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The Malaysian bourse could be entering a consolidation mode following two straight weeks of gains. The benchmark FBMKLCI added 26.4 points or 1.8% last week to settle at 1,492 on Friday, not far from its intra-week high of 1,498. Over on Wall Street, the DJIA continued its rebound with a weekly increase of 945.8 points or 3.0% before stopping at 32,845.

Spurred by a positive market breadth in three of the five trading days, daily average turnover on the local stock exchange widened to 2.4b shares in volume and RM1.5b in value from 2.2b shares worth RM1.4b in the previous week. Foreign investors remained net buyers with net weekly inflows of RM153m, absorbing the net selling trades by domestic institutions and retail investors (amounting to RM71m and RM82m, respectively). Consequently, for the whole of July, foreigners logged aggregate net inflows of RM182m, in contrast to June's monthly outflows of RM1.28b.

After climbing 3.3% in July, what's next for the FBMKLCI? Statistically, there is an even chance for the bellwether to show positive returns in the coming month. Since 2012, the index had ended higher in August in five of the last 10 years (including the most recent year) with an average monthly return of minus 0.3%.

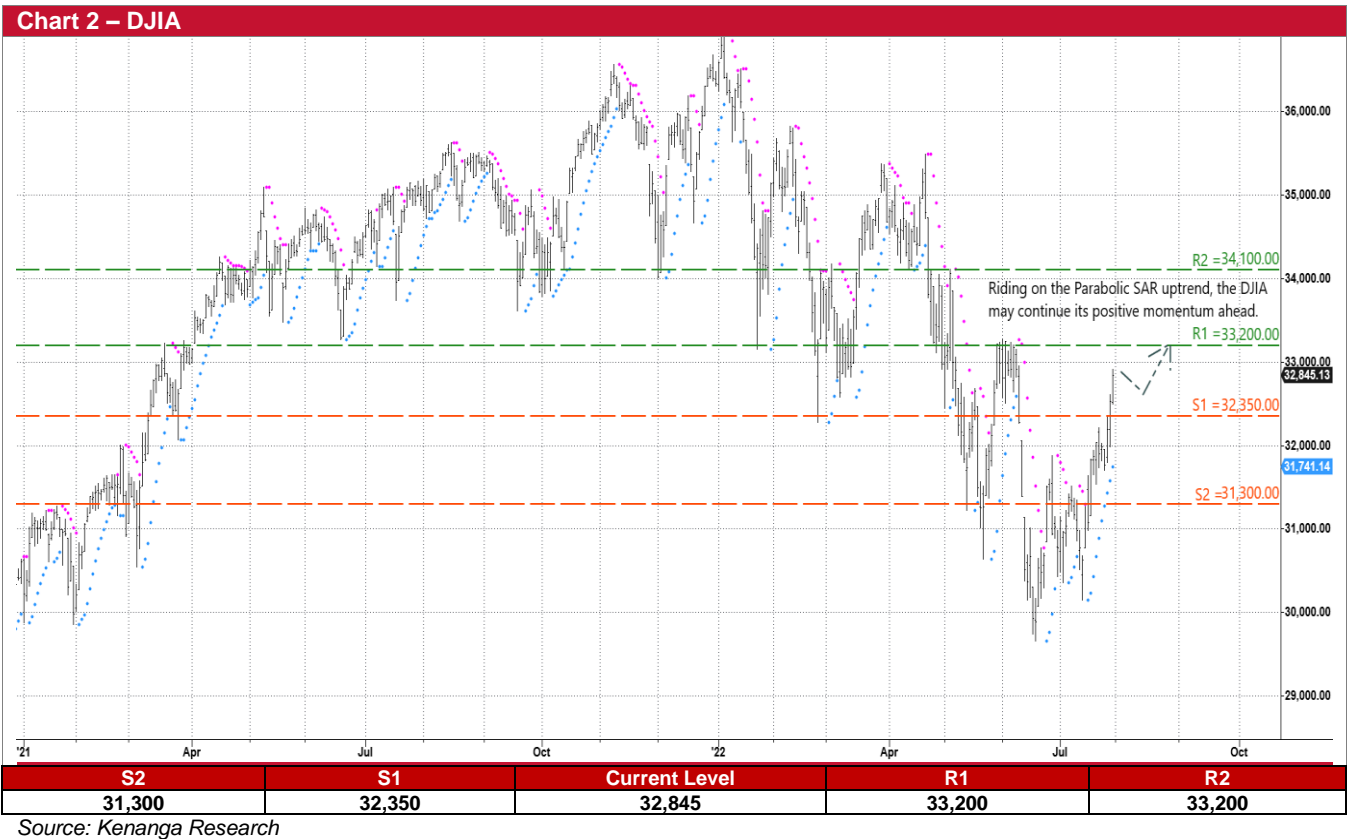
With global equities showing signs of stabilising in reaction to hints of a slower pace of interest rate hikes by the US Federal Reserve last week, "no news may be good news" for now. For the week ahead, the calendar of events is fairly quiet on the macro front with just the Malaysia Manufacturing PMI scheduled to be out later today. In terms of corporate news flows, the slate of quarterly financial results announcements continues from the likes of MR D.I.Y. (on Thursday). And on Friday, there will be a new listing on the ACE Market by Unique Fire Holdings – which is principally involved in the assembly, manufacture and distribution of fire protection systems, equipment and accessories; valued at a market cap of RM104m based on an IPO offer price of RM0.26 per share.

Following a recovery from the closing low on 13 July, which then lifted the FBMKLCI by 80.9 points or 5.7%, investors may be on the lookout for rotational plays ahead. During the same timeframe, the mid-, small- and micro-caps – as tracked by the FBM70 Index (+6.0%), the FBM Small Cap Index (+5.5%), the FBM Fledgling Index (+3.8%) and the FBM ACE Index (+6.8%) – all saw positive returns. By sector, the leading performers were technology (+15.9%), industrial products & services (+10.6%) and energy (+8.5%) while REIT (+2.3%), consumer products & services (+3.3%) and transportation & logistics (+3.9%) were the main laggards.

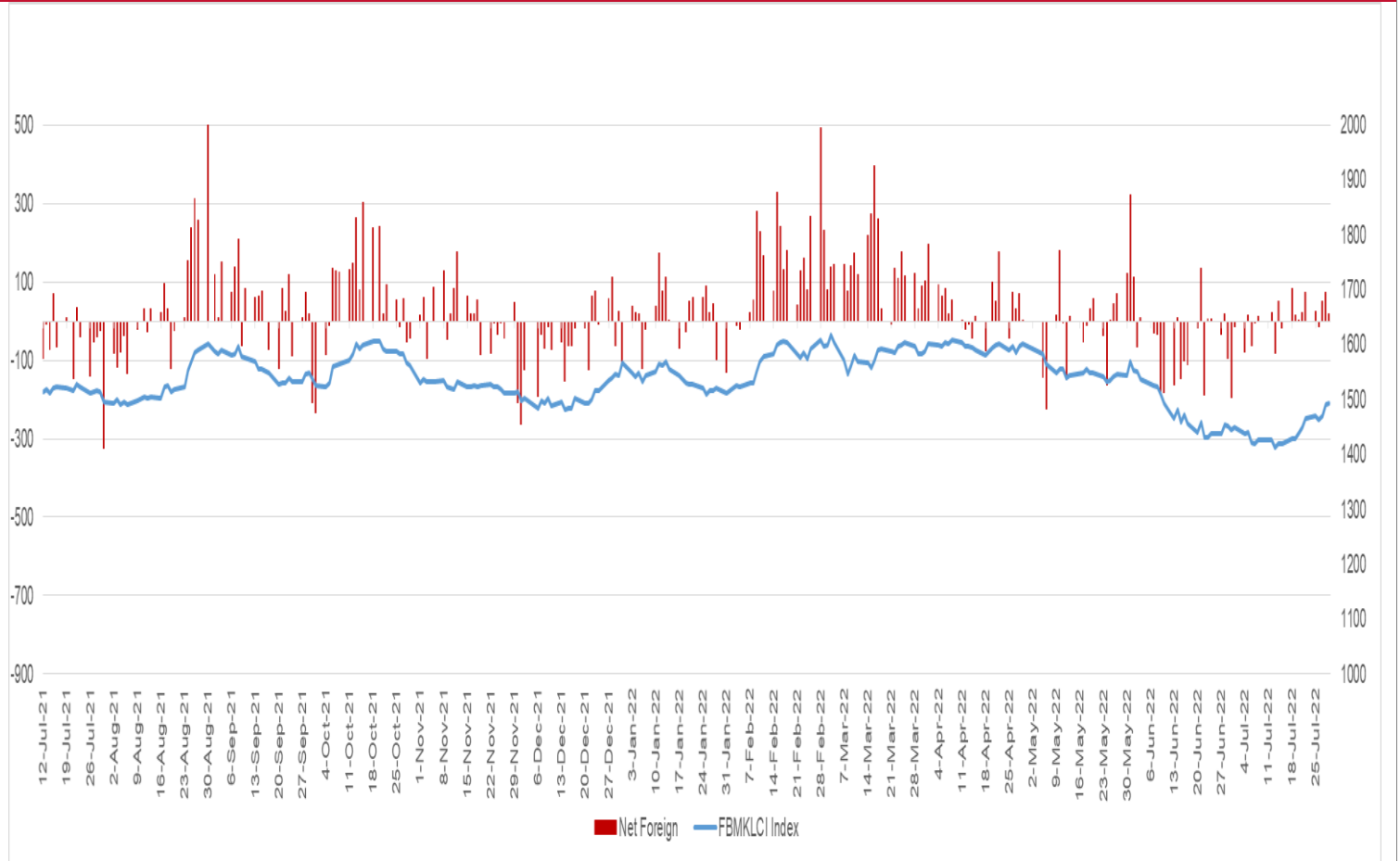
Technically speaking, on account of the run-up since mid-July, are we in the midst of a trend reversal or is it just a bear market rally? For the time being, after crossing above the short-term 50-day SMA, we reckon the FBMKLCI could be digesting its recent gains, possibly swinging with a marginal upward bias inside our immediate support and resistance range of 1,475 (S1) and 1,510 (R1). On the chart, an extension of the upward trajectory may be forthcoming when the key market barometer crosses above R1 convincingly first (to be backed by stronger trading activity) before advancing towards our next resistance threshold of 1,550 (R2).

In the US, riding on the prevailing Parabolic SAR uptrend, the DJIA may strive to continue its bullish momentum and extend a little more its recent rally ahead. Our first support and resistance levels now stand at 32,350 (S1) and 33,200 (R1), respectively.





Net Foreign Trade Position vs FBMKLCI



Foreign investors remained net buyers with net inflows of RM152.9 m last week compared to cumulative net inflows of RM191.3m in the prior week.

Source: Kenanga Research

01 August 2022




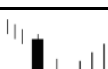
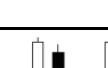


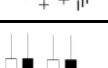
STOCK CALL MONITOR*

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	Status [^]	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM	RM		
FRONTKEN CORP BHD	01/07/2022	Trading Buy	2.29	2.60	2.06	14%	-10%	1.35x	2.92	2.08	2.88	TP Hit	27/07/2022
SOLARVEST HOLDINGS BHD	01/07/2022	Trading Buy	0.66	0.78	0.59	18%	-11%	1.71x	0.75	0.63	0.74	Open	
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	0.72	Open	
SAM ENGINEERING & EQUIPMENT	6/7/2022	Trading Buy	3.02	3.35	2.73	11%	-10%	1.14x	4.01	2.76	3.79	TP Hit	28/7/2022
DIALOG GROUP BHD	6/7/2022	Trading Buy	2.07	2.27	1.88	10%	-9%	1.05x	2.26	1.97	2.21	Open	
AURELIUS TECHNOLOGIES BHD	7/7/2022	Trading Buy	1.36	1.55	1.20	14%	-12%	1.19x	1.64	1.36	1.58	TP Hit	29/7/2022
AXIATA GROUP BERHAD	7/7/2022	Trading Buy	2.65	2.97	2.38	12%	-10%	1.19x	2.89	2.61	2.87	Open	
TSH RESOURCES BHD	8/7/2022	Trading Buy	0.97	1.07	0.87	10%	-10%	1.00x	1.05	0.92	1.05	Open	
MR DIY GROUP M BHD	8/7/2022	Trading Buy	2.06	2.25	1.87	9%	-9%	1.00x	2.24	2.00	2.22	Open	
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	1.31	1.26	1.30	Open	
KOBAY TECHNOLOGY BHD	14/7/2022	Trading Buy	2.50	2.90	2.18	16%	-13%	1.25x	2.96	2.44	2.84	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	0.78	Open	
HEXTAR GLOBAL BHD	15/7/2022	Trading Buy	1.70	1.95	1.45	15%	-15%	1.00x	1.78	1.65	1.71	Open	
FGV HOLDINGS BHD	15/7/2022	Trading Buy	1.53	1.79	1.27	17%	-17%	1.00x	1.56	1.49	1.50	Open	
AEON CO (M) BHD	19/7/2022	Trading Buy	1.36	1.53	1.19	13%	-13%	1.00x	1.44	1.33	1.43	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	0.92	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	1.90	Open	
ANN JOO RESOURCES BHD	22/7/2022	Trading Buy	1.05	1.22	0.92	16%	-12%	1.31x	1.17	1.02	1.13	Open	
SEDANIA INNOVATOR BHD	22/7/2022	Trading Buy	0.43	0.50	0.38	16%	-12%	1.40x	0.44	0.41	0.44	Open	
TUNE PROTECT GROUP BHD	26/7/2022	Trading Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.37	0.35	0.36	Open	
LYC HEALTHCARE BHD	26/7/2022	Trading Buy	0.20	0.23	0.17	18%	-13%	1.40x	0.20	0.19	0.20	Open	
MUDAJAYA GROUP BHD	27/7/2022	Trading Buy	0.18	0.21	0.16	17%	-14%	1.20x	0.19	0.18	0.18	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	2.16	2.20	Open	
ONLY WORLD GROUP HOLDINGS BH	28/7/2022	Trading Buy	0.52	0.58	0.47	12%	-11%	1.09x	0.54	0.52	0.53	Open	
POWER ROOT BHD	29/7/2022	Trading Buy	1.80	2.02	1.59	12%	-12%	1.05x	1.80	1.78	1.80	Open	
SKP RESOURCES BHD	29/7/2022	Trading Buy	1.63	1.84	1.42	13%	-13%	1.00x	1.66	1.62	1.62	Open	

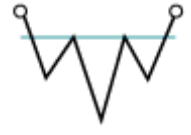

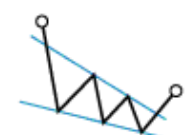

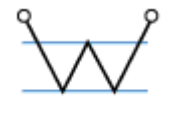
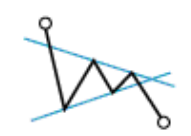

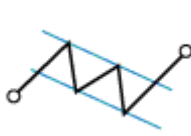

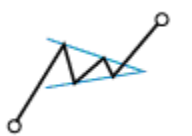
* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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.

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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