

30 January 2023

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After a lull, the bears may return soon to exert fresh selling pressure on the Malaysian bourse. During the holiday-shortened week, the benchmark FBM KLCI was caught within a tight 9-point trading band before finishing at 1,498, which is just barely below the preceding week's close of 1,500. In the US, the DJIA was up 602.6 points or 1.8% week-on-week to end at 33,978.

As market breadth stood positive in all three trading days, daily average turnover on the local stock exchange widened to 3.7b shares in volume and RM2.0b in value (versus the prior week's average of 2.9b shares worth RM1.9b). In terms of weekly fund flows movements, domestic institutions remained marginal net buyers (with net buying trades of RM79m) while foreign investors and local retailers logged net weekly outflows of RM58m and RM21m, respectively.

Following a broadly subdued stock market performance so far in January (which saw the FBM KLCI up slightly by 0.1% month-to-date), investors can look forward to better times ahead as we enter the second month of 2023. Statistically, the odds are favourable as the benchmark index had chalked up gains in February in seven of the last 10 years (including the most recent two years) to register an average monthly return of 1.0% since 2013.

For the coming week, there will be plenty of news flows for investors to chew on. On the corporate front, Vestland (which is involved in the construction of residential and non-residential buildings and is valued at a market cap of RM311.6m based on an IPO offer price of RM0.33 per share) will make its debut on the ACE Market tomorrow. And the earnings reporting season will resume with the latest batch of quarterly financial results announcements from the likes of Sunway REIT (on Monday), Bursa Malaysia, CTOS Digital, Pavilion REIT, KLCC REIT (all on Tuesday) and F&N Holdings (on Friday).

Additionally, macro data scheduled for release include the December banking statistics (tomorrow) and the Malaysia Manufacturing PMI report (on Wednesday). From overseas, worth watching out for will be the outcome of the monetary policy meetings from the US Federal Open Market Committee on Wednesday (with consensus predicting a 0.25% hike in the federal funds rate) and the European Central Bank on Thursday (which will likely raise the key interest rate by 0.5%). This will be followed by the US January employment report due on Friday.

And continuing from where they left off, investors will be scouting for more investment opportunities after last week's steady market trend, given that the FBM KLCI's flattish weekly performance (-0.2%) has masked the positive returns made by the FBM 70 Index (+1.9%), FBM Small Cap Index (+3.4%), FBM Fledgling Index (+2.3%) and FBM ACE Index (+3.2%). By sector, energy (+4.1%), transportation & logistics (+3.8%) and construction (+2.4%) led the weekly gains while plantation (-0.6%) and finance services (-0.4%) ended in the red through the week.

On the chart, after tiptoeing around the 1,500-level, the FBM KLCI may back off from the psychological mark in view of the bearish technical signals triggered by the bellwether's ongoing adjustment from the upper Bollinger Band and the stochastic indicator's overdue reversal from an overbought position as the Parabolic SAR has shifted downward. Hence, the FBM KLCI could swing with a negative bias towards our immediate support threshold of 1,475 (S1). Our first resistance hurdle to obstruct any further advancement of the key market barometer still stands at 1,510 (R1).

On Wall Street, notwithstanding last week's rebound, the DJIA remains vulnerable to renewed profit-taking pressure, possibly on its way to test again the 50-day SMA and pull back from our immediate resistance hurdle of 34,100 (R1). We have kept our first support line at 33,200 (S1).

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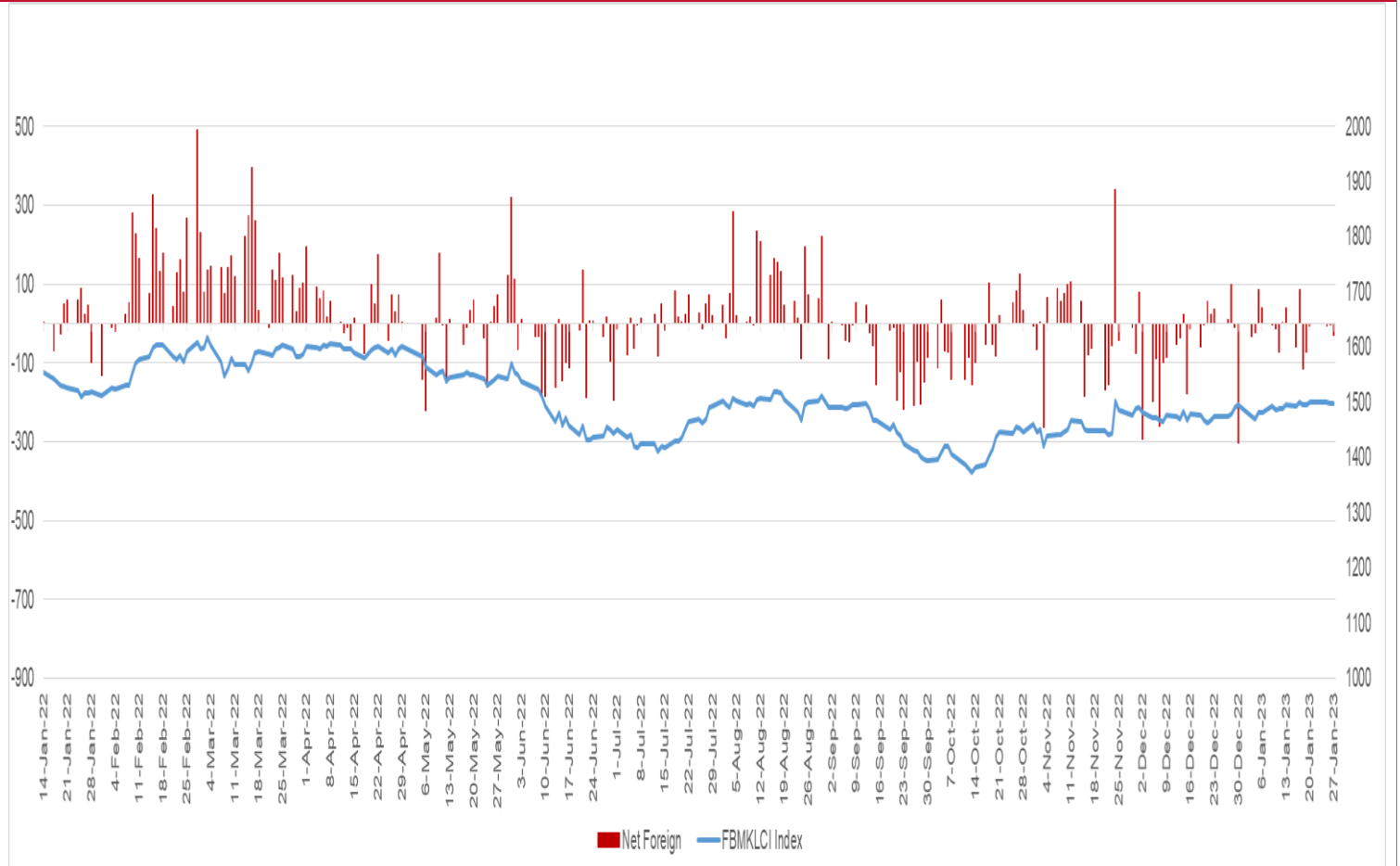


Source: Kenanga Research



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Net Foreign Trade Position vs FBMKLCI



Foreign investors remained net sellers with net outflows of RM57.8 last week compared to cumulative net outflows of RM168.5m in the prior week.

Source: Kenanga Research

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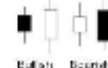

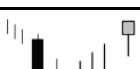
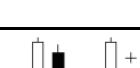



STOCK CALL MONITOR*

Stock Name	Issue Date (ID)	Rating	Price @ ID	Resistance Price (R1)	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			
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	0.49	Open	
MALAYAN CEMENT BHD	4/1/2023	Technical Buy	2.11	2.32	1.92	10%	-9%	1.11x	2.38	2.04	2.34	TP Hit	20/1/2023
MEDIA CHINESE INTERNATIONAL	4/1/2023	Technical Buy	0.17	0.20	0.13	21%	-21%	1.00x	0.18	0.17	0.18	Open	
JHM CONSOLIDATION BHD	5/1/2023	Technical Buy	0.72	0.79	0.65	10%	-10%	1.07x	0.97	0.72	0.88	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	0.86	Open	
ANCOM NYLEX BHD	6/1/2023	Technical Buy	1.07	1.20	0.95	12%	-11%	1.08x	1.22	1.03	1.20	TP Hit	13/1/2023
CNERGENZ BHD	6/1/2023	Technical Buy	0.82	0.92	0.73	12%	-11%	1.11x	0.98	0.81	0.96	TP Hit	25/1/2023
PEKAT GROUP BERHAD	10/1/2023	Technical Buy	0.47	0.52	0.41	12%	-12%	1.00x	0.55	0.46	0.53	TP Hit	17/1/2023
SCOPE INDUSTRIES BHD	10/1/2023	Technical Buy	0.21	0.25	0.17	22%	-17%	1.29x	0.26	0.19	0.24	TP Hit	25/1/2023
SOLARVEST HOLDINGS BHD	11/1/2023	Technical Buy	0.86	0.95	0.76	11%	-11%	1.00x	1.17	0.86	1.14	TP Hit	17/1/2023
AWANBIRU TECHNOLOGY BHD	11/1/2023	Technical Buy	0.41	0.46	0.36	14%	-11%	1.22x	0.43	0.38	0.41	Open	
RESERVOIR LINK ENERGY BHD	12/1/2023	Technical Buy	0.36	0.40	0.32	11%	-11%	1.00x	0.40	0.35	0.39	TP Hit	27/1/2023
MY EG SERVICES BHD	12/1/2023	Technical Buy	0.89	0.99	0.79	11%	-11%	1.00x	0.94	0.88	0.92	Open	
REVENUE GROUP BHD	13/1/2023	Technical Buy	0.47	0.51	0.42	10%	-10%	1.00x	0.76	0.46	0.62	TP Hit	16/1/2023
RGT BHD	13/1/2023	Technical Buy	0.38	0.42	0.35	11%	-9%	1.14x	0.40	0.37	0.38	Open	
BAHVEST RESOURCES BHD	17/1/2023	Technical Buy	0.32	0.35	0.29	9%	-9%	1.00x	0.34	0.31	0.33	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	2.28	1.79	2.27	TP Hit	19/1/2023
JF TECHNOLOGY BHD	18/1/2023	Technical Buy	0.84	0.95	0.75	13%	-11%	1.22x	0.97	0.82	0.92	TP Hit	26/1/2023
BONIA CORP BHD	19/1/2023	Technical Buy	2.56	2.83	2.31	11%	-10%	1.08x	2.65	2.50	2.57	Open	
SIGNATURE INTERNATIONAL BHD	19/1/2023	Technical Buy	2.36	2.60	2.13	10%	-10%	1.04x	2.49	2.34	2.45	Open	
HARTALEGA HOLDINGS BHD	20/1/2023	Technical Buy	1.61	1.78	1.45	11%	-10%	1.06x	1.70	1.57	1.67	Open	
MI TECHNOVATION BHD	20/1/2023	Technical Buy	1.42	1.57	1.27	11%	-11%	1.00x	1.49	1.41	1.46	Open	
AGMO HOLDINGS BHD	26/1/2023	Technical Buy	0.74	0.83	0.66	12%	-11%	1.13x	0.77	0.73	0.76	Open	
RESINTECH BHD	26/1/2023	Technical Buy	0.56	0.62	0.50	11%	-11%	1.00x	0.61	0.53	0.54	Open	
CENGILD MEDICAL BHD	27/1/2023	Technical Buy	0.49	0.55	0.43	12%	-11%	1.09x	0.51	0.49	0.50	Open	
JIANKUN INTERNATIONAL BHD	27/1/2023	Technical Buy	0.22	0.24	0.19	12%	-12%	1.00x	0.22	0.22	0.22	Open	

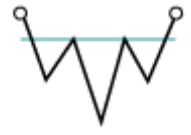
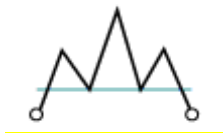
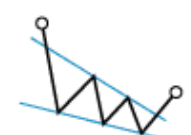


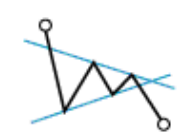
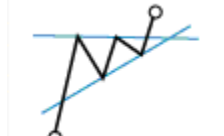
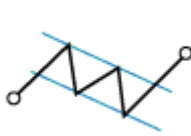


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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 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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