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As volatility makes a comeback, the Malaysian bourse could remain under pressure ahead. The FBM KLCI plunged deeper into the red last week, sliding to as low as 1,391 on Thursday before staging a recovery on Friday to settle at 1,412. This represents a week-on-week fall of 21.4 points or 1.5%, its fourth straight weekly loss. Over on Wall Street, the DJIA – after swinging wildly throughout the week in response to news of Credit Suisse in financial troubles and the European Central Bank announcing a further rate hike of 50 basis points – closed at 31,862 for a weekly dip of 47.7 points or 0.1%.

Against a backdrop of negative market breadth in three of the five days, the local stock exchange logged daily average trading volume of 3.6b shares valued at RM2.7b, versus the prior week's average of 2.8b shares worth RM1.9b. Meanwhile, foreign investors extended their selling spree, posting net weekly outflows of RM536m with local retailers turning net sellers (amounting to RM30m) while domestic institutions registered net buying trades (valued at RM566m).

For the week ahead, the news pipeline appears fairly quiet on the home front. Macro data scheduled for release include the February external trade statistics (later today) and the February Consumer Price Index report (on Friday). There will also be the quarterly earnings report cards from the likes of Gamuda, Yinson and Eco World (all on Thursday).

Yet, the spotlight will be on the outcome of the US Federal Open Market Committee meeting to be held on Tuesday and Wednesday. Indeed, the policymakers will have to find a tricky balance between combating inflation (by raising interest rates further) and preventing the spread of contagion effects following the recent spate of bank failures in the US (chiefly triggered by rising interest rates). Interestingly, consensus view has now swung back to a 25-basis point hike in the federal funds rate (with a probability of 62%) vis-à-vis an anticipated increase of 50 basis points just a week ago.

Amid the clouds of heightened uncertainty, investor sentiment is expected to remain wobbly for the time being. This follows last week's broad market weakness, which saw the FBM KLCI (-1.5%), FBM Small Cap Index (-2.2%), FBM Fledgling Index (-2.6%) and FBM ACE Index (-1.5%) all tumbling except for the FBM 70 Index (+0.6%). By sector, energy (-4.0%), finance services (-2.7%) and utilities (-2.0%) were the worst hit while healthcare (+6.3%), plantation (+1.6%) and REIT (+0.2%) logged weekly gains.

And among the FBM KLCI constituents, Public Bank (-1.2% / -2.3 index points), Press Metal (-3.8% / -2.1 index points) and CIMB (-1.5% / -1.7 index points) were the top index laggards which were mitigated by positive contributions from Petronas Chemicals (+3.3% / +2.1 index points), Tenaga (+1.8% / +1.7 index points) and IOI Corporation (+4.5% / +1.7 index points).

Technically speaking, it remains doubtful whether the relief rebound – up from last week's trough of 1,391 to close at 1,412 – will persist. With the stochastic indicator still stuck in the oversold territory, the declining Parabolic SAR trend is suggesting that a resumption of the negative momentum is probable. From a charting standpoint, the FBM KLCI could shift downwards and test again our first support threshold of 1,395 (S1), a break of which may then push the bellwether towards its preceding trough of 1,373 that was hit in mid-October last year. Our next support line is currently identified at 1,355 (S2) while the immediate resistance hurdle to counter any intermittent run-up is set at 1,440 (R1).

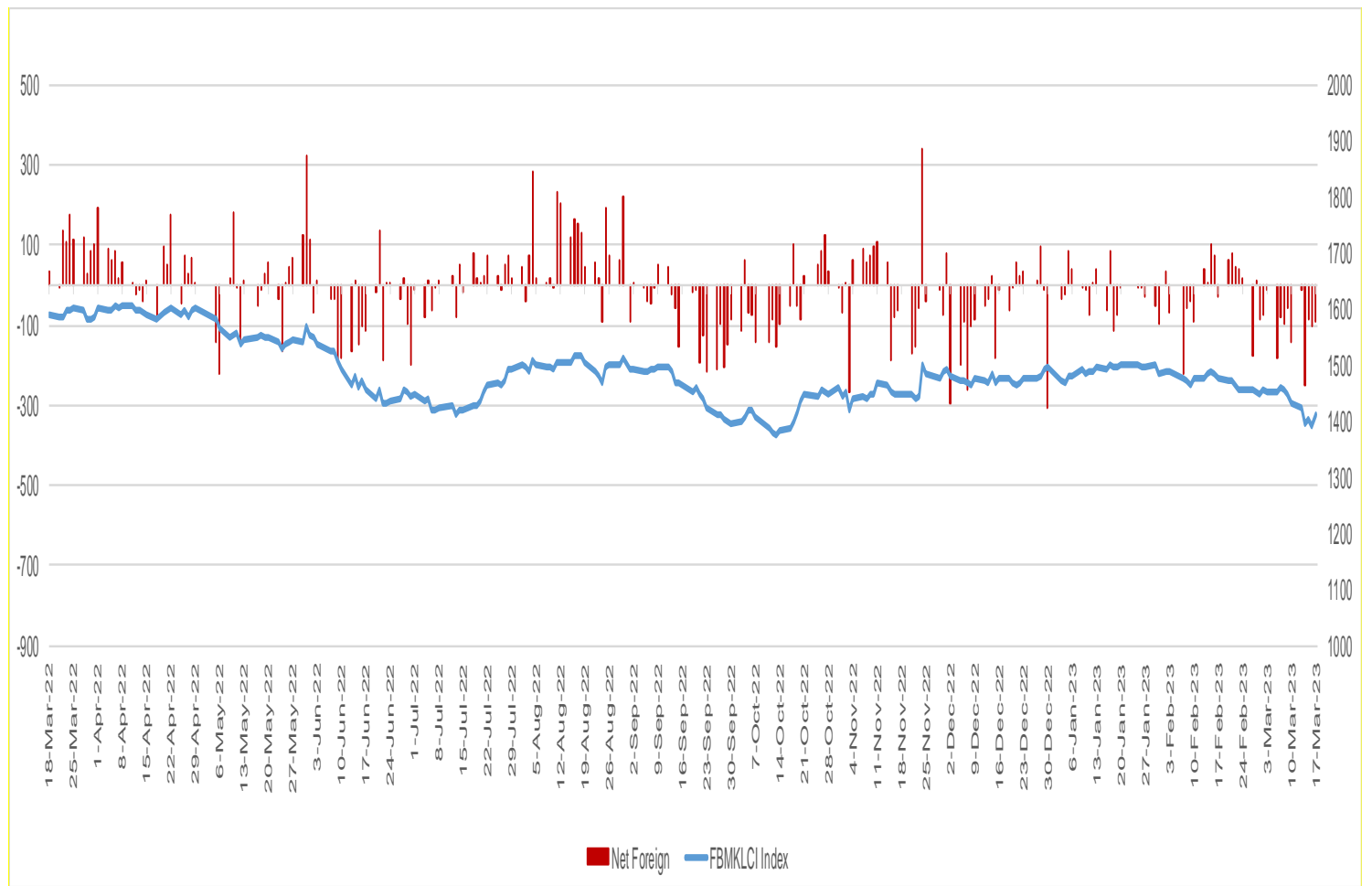
In the US, the DJIA may face renewed selling pressure following last week's flattish performance as the Parabolic SAR is still signalling a negative bias. With that said, the key market barometer will likely retrace to test again our first immediate support level of 31,300 (S1) while 32,350 (R1) remains as our immediate resistance barrier.

20 March 2023



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Net Foreign Trade Position vs FBMKLCI



Foreign investors remained net sellers with net outflows RM536.0m last week compared to cumulative net outflows of RM556.9m in the prior week.

Source: Kenanga Research


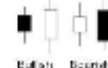

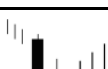
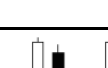


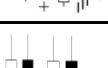
STOCK CALL MONITOR*

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	RM		
TALIWORKS CORP BHD	21/2/2023	Technical Buy	0.88	0.96	0.80	9%	-9%	1.00x	0.91	0.85	0.87	Open	
UEM SUNRISE BHD	21/2/2023	Technical Buy	0.26	0.29	0.23	14%	-10%	1.40x	0.28	0.24	0.25	Open	
PROLEXUS BHD	22/2/2023	Technical Buy	0.50	0.58	0.43	16%	-14%	1.14x	0.55	0.43	0.44	SL Hit	13/3/2023
IJM CORP BHD	22/2/2023	Technical Buy	1.57	1.72	1.43	10%	-9%	1.07x	1.72	1.56	1.63	TP Hit	9/3/2023
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	
CNERGENZ BHD	24/2/2023	Technical Buy	0.88	0.97	0.79	11%	-10%	1.06x	0.96	0.86	0.91	Open	
QES GROUP BHD	24/2/2023	Technical Buy	0.65	0.71	0.58	10%	-10%	1.00x	0.66	0.58	0.60	SL Hit	14/3/2023
CCK CONSOLIDATED HOLDINGS BH	28/2/2023	Technical Buy	0.78	0.88	0.69	13%	-12%	1.11x	0.80	0.69	0.70	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	1.43	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	2.54	Open	
JHM CONSOLIDATION BHD	3/3/2023	Technical Buy	0.79	0.88	0.70	12%	-11%	1.12x	0.86	0.76	0.80	Open	
SOLARVEST HOLDINGS BHD	3/3/2023	Technical Buy	0.92	1.02	0.82	11%	-11%	1.00x	0.97	0.85	0.88	Open	
GHL SYSTEMS BERHAD	7/3/2023	Technical Buy	0.94	1.05	0.83	12%	-11%	1.10x	0.94	0.85	0.89	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	0.48	0.49	Open	
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	0.42	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	0.45	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	2.31	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	0.29	0.28	0.29	Open	
YTL CORP BHD	14/3/2023	Technical Buy	0.57	0.63	0.51	12%	-10%	1.18x	0.57	0.56	0.57	Open	
MALAKOFF CORP BHD	15/3/2023	Technical Buy	0.68	0.75	0.61	11%	-10%	1.15x	0.69	0.66	0.67	Open	
DRB-HICOM BHD	15/3/2023	Technical Buy	1.39	1.58	1.22	14%	-12%	1.12x	1.43	1.36	1.43	Open	
HENG HUAT RESOURCES GROUP BH	16/3/2023	Technical Buy	0.48	0.54	0.42	14%	-12%	1.18x	0.48	0.45	0.47	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
NCT ALLIANCE BHD	17/3/2023	Technical Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.36	0.34	0.35	Open	
SAMAIDEN GROUP BHD	17/3/2023	Technical Buy	0.90	1.00	0.81	11%	-10%	1.11x	0.93	0.91	0.92	Open	

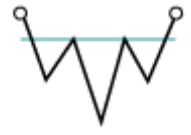
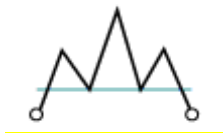



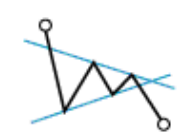
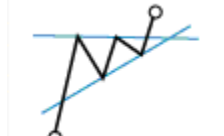
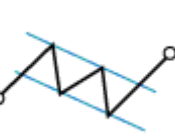


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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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