

30 September 2022

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Daily technical highlights – (CSCSTEL, INARI)

Daily Charting – CSCSTEL (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: CSC Steel Holdings Bhd	52 Week High/Low	: 1.79/1.06
Bursa Code	: CSCSTEL	3-m Avg. Daily Vol.	: 147,620
CAT Code	: 5094	Free Float (%)	: 42%
Market Cap	: RM428.4m	Beta vs. KLCI	: 1.16
		Last Price	: RM1.16
		Resistance	: RM1.28 (R1) RM1.35 (R2)
		Stop Loss	: RM1.04

CSC Steel Holdings Bhd (Technical Buy)

- Following a sharp sell-off to hit a low of RM1.06 in mid-July 2022, its share price has rebounded to close at RM1.16 yesterday.
- Chart-wise, the share price is expected to continue its upward momentum as both the Stochastic and RSI indicators climb out from the oversold zone.
- Hence, we believed that CSCSTEL's share price could climb towards our resistance thresholds of RM1.28 (R1; 10% upside potential) and RM1.35 (R2; 16% upside potential).
- Conversely, our stop loss price has been identified at RM1.04 (representing a 10% downside risk).
- CSCSTEL is involved in manufacturing and sales of steels and related products. The group specializes in galvanised steel products and colour-coated steel products for the building material industry.
- Earnings-wise, the group reported a net profit of RM17.1m in 2QFY22 compared with a net profit of RM15.4m in 2QFY21. This took 1H FY22 net profit to RM29.1m (versus RM37.3m previously).
- Based on consensus forecasts, CSCSTELs net earnings are projected to come in at RM70.2m in FY December 2022 and RM66m in FY December 2023, which translate to forward PERs of 6.1x and 6.5x, respectively.

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Daily Charting – INARI (Technical Buy)



About the Stock:

Name : Inari Amertron Bhd
Bursa Code : INARI
CAT Code : 0166
Market Cap : RM9,473.1m

52 Week High/Low : 4.30/2.36
3-m Avg. Daily Vol. : 8,546,026
Free Float (%) : 62%
Beta vs. KLCI : 0.54

Key Support & Resistance Levels

Last Price : RM2.55
Resistance : RM2.80 (R1) RM2.95 (R2)
Stop Loss : RM2.30

Inari Amertron Bhd (Technical Buy)

- The share price of INARI has slid 45% from a peak of RM4.30 in late November 2021 to as low as RM2.36 in July 2022 before making a rebound since then to close at RM2.55 yesterday. With the share price falling towards its 52-week low, further downside risk may be cushioned by the short-term support line at RM2.36.
- With both Stochastic and RSI indicators' reversing from oversold area and coupled with the stock price crossing back to the lower Bollinger Band, we anticipate that the stock will continue to trend upwards.
- Thus, we believe the share price will rise further to challenge our resistance levels of RM2.80 (R1; 10% upside potential) and RM2.95 (R2; 16% upside potential).
- Our stop loss level is pegged at RM2.30 (representing a 10% downside risk).
- INARI is involved in the electronics manufacturing services (EMS) industry, providing Outsourced Semiconductor Assembly and Test (OSAT) niche services in Radio Frequency (RF) System in Package (SiP) for smart mobile devices, fiber-optic transceivers and other electronics manufacturing services.
- Earnings-wise, the group reported a net profit of RM85.9m in 4QFY22 compared with a net profit of RM85.4m in 4QFY21. This took FY22 net profit to RM388.5m (versus RM324.3m previously).
- Based on consensus forecasts, INARI's net earnings are projected to come in at RM432.8m in FY June 2023 and RM476.6m in FY June 2024, which translate to forward PERs of 21.9x and 19.9x, respectively.

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STOCK CALL MONITOR*

Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Resistance Price (R1) 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
BANK ISLAM MALAYSIA BHD	30/08/2022	Technical Buy	2.61	2.92	2.31	12%	-11%	1.03x	2.68	2.53	2.59	Open	
ASTRO MALAYSIA HOLDINGS BHD	30/08/2022	Technical Buy	0.85	0.92	0.77	9%	-9%	1.00x	0.88	0.77	0.77	SL Hit	29/09/2022
EONMETALL GROUP BHD	01/09/2022	Technical Buy	0.58	0.64	0.52	10%	-10%	1.00x	0.74	0.57	0.66	TP Hit	05/09/2022
SDS GROUP BHD	01/09/2022	Technical Buy	0.53	0.59	0.47	12%	-10%	1.18x	0.64	0.52	0.58	TP Hit	09/09/2022
ANN JOO RESOURCES BHD	02/09/2022	Technical Buy	1.03	1.20	0.89	17%	-14%	1.21x	1.10	0.89	0.91	SL Hit	
DAGANG NEXCHANGE BHD	02/09/2022	Technical Buy	0.82	0.94	0.72	15%	-12%	1.20x	0.85	0.76	0.76	Open	
PROLEXUS BHD	06/09/2022	Technical Buy	0.40	0.45	0.35	14%	-11%	1.22x	0.47	0.40	0.42	TP Hit	26/09/2022
SAMCHEM HOLDINGS BHD	06/09/2022	Technical Buy	0.77	0.86	0.67	12%	-12%	1.00x	0.80	0.75	0.76	Open	
MALAYSIA MARINE AND HEAVY EN	07/09/2022	Technical Buy	0.41	0.46	0.36	12%	-12%	1.00x	0.43	0.39	0.40	Open	
COASTAL CONTRACTS BHD	07/09/2022	Technical Buy	1.91	2.18	1.64	14%	-14%	1.00x	2.06	1.87	1.90	Open	
CORAZA INTEGRATED TECHNOLOGY	08/09/2022	Technical Buy	0.75	0.84	0.65	13%	-13%	1.00x	0.90	0.75	0.82	TP Hit	12/09/2022
TSH RESOURCES BHD	08/09/2022	Technical Buy	1.05	1.17	0.94	11%	-10%	1.09x	1.05	0.93	0.93	SL Hit	28/09/2022
PESTECH INTERNATIONAL BHD	09/09/2022	Technical Buy	0.29	0.32	0.25	12%	-12%	1.00x	0.31	0.28	0.29	Open	
UNISEM (M) BERHAD	09/09/2022	Technical Buy	2.59	2.86	2.32	10%	-10%	1.00x	2.88	2.48	2.50	TP Hit	14/09/2022
SEDANIA INNOVATOR BHD	13/09/2022	Technical Buy	0.36	0.42	0.30	17%	-17%	1.00x	0.37	0.29	0.30	SL Hit	27/09/2022
EVERGREEN FIBREBOARD BHD	13/09/2022	Technical Buy	0.50	0.55	0.44	11%	-11%	1.00x	0.52	0.38	0.38	SL Hit	26/09/2022
HSS ENGINEERS BHD	14/09/2022	Technical Buy	0.38	0.44	0.33	16%	-13%	1.20x	0.41	0.38	0.40	Open	
ECONPILE HOLDINGS BHD	14/09/2022	Technical Buy	0.18	0.20	0.15	14%	-14%	1.00x	0.19	0.17	0.17	Open	
AEMULUS HOLDINGS BHD	15/09/2022	Technical Buy	0.48	0.55	0.43	14%	-10%	1.30x	0.49	0.39	0.39	SL Hit	21/09/2022
V.S. INDUSTRY BERHAD	15/09/2022	Technical Buy	1.03	1.16	0.92	13%	-11%	1.18x	1.03	0.91	0.97	SL Hit	26/09/2022
GUAN CHONG BHD	20/09/2022	Technical Buy	2.30	2.52	2.09	10%	-9%	1.05x	2.40	2.21	2.22	Open	
MR DIY GROUP M BHD	20/09/2022	Technical Buy	2.03	2.23	1.84	10%	-9%	1.05x	2.06	1.92	1.97	Open	
UMW HOLDINGS BHD	21/09/2022	Technical Buy	3.12	3.48	2.77	12%	-11%	1.03x	3.15	2.95	3.05	Open	
NTPM HOLDINGS BHD	21/09/2022	Technical Buy	0.43	0.47	0.39	9%	-9%	1.00x	0.43	0.40	0.40	Open	
SAMAIDEN GROUP BHD	22/09/2022	Technical Buy	0.75	0.83	0.66	11%	-11%	1.00x	0.77	0.72	0.75	Open	
THONG GUAN INDUSTRIES BHD	22/09/2022	Technical Buy	2.72	2.98	2.47	10%	-9%	1.04x	2.75	2.55	2.60	Open	
CENGILD MEDICAL BHD	23/09/2022	Technical Buy	0.49	0.56	0.43	14%	-12%	1.17x	0.50	0.43	0.44	SL Hit	29/09/2022
MI TECHNOVATION BHD	23/09/2022	Technical Buy	1.32	1.50	1.15	14%	-13%	1.06x	1.33	1.21	1.21	Open	
BONIA CORP BHD	27/09/2022	Technical Buy	1.96	2.25	1.70	15%	-13%	1.12x	2.03	1.95	1.96	Open	
SKP RESOURCES BHD	27/09/2022	Technical Buy	1.70	1.92	1.50	13%	-12%	1.10x	1.74	1.68	1.70	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.

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FARM FRESH BHD	28/09/2022	Technical Buy	1.58	1.74	1.42	10%	-10%	1.00x	1.59	1.56	1.58	Open	
PIE INDUSTRIAL BHD	28/09/2022	Technical Buy	2.78	3.05	2.51	10%	-10%	1.00x	2.80	2.73	2.77	Open	
PGF CAPITAL BHD	29/09/2022	Technical Buy	1.15	1.29	0.98	12%	-15%	0.79x	1.17	1.14	1.15	Open	
MYNEWS HOLDINGS BHD	29/09/2022	Technical Buy	0.46	0.52	0.40	13%	-12%	1.09x	0.47	0.45	0.45	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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