

22 March 2023

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Daily technical highlights – (HIBISCS, INARI)

Daily Charting – HIBISCS (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Hibiscus Petroleum Bhd	52-Week High/Low	: 1.51/0.785
Bursa Code	: HIBISCS	3-m Avg. Daily Vol.	: 10,262,930
CAT Code	: 5199	Free Float (%)	: 75%
Market Cap	: RM1,841.4m	Beta vs. KLCI	: 1.4
		Last Price	: RM0.915
		Resistance	: RM1.02 (R1) RM1.08 (R2)
		Stop Loss	: RM0.82

Hibiscus Petroleum Bhd (Technical Buy)

- HIBISCS's share price has slid from a peak of RM1.51 in May 2022 to as low as RM0.785 in July 2022 before making a recovery since then to close at RM0.915 yesterday.
- On the chart, the share price is expected to resume its upward momentum backed by an anticipated reversal in: (i) both the RSI and Stochastic indicators from the oversold area, and (ii) the stock price from the lower Bollinger Band.
- Hence, we expect the share price to rise and test our resistance thresholds of RM1.02 (R1; 12% upside potential) and RM1.08 (R2; 18% upside potential).
- Conversely, our stop-loss price has been identified at RM0.82 (representing a 10% downside risk).
- A listed independent oil and gas exploration and production company with a diversified portfolio of assets and concessions located across Malaysia, the United Kingdom, Australia and Vietnam, HIBISCS is a direct proxy to elevated oil prices.
- Earnings-wise, the group reported a stronger net profit of RM70.5m in 2QFY23 compared with a net profit of RM48.5m in 2QFY22, lifted mainly by the higher average realised oil price and relatively lower average opex per bbl. This took its 1HFY23 bottom line to a net profit of RM205.7m (versus a net profit of RM90m previously).
- Based on consensus forecasts, HIBISCS's net earnings are projected to come in at RM503m in FY June 2023 and RM481.8m in FY June 2024, which translate to forward PERs of 3.7x this year and 3.8x next year.

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Daily Charting – INARI (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Inari Amertron Bhd	52-Week High/Low	: 3.23/2.28
Bursa Code	: INARI	3-m Avg. Daily Vol.	: 4,628,715
CAT Code	: 0166	Free Float (%)	: 57%
Market Cap	: RM8,809.7m	Beta vs. KLCI	: 0.8
		Last Price	: RM2.36
		Resistance	: RM2.60 (R1) RM2.80 (R2)
		Stop Loss	: RM2.14

Inari Amertron Bhd (Technical Buy)

- The share price of INARI has dropped 45% from a peak of RM4.30 in late November 2021 to close at RM2.36 yesterday. With the share price falling towards its 52-week low, further downside risk may be cushioned by the short-term support line at RM2.28.
- On the chart, a technical rebound is likely in view of both the RSI and Stochastic indicators from the oversold area.
- An upward shift could then propel the stock towards our resistance targets of RM2.60 (R1; 10% upside potential) and RM2.80 (R2; 19% upside potential).
- Our stop-loss level is pegged at RM2.14 (representing a 9% downside risk).
- Fundamentally speaking, INARI is involved in the electronics manufacturing services (EMS) industry, providing outsourced semiconductor assembly and test (OSAT) niche services in radio frequency (RF) system in package (SiP) for smart mobile devices, fibre optic transceivers and other electronics manufacturing services.
- Earnings-wise, the group reported a net profit of RM93.6m in 2QFY23 compared with a net profit of RM107.3m in 2QFY22 dragged by comparatively lower loading volume in the optoelectronics business segment. This dragged 1HFY23's bottom line down to RM199.9m (versus a net profit of RM214.2m previously).
- Based on consensus forecasts, INARI is expected to record net earnings of RM383.1m in FY June 2023 and RM424m in FY June 2024, which translate to forward PERs of 23.0x this year and 20.8x next year.

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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 [^]	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
IJM CORP BHD	22/2/2023	Technical Buy	1.57	1.72	1.43	10%	-9%	1.07x	1.72	1.56	1.59	TP Hit	9/3/2023
PROLEXUS BHD	22/2/2023	Technical Buy	0.50	0.58	0.43	16%	-14%	1.14x	0.55	0.43	0.45	SL Hit	13/3/2023
SYSTECH BHD	23/2/2023	Technical Buy	0.31	0.35	0.28	13%	-11%	1.14x	0.35	0.27	0.31	TP Hit	24/2/2023
HARN LEN CORP BHD	23/2/2023	Technical Buy	0.74	0.83	0.66	13%	-11%	1.19x	0.78	0.71	0.73	Open	
QES GROUP BHD	24/2/2023	Technical Buy	0.65	0.71	0.58	10%	-10%	1.00x	0.66	0.58	0.59	SL Hit	14/3/2023
CNERGENZ BHD	24/2/2023	Technical Buy	0.88	0.97	0.79	11%	-10%	1.06x	0.96	0.86	0.89	Open	
CCK CONSOLIDATED HOLDINGS BHD	28/2/2023	Technical Buy	0.78	0.88	0.69	13%	-12%	1.11x	0.80	0.69	0.72	SL Hit	14/3/2023
LEONG HUP INTERNATIONAL BHD	28/2/2023	Technical Buy	0.49	0.54	0.43	11%	-11%	1.00x	0.53	0.48	0.50	Open	
KELINGTON GROUP BHD	1/3/2023	Technical Buy	1.51	1.70	1.34	13%	-11%	1.12x	1.56	1.39	1.41	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	0.78	Open	
SOLARVEST HOLDINGS BHD	3/3/2023	Technical Buy	0.92	1.02	0.82	11%	-11%	1.00x	0.97	0.85	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	0.78	Open	
BETAMEK BHD	8/3/2023	Technical Buy	0.53	0.60	0.47	13%	-11%	1.17x	0.54	0.47	0.48	SL Hit	21/3/2023
UEM EDGENTA BHD	8/3/2023	Technical Buy	0.98	1.09	0.88	12%	-10%	1.21x	1.00	0.95	1.00	Open	
PEKAT GROUP BERHAD	9/3/2023	Technical Buy	0.46	0.52	0.41	13%	-11%	1.20x	0.46	0.40	0.41	SL Hit	14/3/2023
PT RESOURCES HOLDINGS BHD	9/3/2023	Technical Buy	0.51	0.58	0.46	14%	-11%	1.27x	0.55	0.45	0.47	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	2.28	2.26	Open	
NOTION VTEC BHD	10/3/2023	Technical Buy	0.36	0.39	0.32	10%	-10%	1.00x	0.36	0.33	0.34	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	0.57	0.56	0.56	Open	
MALAKOFF CORP BHD	15/3/2023	Technical Buy	0.68	0.75	0.61	11%	-10%	1.15x	0.69	0.66	0.68	Open	
DRB-HICOM BHD	15/3/2023	Technical Buy	1.39	1.58	1.22	14%	-12%	1.12x	1.43	1.35	1.38	Open	
RAMSSOL GROUP BHD	16/3/2023	Technical Buy	0.32	0.36	0.29	13%	-11%	1.14x	0.36	0.32	0.33	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	0.45	0.45	Open	
NCT ALLIANCE BHD	17/3/2023	Technical Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.37	0.34	0.37	Open	
SAMAIDEN GROUP BHD	17/3/2023	Technical Buy	0.90	1.00	0.81	11%	-10%	1.11x	0.93	0.88	0.92	Open	
ATA IMS BHD	21/3/2023	Technical Buy	0.29	0.33	0.26	14%	-10%	1.33x	0.31	0.29	0.30	Open	
PJBUMI BHD	21/3/2023	Technical Buy	0.80	0.90	0.70	13%	-12%	1.11x	0.80	0.74	0.74	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

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