

29 March 2023

By Goh Yin Foo, CFA, CMT | gohyf@kenanga.com.my

Daily technical highlights – (CCK, E&O)

Daily Charting – CCK (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	CCK Consolidated Holdings Bhd	52 Week High/Low	: 0.795/0.53
Bursa Code	: CCK	3-m Avg. Daily Vol.	: 1,305,962
CAT Code	: 7035	Free Float (%)	: 31.9
Market Cap	: RM431.8m	Beta vs. KLCI	: 0.8
		Last Price	: RM0.695
		Resistance	: RM0.77 (R1) RM0.83 (R2)
		Stop Loss	: RM0.63

CCK Consolidated Holdings Bhd (Technical Buy)

- Following a pullback from its recent peak of RM0.795 in early March this year to close at RM0.695 yesterday, CCK’s share price is poised to plot a technical rebound ahead.
- According to our trading system, which is built on the RSI to trigger buy signals when the indicator crosses back above the oversold threshold – the stock is anticipated to resume its upward trajectory. Based on an exit rule of either a 9% profit or 9% stop loss (whichever comes first) from the trigger levels, the back-tested results showed that 46 of the 56 buy alerts generated by the trading system since 2015 were profitable trades (i.e. it has correctly predicted the subsequent share price gains of 9% or more), translating to an accuracy rate of 82%.
- And in view of the appearance of 2 buy alerts on 16 March and 20 March this year, the trading system is currently signalling that the shares could reach the RM0.76 – RM0.77 price range or higher going forward.
- On the chart, we have pegged our resistance targets at RM0.77 (R1; 11% upside potential) and RM0.83 (R2; 19% upside potential). Our stop loss price level is set at RM0.63 (representing a downside risk of 9%).
- Fundamental-wise, CCK (which is involved in retailing and poultry farming) posted net profit of RM13.0m (+81% YoY) in 4QFY22, bringing full-year bottomline to RM62.1m (up 2.5-fold YoY). Based on consensus expectations, the group is forecasted to make net earnings of RM58.6m for FY December 2023 and RM64.8m for FY December 2024, translating to forward PERs of 7.4x this year and 6.7x next year, respectively (with its 1-year rolling forward PER presently hovering at 2SD below its historical mean).
- Meanwhile, the government’s plan to lift the price controls on chickens and eggs after June this year under an initiative to overcome food shortage may benefit CCK under a deregulated business environment.

29 March 2023

Daily Charting – E&O (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Eastern & Oriental Bhd	52 Week High/Low	: 0.57/0.28
Bursa Code	: E&O	3-m Avg. Daily Vol.	: 3,090,906
CAT Code	: 3417	Free Float (%)	: 23.2
Market Cap	: RM449.9m	Beta vs. KLCI	: 0.8
		Last Price	: RM0.31
		Resistance	: RM0.36 (R1) RM0.39 (R2)
		Stop Loss	: RM0.27

Eastern & Oriental Bhd (Technical Buy)

- After overcoming a negative sloping trendline that dates back to mid-October 2021, E&O shares may strive to swing higher ahead.
- Technically speaking, an upward shift in the share price will likely be forthcoming following the positive crossovers by the DMI Plus above the DMI Minus and the stochastic indicator's %K line above the %D line in the oversold territory.
- On the back of the rising momentum, the stock could be making its way towards our resistance thresholds of RM0.36 (R1; 16% upside potential) and RM0.39 (R2; 26% upside potential).
- Our stop loss price level is placed at RM0.27 (representing a downside risk of 13% from yesterday's closing price of RM0.31).
- A premier property developer with a geographical presence in Kuala Lumpur, Penang, Johor and London, E&O reported net profit of RM30.1m (+284% YoY) in 3QFY23, which lifted 9MFY23 bottomline to RM28.5m (a turnaround from net loss of RM15.3m previously).
- According to consensus estimates, the group will likely register net earnings of RM34.3m for FY March 2023 and RM39.2m for FY March 2024.
- Valuation-wise, the stock is presently trading at Price / Book Value multiple of 0.25x (or just marginally above the minus 2SD threshold from its historical mean) based on its book value per share of RM1.23 as of end-December 2022.

29 March 2023





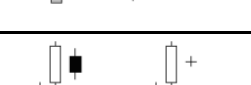
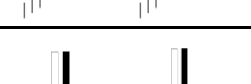


STOCK CALL MONITOR*

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
KELINGTON GROUP BHD	1/3/2023	Technical Buy	1.51	1.70	1.34	13%	-11%	1.12x	1.56	1.39	1.43	Open	
SWIFT HAULAGE BHD	1/3/2023	Technical Buy	0.47	0.52	0.43	11%	-9%	1.25x	0.49	0.46	0.47	Open	
MTAG GROUP BHD	2/3/2023	Technical Buy	0.44	0.50	0.39	14%	-11%	1.20x	0.51	0.42	0.43	TP Hit	6/3/2023
KOBAY TECHNOLOGY BHD	2/3/2023	Technical Buy	2.58	2.90	2.30	12%	-11%	1.14x	2.66	2.45	2.46	Open	
JHM CONSOLIDATION BHD	3/3/2023	Technical Buy	0.79	0.88	0.70	12%	-11%	1.12x	0.86	0.76	0.83	Open	
SOLARVEST HOLDINGS BHD	3/3/2023	Technical Buy	0.92	1.02	0.82	11%	-11%	1.00x	0.97	0.84	0.85	Open	
GHL SYSTEMS BERHAD	7/3/2023	Technical Buy	0.94	1.05	0.83	12%	-11%	1.10x	0.94	0.85	0.86	Open	
JF TECHNOLOGY BHD	7/3/2023	Technical Buy	0.84	0.93	0.75	11%	-11%	1.00x	0.85	0.76	0.79	Open	
BETAMEK BHD	8/3/2023	Technical Buy	0.53	0.60	0.47	13%	-11%	1.17x	0.54	0.43	0.45	SL Hit	21/3/2023
UEM EDGENTA BHD	8/3/2023	Technical Buy	0.98	1.09	0.88	12%	-10%	1.21x	1.02	0.95	1.02	Open	
PEKAT GROUP BERHAD	9/3/2023	Technical Buy	0.46	0.52	0.41	13%	-11%	1.20x	0.46	0.40	0.42	SL Hit	14/3/2023
RESOURCES HOLDINGS BHD PT	9/3/2023	Technical Buy	0.51	0.58	0.46	14%	-11%	1.27x	0.55	0.44	0.46	SL Hit	14/3/2023
DIALOG GROUP BHD	10/3/2023	Technical Buy	2.42	2.70	2.18	12%	-10%	1.17x	2.44	2.25	2.30	Open	
NOTION VTEC BHD	10/3/2023	Technical Buy	0.36	0.39	0.32	10%	-10%	1.00x	0.37	0.33	0.35	Open	
BAHVEST RESOURCES BHD	14/3/2023	Technical Buy	0.28	0.32	0.24	16%	-13%	1.29x	0.32	0.28	0.30	TP Hit	21/3/2023
YTL CORP BHD	14/3/2023	Technical Buy	0.57	0.63	0.51	12%	-10%	1.18x	0.58	0.56	0.58	Open	
MALAKOFF CORP BHD	15/3/2023	Technical Buy	0.68	0.75	0.61	11%	-10%	1.15x	0.71	0.66	0.70	Open	
DRB-HICOM BHD	15/3/2023	Technical Buy	1.39	1.58	1.22	14%	-12%	1.12x	1.43	1.33	1.34	Open	
RAMSSOL GROUP BHD	16/3/2023	Technical Buy	0.32	0.36	0.29	13%	-11%	1.14x	0.36	0.32	0.35	TP Hit	17/3/2023
HENG HUAT RESOURCES GROUP BH	16/3/2023	Technical Buy	0.48	0.54	0.42	14%	-12%	1.18x	0.48	0.40	0.40	SL Hit	28/3/2023
NCT ALLIANCE BHD	17/3/2023	Technical Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.40	0.34	0.38	TP Hit	22/3/2023
SAMAIDEN GROUP BHD	17/3/2023	Technical Buy	0.90	1.00	0.81	11%	-10%	1.11x	0.97	0.87	0.95	Open	
ATA IMS BHD	21/3/2023	Technical Buy	0.29	0.33	0.26	14%	-10%	1.33x	0.33	0.28	0.28	TP Hit	22/3/2023
PJBUMI BHD	21/3/2023	Technical Buy	0.80	0.90	0.70	13%	-12%	1.11x	0.80	0.68	0.69	SL Hit	27/3/2023
HIBISCUS PETROLEUM BHD	22/3/2023	Technical Buy	0.92	1.02	0.82	11%	-10%	1.11x	0.98	0.94	0.97	Open	
INARI AMERTRON BHD	22/3/2023	Technical Buy	2.36	2.60	2.14	10%	-9%	1.09x	2.43	2.35	2.42	Open	
GENTING MALAYSIA BHD	23/3/2023	Technical Buy	2.56	2.82	2.30	10%	-10%	1.00x	2.66	2.55	2.58	Open	
POWER ROOT BHD	23/3/2023	Technical Buy	2.11	2.32	1.90	10%	-10%	1.00x	2.11	2.07	2.08	Open	
ASTRO MALAYSIA HOLDINGS BHD	24/3/2023	Technical Buy	0.71	0.80	0.62	13%	-12%	1.12x	0.72	0.62	0.69	SL Hit	28/3/2023
UZMA BHD	24/3/2023	Technical Buy	0.63	0.70	0.56	12%	-10%	1.15x	0.63	0.56	0.60	SL Hit	27/3/2023
UEM SUNRISE BHD	28/3/2023	Technical Buy	0.25	0.30	0.21	20%	-16%	1.25x	0.26	0.25	0.26	Open	
PLS PLANTATIONS BHD	28/3/2023	Technical Buy	0.94	1.05	0.83	12%	-11%	1.10x	0.93	0.93	0.93	Open	

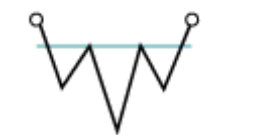





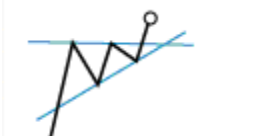
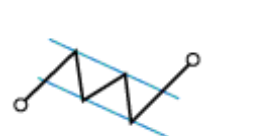


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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.

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

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published by:

KENANGA INVESTMENT BANK BERHAD (15678-H)
 Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
 Telephone: (603) 2172 0880 Website E-mail: research@kenanga.com.my