Price	: RM0.475
		Resistance	: RM0.54 (R1) RM0.59 (R2)
		Stop Loss	: RM0.41

Uzma Bhd (Trading Buy)

- An uptick in UZMA’s share price last Friday that was backed by higher-than-average trading interest may pave the way for the stock to climb further ahead.
- After piercing above the 50-day SMA, the positive momentum will likely carry on in view of the prevailing uptrend in the Parabolic SAR indicator and the bullish crossing by the DMI Plus over the DMI Minus.
- Riding on the upward trajectory, the stock could strengthen towards our resistance thresholds of RM0.54 (R1; 14% upside potential) and RM0.59 (R2; 24% upside potential).
- We have pegged our stop loss price level at RM0.41 (representing a 14% downside risk).
- An oil & gas service and equipment group, UZMA’s principal activities include the provision of integrated well solutions, production solutions, subsurface solutions and other upstream services (which involves the provision of geoscience and reservoir engineering, drilling, project and operations services) as well as other specialized services.
- Earnings-wise, the group posted net profit of RM0.4m (-96% YoY) in 1HFY22 as overall performance was severely affected by slower business activities and project delays.
- Still, based on consensus numbers, UZMA is forecasted to see a recovery in net earnings to RM14.9m in FY June 2022 and RM23.0m in FY June 2023. This translates to forward PERs of 11.2x this year and 7.3x next year, respectively.
- Yesterday evening, UZMA announced the award of an Engineering, Procurement, Construction & Commissioning (EPCC) contract for the development of a 29.99MWac large scale solar photovoltaic plant in Selangor with an estimated contract value of RM101.8m.
- Over the longer run, the group is targeting to achieve a revenue of RM1.5b by 2025. Of which, c.40% is expected to be derived from non-oil & gas ventures, coming mostly from its diversification into the solar energy space.

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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			
LION INDUSTRIES CORP BHD	12/4/2022	Trading Buy	0.61	0.71	0.52	16%	-15%	1.11x	0.67	0.56	0.56	Open	
MALAYSIA STEEL WORKS KL BHD	12/4/2022	Trading Buy	0.34	0.40	0.29	18%	-15%	1.20x	0.42	0.34	0.34	TP Hit	18/4/2022
ANN JOO RESOURCES BHD	13/4/2022	Trading Buy	1.82	2.09	1.56	15%	-14%	1.04x	1.91	1.61	1.61	Open	
MELEWAR INDUSTRIAL GROUP BHD	13/4/2022	Trading Buy	0.43	0.50	0.36	16%	-16%	1.00x	0.46	0.38	0.38	Open	
HEVEABOARD BHD	14/4/2022	Trading Buy	0.56	0.62	0.49	12%	-12%	1.00x	0.61	0.53	0.53	Open	
TASCO BHD	14/4/2022	Trading Buy	1.21	1.35	1.07	12%	-12%	1.00x	1.22	0.99	1.03	SL Hit	6/5/2022
CB INDUSTRIAL PRODUCT HLDG	15/4/2022	Trading Buy	1.73	1.96	1.53	13%	-12%	1.15x	1.75	1.46	1.48	SL Hit	6/5/2022
SDS GROUP BHD	15/4/2022	Trading Buy	0.38	0.43	0.34	13%	-11%	1.25x	0.39	0.34	0.37	SL Hit	20/4/2022
SELANGOR DREDGING BHD	20/4/2022	Trading Buy	0.54	0.61	0.48	13%	-11%	1.17x	0.59	0.53	0.53	Open	
OKA CORP BHD	20/4/2022	Trading Buy	0.84	0.95	0.73	13%	-13%	1.00x	0.84	0.80	0.80	Open	
CJ CENTURY LOGISTICS HOLDING	21/4/2022	Trading Buy	0.67	0.75	0.59	13%	-11%	1.13x	0.70	0.58	0.62	SL Hit	6/5/2022
KRETAM HOLDINGS BHD	21/4/2022	Trading Buy	0.68	0.77	0.60	13%	-12%	1.13x	0.75	0.61	0.63	Open	
CARIMIN PETROLEUM BHD	22/4/2022	Trading Buy	0.71	0.80	0.62	13%	-13%	1.00x	0.77	0.65	0.71	Open	
EWEIN BHD	22/4/2022	Trading Buy	0.33	0.37	0.30	12%	-11%	1.14x	0.37	0.31	0.31	TP Hit	27/4/2022
GREENYIELD BHD	26/4/2022	Trading Buy	0.27	0.32	0.23	19%	-15%	1.25x	0.32	0.28	0.28	TP Hit	27/4/2022
LII HEN INDUSTRIES BHD	26/4/2022	Trading Buy	2.97	3.30	2.68	11%	-10%	1.14x	3.16	2.97	3.05	Open	
THONG GUAN INDUSTRIES BHD	27/4/2022	Trading Buy	2.49	2.86	2.13	15%	-14%	1.03x	2.55	2.45	2.51	Open	
TAFI INDUSTRIES BHD	27/4/2022	Trading Buy	0.65	0.74	0.58	14%	-11%	1.29x	0.67	0.59	0.60	Open	
HOMERITZ CORP BHD	28/4/2022	Trading Buy	0.57	0.62	0.51	10%	-10%	1.00x	0.60	0.56	0.57	Open	
MOBILIA HOLDINGS BHD	28/4/2022	Trading Buy	0.21	0.24	0.19	14%	-12%	1.20x	0.22	0.20	0.20	Open	
MALAKOFF CORP BHD	29/4/2022	Trading Buy	0.67	0.75	0.60	13%	-10%	1.31x	0.66	0.62	0.64	Open	
WEGMANS HOLDINGS BHD#	29/4/2022	Trading Buy	0.25	0.28	0.22	12%	-12%	1.00x	0.26	0.21	0.22	SL Hit	6/5/2022
CSC STEEL HOLDINGS BHD	5/5/2022	Trading Buy	1.73	1.93	1.55	12%	-10%	1.11x	1.76	1.70	1.72	Open	
WELLCALL HOLDINGS BHD	5/5/2022	Trading Buy	1.27	1.40	1.15	10%	-9%	1.08x	1.27	1.22	1.22	Open	
PERAK TRANSIT BHD	6/5/2022	Trading Buy	0.67	0.76	0.58	13%	-13%	1.00x	0.68	0.66	0.67	Open	
YTL HOSPITALITY REIT	6/5/2022	Trading Buy	0.97	1.09	0.84	13%	-13%	1.00x	0.97	0.95	0.96	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.

Share price data has been adjusted for a bonus issue exercise on the basis of 1 free warrant for every 4 ordinary shares held following an ex-entitlement date on 29 Apr 2022.

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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