

05 August 2022

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Daily technical highlights – (LCTITAN, NCT)

Daily Charting – LCTITAN (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Lotte Chemical Titan Holding Bhd	52 Week High/Low	: 2.84/1.80
Bursa Code	: LCTITAN	3-m Avg. Daily Vol.	: 627,524
CAT Code	: 5284	Free Float (%)	: 19%
Market Cap	: RM4,122.4m	Beta vs. KLCI	: 0.97
		Last Price	: RM1.81
		Resistance	: RM2.00 (R1) RM2.10 (R2)
		Stop Loss	: RM1.62

Lotte Chemical Titan Holding Bhd (Trading Buy)

- LCTITAN's share price has fallen 49% since May 2021 from RM3.54 to close at RM1.81 yesterday. With the share price currently fluctuating near its 52-week low of RM1.80, which represents an intermediate support level, a technical rebound could be anticipated.
- Chart-wise, the stock price is expected to reverse direction as both the stochastic and RSI indicators are set to climb out from the oversold zone.
- Hence, we expect the stock to move up and test our resistance thresholds of RM2.00 (R1; 10% upside potential) and RM2.10 (R2; 16% upside potential).
- Conversely, our stop loss price has been identified at RM1.62 (representing a 10% downside risk).
- Business-wise, LCTITAN is involved in two business activities: (i) the manufacture and sale of polyolefin products, and (ii) the manufacture and sale of olefins & derivative products.
- Earnings-wise, LCTITAN reported a net loss of RM145.9m in 2QFY22, compared with a net profit of RM382.3m in 2QFY21 due to an increase in feedstock costs and a decline in the results of associated company, Lotte Chemical USA Corp. This brought its 1HFY22 bottomline to a net loss of RM41.9m (from net profit of RM822.3m previously).
- In terms of valuation, the stock is currently trading at Price/Book Value multiple of 0.32x (which is below the minus 1 SD level from its historical mean) based on its book value per share of RM5.59 as of end-June 2022.

Daily Chating – NCT (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name :	NCT Alliance Bhd	52 Week High/Low :	0.585/0.30
Bursa Code :	NCT	3-m Avg. Daily Vol. :	1,891,241
CAT Code :	0056	Free Float (%) :	30%
Market Cap :	RM441.9m	Beta vs. KLCI :	1.05
		Last Price :	RM0.42
		Resistance :	RM0.47 (R1) RM0.49 (R2)
		Stop Loss :	RM0.37

NCT Alliance Bhd (Trading Buy)

- The share price of NCT has trended downwards from the peak of RM0.73 in March 2021 before closing at RM0.42 yesterday.
- On the chart, the share price – which has bounced off from a low of RM0.36 recently – is expected to climb further due to: (i) the rising Parabolic SAR trend, (ii) the crossing of the DMI Plus above the DMI Minus, and (iii) the 12-day moving average still hovering above the 26-day moving average following the MACD golden cross in late July.
- Riding on the upward momentum, we expect the stock to shift higher and test our resistance thresholds of RM0.47 (R1; 12% upside potential) and RM0.49 (R2; 17% upside potential).
- Our stop loss level is pegged at RM0.37 (representing a 12% downside risk).
- Fundamentally speaking, NCT is a real estate developer which offers property development services for various housing projects with a geographical presence mainly in Genting Highlands and Penang.
- Earnings-wise, the group reported a net profit of RM8m in 1QFY22 (+10179% YoY) driven by stronger sales from new property launches as well as completed stocks.
- Valuation-wise, the stock is currently trading at Price/Book Value multiple of 0.92x (or approximately at minus 0.5 SD from its historical mean) based on its book value per share of RM0.455 as of end-March 2022.

05 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 [^]	Date Status Fulfilled
ELK-DESA RESOURCES	05/07/2022	Trading Buy	1.28	1.41	1.16	10%	-9%	1.08x	1.30	1.27	1.30	Open	
KUMPULAN PERANGSANG SELANGOR	05/07/2022	Trading Buy	0.69	0.76	0.63	10%	-9%	1.17x	0.75	0.68	0.70	Open	
SAM ENGINEERING & EQUIPMENT	06/07/2022	Trading Buy	3.02	3.35	2.73	11%	-10%	1.14x	4.84	2.76	4.69	TP Hit	28/07/2022
DIALOG GROUP BHD	06/07/2022	Trading Buy	2.07	2.27	1.88	10%	-9%	1.05x	2.29	1.97	2.29	TP Hit	01/08/2022
AURELIUS TECHNOLOGIES BHD	07/07/2022	Trading Buy	1.36	1.55	1.20	14%	-12%	1.19x	1.81	1.36	1.79	TP Hit	29/07/2022
AXIATA GROUP BERHAD	07/07/2022	Trading Buy	2.65	2.97	2.38	12%	-10%	1.19x	2.98	2.61	2.98	TP Hit	04/08/2022
TSH RESOURCES BHD	08/07/2022	Trading Buy	0.97	1.07	0.87	10%	-10%	1.00x	1.10	0.92	1.06	TP Hit	01/08/2022
MR DIY GROUP M BHD	08/07/2022	Trading Buy	2.06	2.25	1.87	9%	-9%	1.00x	2.36	2.00	2.32	TP Hit	01/08/2022
KPJ HEALTHCARE BERHAD	13/07/2022	Trading Buy	0.82	0.90	0.73	10%	-10%	1.00x	0.88	0.82	0.88	Open	
UEM EDGENTA BHD	13/07/2022	Trading Buy	1.28	1.39	1.18	9%	-8%	1.10x	1.32	1.25	1.25	Open	
KOBAY TECHNOLOGY BHD	14/07/2022	Trading Buy	2.50	2.90	2.18	16%	-13%	1.25x	3.15	2.44	3.14	TP Hit	29/07/2022
MY EG SERVICES BHD	14/07/2022	Trading Buy	0.80	0.93	0.69	16%	-14%	1.14x	0.82	0.73	0.78	Open	
HEXTAR GLOBAL BHD	15/07/2022	Trading Buy	1.70	1.95	1.45	15%	-15%	1.00x	1.78	1.55	1.58	Open	
FGV HOLDINGS BHD	15/07/2022	Trading Buy	1.53	1.79	1.27	17%	-17%	1.00x	1.56	1.49	1.51	Open	
AEON CO (M) BHD	19/07/2022	Trading Buy	1.36	1.53	1.19	13%	-13%	1.00x	1.44	1.33	1.42	Open	
GHL SYSTEMS BERHAD	19/07/2022	Trading Buy	1.20	1.36	1.07	13%	-11%	1.23x	1.25	1.14	1.20	Open	
MALAYSIA BUILDING SOCIETY	20/07/2022	Trading Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.59	0.56	0.58	Open	
EP MANUFACTURING BERHAD	20/07/2022	Trading Buy	0.97	1.08	0.86	11%	-11%	1.00x	0.99	0.88	0.96	Open	
INARI AMERTRON BHD	21/07/2022	Trading Buy	2.67	2.94	2.40	10%	-10%	1.00x	2.95	2.66	2.93	TP Hit	04/08/2022
MAGNI-TECH INDUSTRIES BHD	21/07/2022	Trading Buy	1.85	2.03	1.67	10%	-10%	1.00x	1.92	1.85	1.91	Open	
ANN JOO RESOURCES BHD	22/07/2022	Trading Buy	1.05	1.22	0.92	16%	-12%	1.31x	1.25	1.02	1.17	TP Hit	01/08/2022
SEDANIA INNOVATOR BHD	22/07/2022	Trading Buy	0.43	0.50	0.38	16%	-12%	1.40x	0.47	0.36	0.38	SL Hit	03/08/2022
TUNE PROTECT GROUP BHD	26/07/2022	Trading Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.37	0.35	0.36	Open	
LYC HEALTHCARE BHD	26/07/2022	Trading Buy	0.20	0.23	0.17	18%	-13%	1.40x	0.20	0.19	0.19	Open	
MUDAJAYA GROUP BHD	27/07/2022	Trading Buy	0.18	0.21	0.16	17%	-14%	1.20x	0.19	0.18	0.19	Open	
GFM SERVICES BHD	27/07/2022	Trading Buy	0.18	0.21	0.16	17%	-14%	1.20x	0.19	0.18	0.19	Open	
BONIA CORP BHD	28/07/2022	Trading Buy	2.22	2.60	1.84	17%	-17%	1.00x	2.29	2.06	2.22	Open	
ONLY WORLD GROUP HOLDINGS BH	28/07/2022	Trading Buy	0.52	0.58	0.47	12%	-11%	1.09x	0.55	0.51	0.53	Open	

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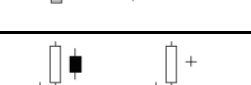
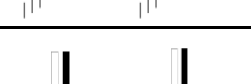


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POWER ROOT BHD	29/07/2022	Trading Buy	1.80	2.02	1.59	12%	-12%	1.05x	1.81	1.73	1.77	Open	
SKP RESOURCES BHD	29/07/2022	Trading Buy	1.63	1.84	1.42	13%	-13%	1.00x	1.67	1.52	1.60	Open	
MALAYSIA STEEL WORKS KL BHD	02/08/2022	Trading Buy	0.31	0.34	0.27	11%	-11%	1.00x	0.31	0.29	0.30	Open	
LEON FUAT BHD	02/08/2022	Trading Buy	0.55	0.61	0.48	12%	-12%	1.00x	0.55	0.52	0.53	Open	
KIM HIN JOO BHD	03/08/2022	Trading Buy	0.21	0.25	0.17	20%	-17%	1.14x	0.21	0.21	0.21	Open	
OM HOLDINGS LTD	03/08/2022	Trading Buy	2.08	2.40	1.78	15%	-14%	1.07x	2.04	1.96	1.99	Open	
FOUNDPAC GROUP BHD	04/08/2022	Trading Buy	0.54	0.62	0.46	16%	-14%	1.13x	0.55	0.53	0.53	Open	
TEXCHEM RESOURCES BERHAD	04/08/2022	Trading Buy	2.94	3.27	2.63	11%	-11%	1.05x	3.12	2.96	3.06	Open	






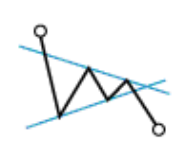

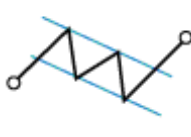


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Technical Terms:

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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