

30 March 2023

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Daily technical highlights – (CNERGEN, TEXCHEM)

Daily Charting – CNERGEN (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Cnenerg Bhd	<b>52 Week High/Low</b>	: 1.15/0.45
<b>Bursa Code</b>	: CNERGEN	<b>3-m Avg. Daily Vol.</b>	: 2,880,525
<b>CAT Code</b>	: 0246	<b>Free Float (%)</b>	: 30%
<b>Market Cap</b>	: RM418.3m	<b>Beta vs. KLCI</b>	: N.A.
		<b>Last Price</b>	: RM0.84
		<b>Resistance</b>	: RM0.96 (R1) RM1.05 (R2)
		<b>Stop Loss</b>	: RM0.74

**Cnenerg Bhd (Technical Buy)**

- Following its retreat from the peak of RM1.13 in late-September last year to as low as RM0.80 on 3 November 2022, CNERGEN's share price has subsequently swung up and down inside an ascending channel before closing at RM0.84 yesterday.
- Currently hovering near the bottom of the price channel, the stock is poised to swing higher ahead based on the following positive technical signals: (i) the share price has crossed back above the lower Keltner Channel, (ii) the rising Stochastic indicator after climbing out from the oversold zone, and (iii) the emergence of a bullish hammer candlestick.
- Ergo, the strengthening momentum could propel the stock to challenge our resistance thresholds of RM0.96 (R1; 14% upside potential) and RM1.05 (R2; 25% upside potential).
- Our stop loss price level is pegged at RM0.74 (representing a downside risk of 12%).
- CNERGEN – an electronics manufacturing solutions provider that specializes in surface mount technology (SMT) manufacturing solutions for the electronics and semiconductor industries – reported a net profit of RM1.7m in 4QFY22, which brought full-year FY22 net earnings to RM21.7m (prior year comparisons were not available as the Company was listed on 24 May 2022).
- Based on consensus projections, the group is expected to deliver a net profit of RM27.4m in FY December 2023 before rising further to RM29.7m in FY December 2024. This translates to forward PERs of 15.3x and 14.1x, respectively.

Daily Charting – TEXCHEM (Technical Buy)



About the Stock:		Key Support & Resistance Levels			
<b>Name</b>	: Texchem Resources Bhd	<b>52 Week High/Low</b>	: 3.99/1.51	<b>Last Price</b>	: RM1.60
<b>Bursa Code</b>	: TEXCHEM	<b>3-m Avg. Daily Vol.</b>	: 597,248	<b>Resistance</b>	: RM1.80 (R1) RM2.00 (R2)
<b>CAT Code</b>	: 8702	<b>Free Float (%)</b>	: 36%	<b>Stop Loss</b>	: RM1.42
<b>Market Cap</b>	: RM187.3m	<b>Beta vs. KLCI</b>	: 1.8		

Texchem Resources Bhd (Technical Buy)

- TEXCHEM’s share price – which has trended downward from the high of RM3.93 in mid-August 2022 to as low as of RM1.51 on 16 March 2023 – might have found an intermediate support already, setting the stage for a technical rebound ahead.
- On the chart, with the easing of selling pressure as indicated by the declining trading volume recently, the stock is poised to break out from the descending resistance line backed by the Stochastic indicator’s reversal from the oversold area.
- That said, the stock could climb towards our resistance targets of RM1.80 (R1; 13% upside potential) and RM2.00 (R2; 25% upside potential).
- Conversely, our stop loss price level is set at RM1.42 (representing a downside risk of 11% from yesterday’s closing price of RM1.60).
- Fundamental-wise, TEXCHEM has five core business segments, namely industrial (i.e. chemicals trading), polymer engineering, food, restaurant (via the Sushi King brand) and venture business.
- The group logged a net loss of RM0.3m in 4QFY22 (-111% QoQ), which brought its full-year FY22 bottomline to RM21.9m (-12% YoY). The decline in net profit was mainly due to lower demand for its industrial chemical and polymer products (following inventory adjustments by its clients) and an ESOS expense (amounting to RM9.4m).
- Going forward, consensus is estimating that TEXCHEM would report net profit of RM38m in FY December 2023 and RM44m in FY December 2024, which translate to forward PERs of 4.9x and 4.3x, respectively.

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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 RM	Status <sup>^</sup>	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
KELINGTON GROUP BHD	1/3/2023	Technical Buy	1.51	1.70	1.34	13%	-11%	1.12x	1.56	1.39	1.46	Open	
SWIFT HAULAGE BHD	1/3/2023	Technical Buy	0.47	0.52	0.43	11%	-9%	1.25x	0.49	0.46	0.48	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	2.50	Open	
JHM CONSOLIDATION BHD	3/3/2023	Technical Buy	0.79	0.88	0.70	12%	-11%	1.12x	0.86	0.76	0.85	Open	
SOLARVEST HOLDINGS BHD	3/3/2023	Technical Buy	0.92	1.02	0.82	11%	-11%	1.00x	0.97	0.84	0.86	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	0.80	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	1.03	0.95	1.03	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	0.43	0.48	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	2.34	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	1.39	Open	
RAMSSOL GROUP BHD	16/3/2023	Technical Buy	0.32	0.36	0.29	13%	-11%	1.14x	0.36	0.32	0.34	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	0.38	0.41	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	0.37	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	0.96	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.

<sup>^</sup> 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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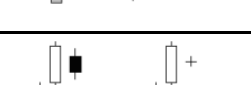
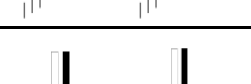


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ATA IMS BHD	21/3/2023	Technical Buy	0.29	0.33	0.26	14%	-10%	1.33x	0.33	0.28	0.29	TP Hit	22/3/2023
PJBUMI BHD	21/3/2023	Technical Buy	0.80	0.90	0.70	13%	-12%	1.11x	0.80	0.68	0.70	SL Hit	27/3/2023
HIBISCUS PETROLEUM BHD	22/3/2023	Technical Buy	0.92	1.02	0.82	11%	-10%	1.11x	1.00	0.94	1.00	Open	
INARI AMERTRON BHD	22/3/2023	Technical Buy	2.36	2.60	2.14	10%	-9%	1.09x	2.43	2.35	2.41	Open	
GENTING MALAYSIA BHD	23/3/2023	Technical Buy	2.56	2.82	2.30	10%	-10%	1.00x	2.66	2.55	2.60	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	0.73	0.62	0.73	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	0.63	SL Hit	27/3/2023
UEM SUNRISE BHD	28/3/2023	Technical Buy	0.25	0.30	0.21	20%	-16%	1.25x	0.27	0.25	0.26	Open	
PLS PLANTATIONS BHD	28/3/2023	Technical Buy	0.94	1.05	0.83	12%	-11%	1.10x	0.95	0.92	0.95	Open	
CCK CONSOLIDATED HOLDINGS BH	29/3/2023	Technical Buy	0.70	0.77	0.63	11%	-9%	1.15x	0.70	0.68	0.69	Open	
EASTERN & ORIENTAL BHD	29/3/2023	Technical Buy	0.31	0.36	0.27	16%	-13%	1.25x	0.32	0.31	0.31	Open	






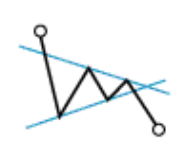

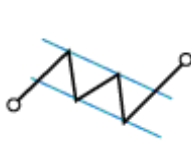


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**Technical Terms:**

Reversal Candlesticks	Patterns	Description
<b>Doji</b> <b>Dragonfly Doji</b> (Bullish) <b>Gravestone Doji</b> (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.
<b>Engulfing Pattern</b>		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.
<b>Hammer</b> (Bullish) <b>Shooting Star</b> (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.
<b>Inverted Hammer</b> (Bullish) <b>Hanging Man</b> (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.
<b>Harami</b> <b>Harami Cross</b>		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.
<b>Marubozu</b>		A Marubozu candlestick has no shadow extending from the body at either the open, the close or at both.
<b>Morning Doji Star</b> (Bullish) <b>Evening Doji Star</b> (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.
<b>Spinning Top</b>		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	<b>Inverted Head &amp; Shoulders</b> (Bullish)	<b>Head &amp; Shoulders</b> (Bearish)	<b>Wedge Reversal</b> (Bullish/ Bearish)	<b>Double Top</b> (Bearish)	<b>Double Bottom</b> (Bullish)
					
Continuation Patterns	<b>Symmetrical Triangle</b> (Bullish/ Bearish)	<b>Ascending Triangle</b> (Bullish)	<b>Channels</b> (Bullish/ Bearish)	<b>Flags</b> (Bullish/ Bearish)	<b>Pennant</b> (Bullish/ Bearish)
					

Source: Various

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