

09 June 2022

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Daily technical highlights – (EMICO, SKPRES)

Daily Charting – EMICO (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Emico Holdings Bhd	52 Week High/Low	: 0.74/0.24
Bursa Code	: EMICO	3-m Avg. Daily Vol.	: 692,979
CAT Code	: 9091	Free Float (%)	: 53%
Market Cap	: RM41.7m	Beta vs. KLCI	: 0.5
		Last Price	: RM0.34
		Resistance	: RM0.385 (R1) RM0.445 (R2)
		Stop Loss	: RM0.295

Emico Holdings Bhd (Trading Buy)

- Following a peak of RM0.74 in mid-September 2021, EMICO's share price fell to a low of RM0.255 (-66%) in May 2022 before climbing thereafter.
- With the ADX indicator rising steadily, this indicates the stock's bullish momentum is intact.
- We believe the stock is poised to trend higher on the back of the positive technical signals arising from: (i) the rising Parabolic SAR indicator, (ii) the stock trading at the upper boundary of the Keltner's Channel, and (iii) the increasing ADX indicator.
- Thus, the stock could rise to challenge our resistance levels of RM0.385 (R1; 13% upside potential) and RM0.445 (R2; 31% upside potential).
- We have pegged our stop loss at RM0.295, which represents a downside risk of 13%.
- Business-wise, EMICO is engaged in the manufacturing and trading of the trophy, souvenir and metal products, contract manufacturing, trading of home furnishing and household products and property development.
- For its recent results, the group's revenue rose by 16% from RM34.0m in FY21 to RM39.6m in FY22 thanks to higher sales generated by the manufacturing and trading division. In tandem with the higher revenue, EMICO's recovered from a net loss of RM2.4m in FY21 to RM1.2m in FY22.
- Valuation-wise, based on its book value per share of RM0.38 as of end-March 2022, the stock is currently trading at a Price/Book Value multiple of 0.90x (or at 1.5SD above its 3-year historical mean).

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SKP Resources Bhd (Trading Buy)

- Chart-wise, SKPRES's share price slid from a high of RM2.34 in late-November 2021 to a low of RM1.17 (-50%) in early March 2022 before plotting a sequence of higher highs to stage an intermediate trend reversal.
- The recent turnaround of the stock's trend is gaining a steady bullish momentum as indicated by the rising ADX indicator.
- With the MACD histogram rising and the DMI Plus widening its gap from the DMI Minus along with the 20-day SMA trading higher than the 50-day SMA, this suggests that the stock will likely strengthen further to challenge our resistance levels of RM1.87 (R1; 13% upside potential) and RM2.01 (R2; 22% upside potential).
- On the downside, our stop loss price has been set at RM1.43, which translates to a downside risk of 13%.
- Business-wise, SKPRES is predominately engaged in the manufacturing of plastic products and molds, which are mainly carried out in Malaysia.
- For FY Mar 22, the group's core PATAMI rose by 27% from RM133.2m in FY21 to RM169.8m in FY22 thanks to economies of scale and increased efficiency in its manufacturing process.
- Going forward, consensus is predicting the group to report a core net profit of RM182.3m in FY23 and RM212.6m in FY24, which translate to forward PERs of 13.9x and 12.2x, respectively.

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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
UZMA BHD	10/5/2022	Trading Buy	0.48	0.54	0.41	14%	-14%	1.00x	0.50	0.43	0.43	Open	
RESERVOIR LINK ENERGY BHD	10/5/2022	Trading Buy	0.44	0.51	0.38	16%	-14%	1.17x	0.44	0.35	0.38	SL Hit	24/5/2022
SCIENTEX BHD	11/5/2022	Trading Buy	3.77	4.15	3.40	10%	-10%	1.03x	3.80	3.37	3.60	SL Hit	26/5/2022
SAMCHEM HOLDINGS BHD	11/5/2022	Trading Buy	0.86	0.95	0.77	11%	-10%	1.12x	0.88	0.82	0.85	Open	
DELEUM BERHAD	12/5/2022	Trading Buy	0.75	0.84	0.66	12%	-12%	1.00x	0.78	0.63	0.66	SL Hit	24/5/2022
OPCOM HOLDINGS BHD	12/5/2022	Trading Buy	0.97	1.08	0.85	12%	-12%	1.00x	0.99	0.81	0.82	SL Hit	27/5/2022
BERJAYA LAND BHD	13/5/2022	Trading Buy	0.24	0.27	0.21	13%	-13%	1.00x	0.23	0.20	0.21	SL Hit	27/5/2022
SUNWAY REAL ESTATE INVESTMEN	13/5/2022	Trading Buy	1.47	1.65	1.33	12%	-10%	1.29x	1.58	1.45	1.56	Open	
CTOS DIGITAL BHD	18/5/2022	Trading Buy	1.38	1.50	1.26	9%	-9%	1.00x	1.47	1.38	1.41	Open	
SIME DARBY PROPERTY BHD	18/5/2022	Trading Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.57	0.50	0.51	SL Hit	27/5/2022
JAG BHD	19/5/2022	Trading Buy	0.37	0.41	0.33	12%	-10%	1.29x	0.40	0.35	0.35	Open	
HIBISCUS PETROLEUM BHD	19/5/2022	Trading Buy	1.49	1.68	1.34	13%	-10%	1.27x	1.49	1.26	1.29	SL Hit	25/5/2022
BONIA CORP BHD	20/5/2022	Trading Buy	2.60	2.89	2.31	11%	-11%	1.00x	2.86	2.24	2.69	SL Hit	30/5/2022
POWER ROOT BHD	20/5/2022	Trading Buy	1.68	1.86	1.50	11%	-11%	1.00x	1.79	1.42	1.78	SL Hit	27/5/2022
DAYANG ENTERPRISE HLDGS BHD	24/5/2022	Trading Buy	0.96	1.07	0.87	11%	-9%	1.22x	1.03	0.95	1.01	Open	
GLOBAL ORIENTAL BHD	24/5/2022	Trading Buy	0.31	0.35	0.27	13%	-11%	1.14x	0.39	0.29	0.32	TP Hit	26/5/2022
THREE-A RESOURCES BHD	25/5/2022	Trading Buy	0.89	0.98	0.80	11%	-10%	1.12x	0.90	0.84	0.89	Open	
WESTPORTS HOLDINGS BHD	25/5/2022	Trading Buy	3.80	4.10	3.54	8%	-7%	1.15x	3.80	3.45	3.53	SL Hit	30/5/2022
ECOMATE HOLDINGS BHD	26/5/2022	Trading Buy	0.54	0.61	0.47	13%	-13%	1.00x	0.54	0.50	0.51	Open	
TAMBUN INDAH LAND BHD	26/5/2022	Trading Buy	1.00	1.12	0.88	13%	-12%	1.09x	1.01	0.87	0.94	SL Hit	27/5/2022
SIME DARBY BERHAD	27/5/2022	Trading Buy	2.17	2.36	2.00	9%	-8%	1.12x	2.31	2.17	2.26	Open	
MR DIY GROUP M BHD	27/5/2022	Trading Buy	3.42	3.75	3.16	10%	-8%	1.27x	3.44	3.18	3.21	Open	
MALAYSIAN RESOURCES CORP BHD	31/5/2022	Trading Buy	0.35	0.40	0.30	14%	-14%	1.00x	0.40	0.35	0.38	TP Hit	2/6/2022
HSS ENGINEERS BHD	31/5/2022	Trading Buy	0.47	0.51	0.42	10%	-10%	1.00x	0.48	0.47	0.48	Open	
MALAYAN FLOUR MILLS BHD	1/6/2022	Trading Buy	0.64	0.72	0.55	13%	-13%	1.00x	0.67	0.62	0.65	Open	
NTPM HOLDINGS BHD	1/6/2022	Trading Buy	0.46	0.50	0.41	10%	-10%	1.00x	0.47	0.45	0.45	Open	
BUMI ARMADA BERHAD	2/6/2022	Trading Buy	0.46	0.51	0.41	11%	-11%	1.00x	0.46	0.44	0.45	Open	
OPTIMAX HOLDINGS BHD	2/6/2022	Trading Buy	0.62	0.69	0.55	11%	-11%	1.00x	0.62	0.61	0.61	Open	
HARBOUR-LINK GROUP BHD	3/6/2022	Trading Buy	1.35	1.52	1.21	13%	-10%	1.21x	1.43	1.31	1.43	Open	
HENG HUAT RESOURCES GROUP BH	3/6/2022	Trading Buy	0.36	0.41	0.32	13%	-11%	1.13x	0.37	0.35	0.35	Open	
AEON CO (M) BHD	8/6/2022	Trading Buy	1.56	1.74	1.38	12%	-12%	1.00x	1.58	1.53	1.56	Open	
COASTAL CONTRACTS BHD	8/6/2022	Trading Buy	1.94	2.19	1.70	13%	-12%	1.04x	2.01	1.94	2.00	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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