

04 August 2022

By Tan Jia Hui | [ijtan@kenanga.com.my](mailto:ijtan@kenanga.com.my)

Daily technical highlights – (FPGROUP, TEXTCHEM)

Daily Charting – FPGROUP (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: FoundPac Group Bhd	<b>52 Week High/Low</b>	: 0.93/0.38
<b>Bursa Code</b>	: FPGROUP	<b>3-m Avg. Daily Vol.</b>	: 387,975
<b>CAT Code</b>	: 5277	<b>Free Float (%)</b>	: 39%
<b>Market Cap</b>	: RM289.8m	<b>Beta vs. KLCI</b>	: 0.8
		<b>Last Price</b>	: RM0.535
		<b>Resistance</b>	: RM0.62 (R1) RM0.69 (R2)
		<b>Stop Loss</b>	: RM0.46

**FoundPac Group Bhd (Trading Buy)**

- A recent rebound has led FPGROUP’s share price to break above a descending channel that was formed since Nov 2021, indicating the return of buying interest in the shares.
- Backed by a bullish MACD signal and the DMI Plus hovering above the DMI Minus, the stock is expected to ride on the prevailing Parabolic uptrend and shift higher ahead.
- Hence, the stock could rise to challenge our resistance levels of RM0.62 (R1; 16% upside potential) and RM0.69 (R2; 29% upside potential).
- We have pegged our stop loss at RM0.46, representing a downside risk of 14%.
- Business-wise, FPGROUP is engaged in the design and manufacturing of precision engineering parts and laser stencil.
- The group reported net profit of RM2.7m (-13% QoQ) in 3QFY22, which brought 9MFY22 net profit to RM8.2m (-1% YoY), dragged by higher operating cost from its new accessory cable segment.
- Going forward, consensus is forecasting FPGROUP would make net profit of RM12.8m in FY June 2022 and RM16.7m in FY June 2023, which translate to forward PERs of 22.3x and 17.8x, respectively.

04 August 2022

## Daily Chating – TEXCHEM (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Texchem Resources Bhd	<b>52 Week High/Low</b>	: 3.99/0.72
<b>Bursa Code</b>	: TEXCHEM	<b>3-m Avg. Daily Vol.</b>	: 1,157,069
<b>CAT Code</b>	: 8702	<b>Free Float (%)</b>	: 37%
<b>Market Cap</b>	: RM337.2m	<b>Beta vs. KLCI</b>	: 1.1
		<b>Last Price</b>	: RM2.94
		<b>Resistance</b>	: RM3.27 (R1) RM3.70 (R2)
		<b>Stop Loss</b>	: RM2.625

## Texchem Resources Bhd (Trading Buy)

- TEXCHEM's share price has pulled back from a peak of RM3.99 in June 2022 that was followed by a recent rebound from a low of RM2.38 (down by 40%) before closing at RM2.94 yesterday.
- On the chart, the price will likely continue to trend upwards based on the positive technical signals arising from: (i) the rising Parabolic SAR trend, (ii) the DMI Plus cutting above the DMI Minus, and (iii) the MACD indicator crossing above the signal and zero lines.
- Hence, the stock could rise to challenge our resistance levels of RM3.27 (R1; 11% upside potential) and RM3.70 (R2; 26% upside potential).
- We have pegged our stop loss at RM2.625, representing a downside risk of 11%.
- Business-wise, TEXCHEM is involved in four segments: (i) Industrial (i.e. chemicals trading), (ii) Restaurant (under Sushi King), (iii) Polymer Engineering, and (iv) Food.
- Fundamental-wise, the group reported net profit of RM13.1m in 1QFY22 (-21% QoQ, +98% YoY), lifted by stronger profit contributions from the restaurant and food divisions, which mitigated the higher raw material cost effect in the polymer engineering segment.
- Going forward, on the back of the implementation of new transformation strategies for the individual divisions, consensus is forecasting TEXCHEM would make net profit of RM43.0m in FY December 2022 and RM47.0m in FY December 2023, which translate to forward PERs of 8.2x and 7.4x, respectively.

04 August 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 <sup>^</sup>	Date Status Fulfilled
ELK-DESA RESOURCES	5/7/2022	Trading Buy	1.28	1.41	1.16	10%	-9%	1.08x	1.30	1.27	1.29	Open	
KUMPULAN PERANGSANG SELANGOR	5/7/2022	Trading Buy	0.69	0.76	0.63	10%	-9%	1.17x	0.75	0.68	0.70	Open	
SAM ENGINEERING & EQUIPMENT	6/7/2022	Trading Buy	3.02	3.35	2.73	11%	-10%	1.14x	4.68	2.76	4.63	TP Hit	28/7/2022
DIALOG GROUP BHD	6/7/2022	Trading Buy	2.07	2.27	1.88	10%	-9%	1.05x	2.28	1.97	2.22	TP Hit	1/8/2022
AURELIUS TECHNOLOGIES BHD	7/7/2022	Trading Buy	1.36	1.55	1.20	14%	-12%	1.19x	1.73	1.36	1.67	TP Hit	29/7/2022
AXIATA GROUP BERHAD	7/7/2022	Trading Buy	2.65	2.97	2.38	12%	-10%	1.19x	2.90	2.61	2.83	Open	
TSH RESOURCES BHD	8/7/2022	Trading Buy	0.97	1.07	0.87	10%	-10%	1.00x	1.10	0.92	1.04	TP Hit	1/8/2022
MR DIY GROUP M BHD	8/7/2022	Trading Buy	2.06	2.25	1.87	9%	-9%	1.00x	2.34	2.00	2.32	TP Hit	1/8/2022
KPJ HEALTHCARE BERHAD	13/7/2022	Trading Buy	0.82	0.90	0.73	10%	-10%	1.00x	0.88	0.82	0.87	Open	
UEM EDGENTA BHD	13/7/2022	Trading Buy	1.28	1.39	1.18	9%	-8%	1.10x	1.32	1.26	1.26	Open	
KOBAY TECHNOLOGY BHD	14/7/2022	Trading Buy	2.50	2.90	2.18	16%	-13%	1.25x	2.96	2.44	2.88	TP Hit	29/7/2022
MY EG SERVICES BHD	14/7/2022	Trading Buy	0.80	0.93	0.69	16%	-14%	1.14x	0.82	0.73	0.77	Open	
HEXTAR GLOBAL BHD	15/7/2022	Trading Buy	1.70	1.95	1.45	15%	-15%	1.00x	1.78	1.55	1.59	Open	
FGV HOLDINGS BHD	15/7/2022	Trading Buy	1.53	1.79	1.27	17%	-17%	1.00x	1.56	1.49	1.51	Open	
AEON CO (M) BHD	19/7/2022	Trading Buy	1.36	1.53	1.19	13%	-13%	1.00x	1.44	1.33	1.40	Open	
GHL SYSTEMS BERHAD	19/7/2022	Trading Buy	1.20	1.36	1.07	13%	-11%	1.23x	1.25	1.14	1.16	Open	
MALAYSIA BUILDING SOCIETY	20/7/2022	Trading Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.59	0.56	0.58	Open	
EP MANUFACTURING BERHAD	20/7/2022	Trading Buy	0.97	1.08	0.86	11%	-11%	1.00x	0.99	0.88	0.90	Open	
INARI AMERTRON BHD	21/7/2022	Trading Buy	2.67	2.94	2.40	10%	-10%	1.00x	2.93	2.66	2.86	Open	
MAGNI-TECH INDUSTRIES BHD	21/7/2022	Trading Buy	1.85	2.03	1.67	10%	-10%	1.00x	1.92	1.85	1.88	Open	
ANN JOO RESOURCES BHD	22/7/2022	Trading Buy	1.05	1.22	0.92	16%	-12%	1.31x	1.25	1.02	1.15	TP Hit	1/8/2022
SEDANIA INNOVATOR BHD	22/7/2022	Trading Buy	0.43	0.50	0.38	16%	-12%	1.40x	0.47	0.36	0.37	SL Hit	3/8/2022
TUNE PROTECT GROUP BHD	26/7/2022	Trading Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.37	0.35	0.35	Open	
LYC HEALTHCARE BHD	26/7/2022	Trading Buy	0.20	0.23	0.17	18%	-13%	1.40x	0.20	0.19	0.19	Open	
MUDAJAYA GROUP BHD	27/7/2022	Trading Buy	0.18	0.21	0.16	17%	-14%	1.20x	0.19	0.18	0.19	Open	
GFM SERVICES BHD	27/7/2022	Trading Buy	0.18	0.21	0.16	17%	-14%	1.20x	0.19	0.18	0.19	Open	
BONIA CORP BHD	28/7/2022	Trading Buy	2.22	2.60	1.84	17%	-17%	1.00x	2.29	2.06	2.15	Open	
ONLY WORLD GROUP HOLDINGS BH	28/7/2022	Trading Buy	0.52	0.58	0.47	12%	-11%	1.09x	0.55	0.51	0.51	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.

<sup>^</sup> 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.

04 August 2022





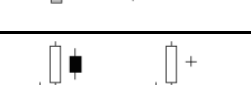
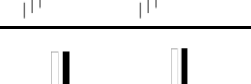


**STOCK CALL MONITOR\* (con't)**

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 <sup>^</sup>	Date Status Fulfilled
POWER ROOT BHD	29/7/2022	Trading Buy	1.80	2.02	1.59	12%	-12%	1.05x	1.81	1.73	1.78	Open	
SKP RESOURCES BHD	29/7/2022	Trading Buy	1.63	1.84	1.42	13%	-13%	1.00x	1.67	1.52	1.53	Open	
MALAYSIA STEEL WORKS KL BHD	2/8/2022	Trading Buy	0.31	0.34	0.27	11%	-11%	1.00x	0.31	0.29	0.30	Open	
LEON FUAT BHD	2/8/2022	Trading Buy	0.55	0.61	0.48	12%	-12%	1.00x	0.55	0.52	0.52	Open	
KIM HIN JOO BHD	3/8/2022	Trading Buy	0.21	0.25	0.17	20%	-17%	1.14x	0.21	0.21	0.21	Open	
OM HOLDINGS LTD	3/8/2022	Trading Buy	2.08	2.40	1.78	15%	-14%	1.07x	2.04	1.96	1.98	Open	

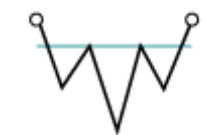



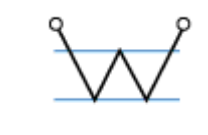
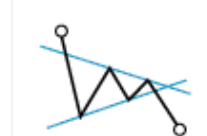

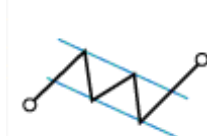


\* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

<sup>^</sup> 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
<b>Doji</b> <b>Dragonfly Doji</b> (Bullish) <b>Gravestone Doji</b> (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.
<b>Engulfing Pattern</b>		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.
<b>Hammer</b> (Bullish) <b>Shooting Star</b> (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.
<b>Inverted Hammer</b> (Bullish) <b>Hanging Man</b> (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.
<b>Harami</b> <b>Harami Cross</b>		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.
<b>Marubozu</b>		A Marubozu candlestick has no shadow extending from the body at either the open, the close or at both.
<b>Morning Doji Star</b> (Bullish) <b>Evening Doji Star</b> (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.
<b>Spinning Top</b>		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	<b>Inverted Head &amp; Shoulders</b> (Bullish)	<b>Head &amp; Shoulders</b> (Bearish)	<b>Wedge Reversal</b> (Bullish/ Bearish)	<b>Double Top</b> (Bearish)	<b>Double Bottom</b> (Bullish)
					
Continuation Patterns	<b>Symmetrical Triangle</b> (Bullish/ Bearish)	<b>Ascending Triangle</b> (Bullish)	<b>Channels</b> (Bullish/ Bearish)	<b>Flags</b> (Bullish/ Bearish)	<b>Pennant</b> (Bullish/ Bearish)
					

Source: Various

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published and printed by:

**KENANGA INVESTMENT BANK BERHAD (15678-H)**  
 Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia  
 Telephone: (603) 2172 0880 Website E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)