

18 October 2022

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Daily technical highlights – (WPRTS, PEKAT)

Daily Charting – WPRTS (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Westports Holdings Bhd	52 Week High/Low	: 4.66/3.04
Bursa Code	: WPRTS	3-m Avg. Daily Vol.	: 1,546,168
CAT Code	: 5246	Free Float (%)	: 12.1
Market Cap	: RM10,809.7m	Beta vs. KLCI	: 0.6
		Last Price	: RM3.17
		Resistance	: RM3.48 (R1) RM3.60 (R2)
		Stop Loss	: RM2.87

Westports Holdings Bhd (Technical Buy)

- Following a recent rebound from a 31-month low of RM3.04 early this month, WPRTS' share price – which ended at RM3.17 yesterday – may continue its positive trajectory ahead.
- An upward shift in the shares is currently anticipated after the MACD crosses over the signal line while the RSI indicator is in the midst of reversing from the oversold territory.
- With that said, the stock could be on its way to reach our resistance targets of RM3.48 (R1; 10% upside potential) and RM3.60 (R2; 14% upside potential).
- We have pegged our stop loss price level at RM2.87 (representing a 9% downside risk).
- WPRTS – which is the largest listed port operator in Malaysia focussing on container and conventional cargo handling as well as providing a wide range of port services – reported net profit of RM162.3m (-9% YoY) in 2QFY22. This brought its 1HFY22 net earnings to RM314.1m (-19% YoY).
- Going forward, consensus is forecasting the group to log net profit of RM623.0m for FY22 and RM714.0m for FY23, which translate to forward PERs of 17.4x this year and 15.1x next year, respectively (with its 1-year rolling forward PER presently hovering at 2SD below its historical mean).

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Daily Charting – PEKAT (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Pekat Group Bhd	52 Week High/Low	: 0.795/0.405
Bursa Code	: PEKAT	3-m Avg. Daily Vol.	: 2,477,238
CAT Code	: 0233	Free Float (%)	: 25.9
Market Cap	: RM280.6m	Beta vs. KLCI	: N.A.
		Last Price	: RM0.435
		Resistance	: RM0.49 (R1) RM0.54 (R2)
		Stop Loss	: RM0.39

Pekat Group Bhd (Technical Buy)

- After slumping from a recent high of RM0.58 in late August this year, PEKAT shares may be nearing an intermediate bottom based on the existing positive technical signals.
- On the chart, a share price reversal could be in the offing following the bullish golden cross by the 50-day SMA over the 100-day SMA while the stochastic indicator is set to climb out from the oversold zone.
- Riding on the strengthening momentum, the stock will probably advance towards our resistance thresholds of RM0.49 (R1; 13% upside potential) and RM0.54 (R2; 24% upside potential).
- Our stop loss price level is placed at RM0.39 (representing a 10% downside risk from yesterday's close of RM0.435).
- Listed on the ACE Market in June last year, PEKAT is principally involved in the: (i) design, supply and installation of solar PV (photovoltaic) systems and power plants, (ii) supply and installation of ELP (earthing & lighting protection) systems, and (iii) distribution of electrical products and accessories.
- For the second quarter ended June 2022, the group made net profit of RM1.1m (+3% YoY), lifting its 1HFY22 bottomline to RM5.5m (-2% YoY).
- Valuation-wise, based on a book value per share of RM0.19 as of end-June 2022, the stock is trading at a Price/Book Value multiple of 2.29x (or slightly below the minus 1SD threshold from its historical mean).

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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
GUAN CHONG BHD	20/9/2022	Technical Buy	2.30	2.52	2.09	10%	-9%	1.05x	2.40	2.03	2.04	SL Hit	11/10/2022
MR DIY GROUP M BHD	20/9/2022	Technical Buy	2.03	2.23	1.84	10%	-9%	1.05x	2.06	1.84	1.91	SL Hit	13/10/2022
UMW HOLDINGS BHD	21/9/2022	Technical Buy	3.12	3.48	2.77	12%	-11%	1.03x	3.39	2.92	3.31	Open	
NTPM HOLDINGS BHD	21/9/2022	Technical Buy	0.43	0.47	0.39	9%	-9%	1.00x	0.43	0.35	0.36	SL Hit	30/9/2022
SAMAIDEN GROUP BHD	22/9/2022	Technical Buy	0.75	0.83	0.66	11%	-11%	1.00x	0.85	0.68	0.71	TP Hit	4/10/2022
THONG GUAN INDUSTRIES BHD	22/9/2022	Technical Buy	2.72	2.98	2.47	10%	-9%	1.04x	2.75	2.41	2.55	SL Hit	11/10/2022
CENGILD MEDICAL BHD	23/9/2022	Technical Buy	0.49	0.56	0.43	14%	-12%	1.17x	0.50	0.39	0.42	SL Hit	29/9/2022
MI TECHNOVATION BHD	23/9/2022	Technical Buy	1.32	1.50	1.15	14%	-13%	1.06x	1.33	1.06	1.10	SL Hit	11/10/2022
BONIA CORP BHD	27/9/2022	Technical Buy	1.96	2.25	1.70	15%	-13%	1.12x	2.03	1.71	1.73	Open	
SKP RESOURCES BHD	27/9/2022	Technical Buy	1.70	1.92	1.50	13%	-12%	1.10x	1.74	1.56	1.57	Open	
FARM FRESH BHD	28/9/2022	Technical Buy	1.58	1.74	1.42	10%	-10%	1.00x	1.64	1.56	1.64	Open	
PIE INDUSTRIAL BHD	28/9/2022	Technical Buy	2.78	3.05	2.51	10%	-10%	1.00x	2.88	2.65	2.65	Open	
PGF CAPITAL BHD #	29/9/2022	Technical Buy	1.15	1.29	1.02	12%	-11%	1.04x	1.29	1.09	1.25	TP Hit	7/10/2022
MYNEWS HOLDINGS BHD	29/9/2022	Technical Buy	0.46	0.52	0.40	13%	-12%	1.09x	0.50	0.43	0.48	Open	
CSC STEEL HOLDINGS BHD	30/9/2022	Technical Buy	1.16	1.28	1.04	10%	-10%	1.00x	1.20	1.15	1.17	Open	
INARI AMERTRON BHD	30/9/2022	Technical Buy	2.55	2.80	2.30	10%	-10%	1.00x	2.60	2.28	2.34	SL Hit	17/10/2022
SWIFT HAULAGE BHD	4/10/2022	Technical Buy	0.49	0.55	0.43	12%	-12%	1.00x	0.50	0.45	0.46	Open	
MALAYSIAN BULK CARRIERS BHD	4/10/2022	Technical Buy	0.35	0.40	0.31	14%	-11%	1.25x	0.38	0.35	0.37	Open	
UZMA BHD	5/10/2022	Technical Buy	0.38	0.43	0.32	15%	-15%	1.00x	0.40	0.35	0.35	Open	
MALAYSIAN RESOURCES CORP BHD	5/10/2022	Technical Buy	0.31	0.36	0.27	16%	-13%	1.25x	0.33	0.29	0.30	Open	
DIALOG GROUP BHD	6/10/2022	Technical Buy	2.00	2.29	1.80	15%	-10%	1.45x	2.06	1.71	1.72	SL Hit	12/10/2022
SIME DARBY BERHAD	6/10/2022	Technical Buy	2.20	2.48	1.96	13%	-11%	1.17x	2.21	2.11	2.17	Open	
MYTECH GROUP BHD	7/10/2022	Technical Buy	0.58	0.64	0.52	10%	-10%	1.00x	0.59	0.52	0.53	SL Hit	13/10/2022
POWER ROOT BHD	7/10/2022	Technical Buy	2.01	2.23	1.81	11%	-10%	1.10x	2.19	2.00	2.13	Open	
SUNWAY BHD	12/10/2022	Technical Buy	1.56	1.77	1.39	13%	-11%	1.24x	1.58	1.50	1.55	Open	
MMS VENTURES BHD	12/10/2022	Technical Buy	0.66	0.75	0.59	14%	-11%	1.29x	0.66	0.63	0.64	Open	
MALAKOFF CORP BHD	13/10/2022	Technical Buy	0.61	0.67	0.55	10%	-10%	1.00x	0.62	0.60	0.60	Open	
NCT ALLIANCE BHD	13/10/2022	Technical Buy	0.36	0.40	0.32	11%	-11%	1.00x	0.38	0.35	0.36	Open	
LOTTE CHEMICAL TITAN HOLDING	14/10/2022	Technical Buy	1.36	1.55	1.20	14%	-12%	1.19x	1.39	1.34	1.36	Open	
OPTIMAX HOLDINGS BHD	14/10/2022	Technical Buy	0.69	0.78	0.61	13%	-12%	1.13x	0.73	0.69	0.73	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.

PGF Capital Bhd's stop loss price has been amended to RM1.02 (from RM0.98 previously).

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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Published by:

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