

25 January 2023

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A fairly quiet week is on the cards, setting the stage for the Malaysian bourse to carry on the consolidation pattern first before resuming its downward bias thereafter. Last week, the key FBM KLCI remained stuck inside a tight 13-point range only to end at 1,500, which was just 5.3 points or 0.4% above the prior week's close of 1,495. Over on Wall Street, the DJIA lost momentum after the recent run-up to finish at 33,375. This translates to a weekly decline of 927.1 points or 2.7%.

Against a marginally positive market breadth in three of the five business days, the local stock exchange logged daily average volume of 2.9b shares valued at RM1.9b, versus the preceding week's average of 3.4b shares worth RM2.2b. Trading activity was centred mostly on the second and third liners, as reflected by the average transaction value of RM0.67 per share (comparable to the average of RM0.64 per share in the week before). Meanwhile, broadly similar to the previous week, domestic institutions continued to buy more shares than they had sold (posting net weekly buying trades of RM392m) while foreign investors and local retailers remained net sellers (with net weekly outflows of RM169m and RM223m, respectively).

As the Tiger growls its way out for the Rabbit to hop in to start a new lunar year (which will reign from 22 January 2023 until 9 February 2024), history has recorded a mixed bag of stock market returns as a gauge for the coming Year of the Rabbit. During the past three cycles when the bunny made its appearance, the FBM KLCI either slipped marginally (down by 2.9% in 1987 and 0.6% in 2011) or leaped strongly (as was the case in 1999 with a handsome gain of 67.8%).

With the calendar of events looking empty for this holiday-shortened week, investors may want to keep their eyes overseas for possible market leads. Kicking off the week, sentiment may get a lift in response to Wall Street performance since last Friday, which saw the DJIA (+2.1%), S&P500 (+3.0%) and Nasdaq (+4.4%) rising during the period.

And amid the quiet market backdrop, there will probably be rotational trading interest particularly among the mid-, small- and micro-caps. This was apparent last week as tracked by the weekly gains posted by the FBM KLCI (+0.4%), FBM 70 Index (+0.9%), FBM Small Cap Index (+1.1%), FBM Fledgling Index (+0.3%) and FBM ACE Index (+1.8%). By sector, energy (+2.8%), REIT (+2.3%) and telecommunications & media (+1.8%) attracted the most buying flows while plantation (-0.6%), finance services (-0.5%) and utilities (-0.3%) lost the most ground during the week.

From a charting standpoint, notwithstanding that it may be tiptoeing around the 1,500-psychological mark for the time being, the FBM KLCI is still facing a downward bias amid the existing consolidation pattern. This follows the negative technical signals arising from the benchmark index's ongoing adjustment from the upper Bollinger Band and the stochastic indicator's unwinding from an overbought zone. Thus, the FBM KLCI could range-bound between our immediate support and resistance thresholds of 1,475 (S1) and 1,510 (R1) with its downside risk still outweighing upside potential going forward.

On Wall Street, after last week's pullback following a mini rally that started in second half of December last year, the DJIA may come under continued profit-taking pressure as the bellwether backs off further from the 50-day SMA, possibly testing our first support line of 33,200 (S1). Our immediate support-turned-resistance hurdle now stands at 34,100 (S1).

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Chart 1 – FBMKLCI



Source: Kenanga Research

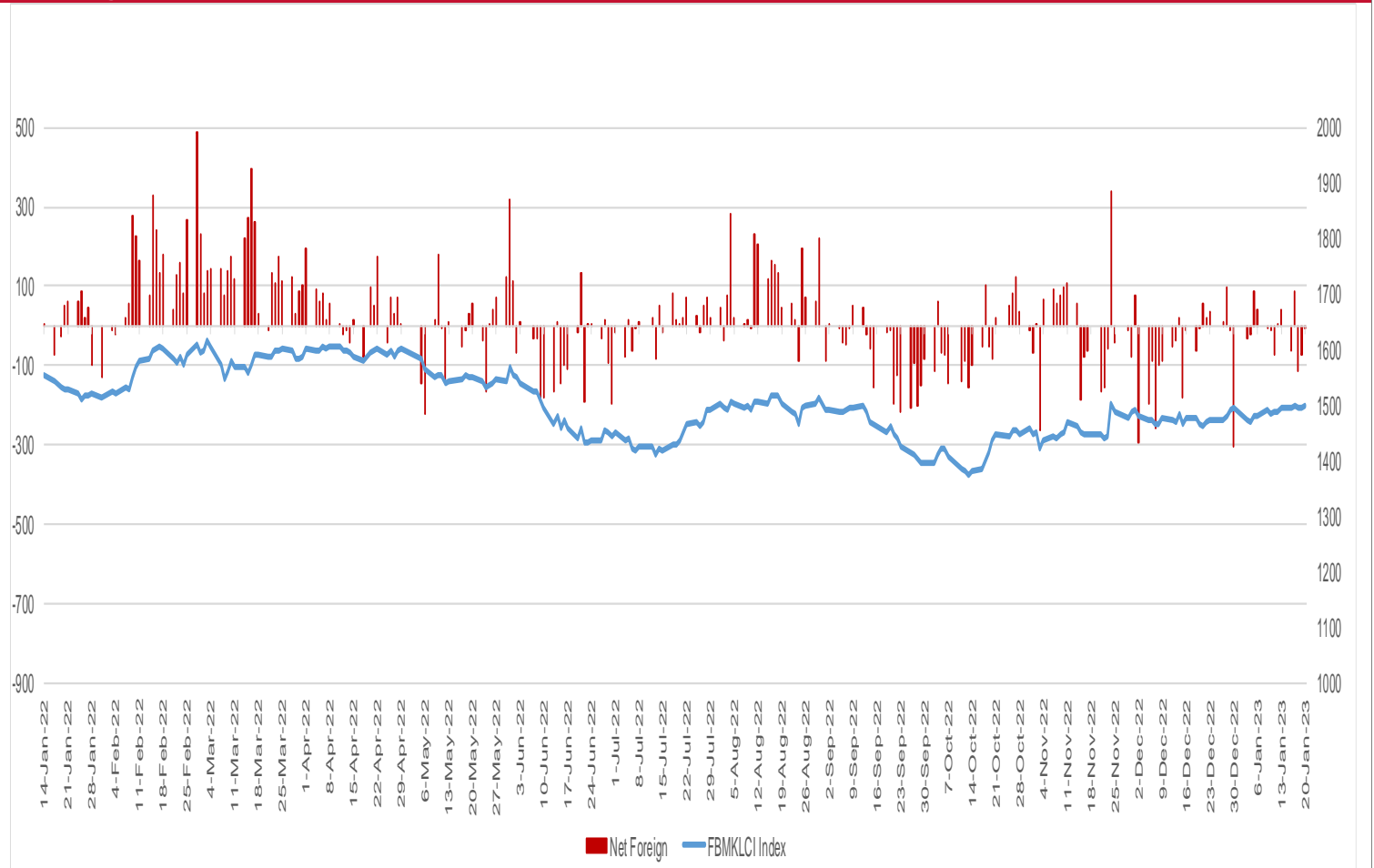
Chart 2 – DJIA



Source: Kenanga Research,

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## Net Foreign Trade Position vs FBMKLCI



Foreign investors remained net sellers with net outflows of RM168.5m last week compared to cumulative net outflows of RM46.8m in the prior week.

Source: Kenanga Research

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## STOCK CALL MONITOR\*




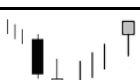




Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Resistance Price (R1) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status^	Date Status Fulfilled
INSAS BHD	28/12/2022	Technical Buy	0.84	0.93	0.75	11%	-11%	1.00x	0.87	0.79	0.80	Open	
SDS GROUP BHD	28/12/2022	Technical Buy	0.72	0.80	0.64	12%	-10%	1.13x	0.80	0.72	0.77	TP Hit	5/1/2023
CTOS DIGITAL BHD	29/12/2022	Technical Buy	1.46	1.62	1.30	11%	-11%	1.00x	1.53	1.41	1.52	Open	
MR DIY GROUP M BHD	29/12/2022	Technical Buy	2.05	2.27	1.85	11%	-10%	1.10x	2.08	1.93	1.96	Open	
BOUSTEAD HOLDINGS BHD	30/12/2022	Technical Buy	0.63	0.69	0.56	10%	-10%	1.00x	0.69	0.61	0.67	TP Hit	20/1/2023
DATASONIC GROUP BHD	30/12/2022	Technical Buy	0.47	0.52	0.42	11%	-10%	1.11x	0.51	0.45	0.48	Open	
MEDIA CHINESE INTERNATIONAL	4/1/2023	Technical Buy	0.17	0.20	0.13	21%	-21%	1.00x	0.18	0.17	0.17	Open	
MALAYAN CEMENT BHD	4/1/2023	Technical Buy	2.11	2.32	1.92	10%	-9%	1.11x	2.35	2.04	2.23	TP Hit	20/1/2023
JHM CONSOLIDATION BHD	5/1/2023	Technical Buy	0.72	0.79	0.65	10%	-10%	1.07x	0.83	0.72	0.83	TP Hit	9/1/2023
TALIWORKS CORP BHD	5/1/2023	Technical Buy	0.86	0.95	0.78	11%	-9%	1.19x	0.88	0.85	0.85	Open	
ANCOM NYLEX BHD	6/1/2023	Technical Buy	1.07	1.20	0.95	12%	-11%	1.08x	1.21	1.03	1.18	TP Hit	13/1/2023
CNERGENZ BHD	6/1/2023	Technical Buy	0.82	0.92	0.73	12%	-11%	1.11x	0.91	0.81	0.90	Open	
PEKAT GROUP BERHAD	10/1/2023	Technical Buy	0.47	0.52	0.41	12%	-12%	1.00x	0.52	0.46	0.51	TP Hit	17/1/2023
SCOPE INDUSTRIES BHD	10/1/2023	Technical Buy	0.21	0.25	0.17	22%	-17%	1.29x	0.23	0.19	0.22	Open	
AWANBIRU TECHNOLOGY BHD	11/1/2023	Technical Buy	0.41	0.46	0.36	14%	-11%	1.22x	0.42	0.38	0.40	Open	
SOLARVEST HOLDINGS BHD	11/1/2023	Technical Buy	0.86	0.95	0.76	11%	-11%	1.00x	1.08	0.86	1.04	TP Hit	17/1/2023
MY EG SERVICES BHD	12/1/2023	Technical Buy	0.89	0.99	0.79	11%	-11%	1.00x	0.93	0.88	0.90	Open	
RESERVOIR LINK ENERGY BHD	12/1/2023	Technical Buy	0.36	0.40	0.32	11%	-11%	1.00x	0.37	0.35	0.36	Open	
REVENUE GROUP BHD	13/1/2023	Technical Buy	0.47	0.51	0.42	10%	-10%	1.00x	0.76	0.46	0.66	TP Hit	16/1/2023
RGT BHD	13/1/2023	Technical Buy	0.38	0.42	0.35	11%	-9%	1.14x	0.39	0.37	0.38	Open	
BAHVEST RESOURCES BHD	17/1/2023	Technical Buy	0.32	0.35	0.29	9%	-9%	1.00x	0.33	0.31	0.32	Open	
ASTRO MALAYSIA HOLDINGS BHD	17/1/2023	Technical Buy	0.62	0.69	0.56	11%	-10%	1.17x	0.63	0.61	0.61	Open	
DUFU TECHNOLOGY CORP BHD	18/1/2023	Technical Buy	1.79	1.98	1.62	11%	-9%	1.12x	2.02	1.79	1.95	TP Hit	19/1/2023
JF TECHNOLOGY BHD	18/1/2023	Technical Buy	0.84	0.95	0.75	13%	-11%	1.22x	0.86	0.82	0.86	Open	
BONIA CORP BHD	19/1/2023	Technical Buy	2.56	2.83	2.31	11%	-10%	1.08x	2.65	2.51	2.60	Open	
SIGNATURE INTERNATIONAL BHD	19/1/2023	Technical Buy	2.36	2.60	2.13	10%	-10%	1.04x	2.49	2.34	2.36	Open	
HARTALEGA HOLDINGS BHD	20/1/2023	Technical Buy	1.61	1.78	1.45	11%	-10%	1.06x	1.62	1.57	1.59	Open	
MI TECHNOVATION BHD	20/1/2023	Technical Buy	1.42	1.57	1.27	11%	-11%	1.00x	1.44	1.41	1.44	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.

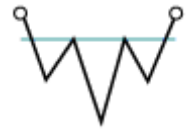
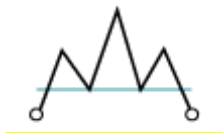



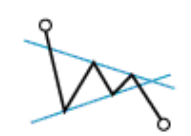
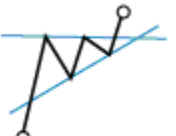
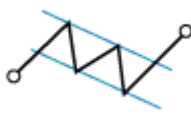
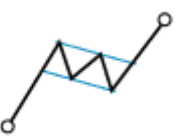

^ Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

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**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 a cross, inverted cross or plus sign. Dojis 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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