

27 March 2023

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With investors' confidence still clouded by contagion fears arising from an unstable global banking system, the Malaysian bourse may continue to tread on shaky grounds ahead. Last week, the FBM KLCI gyrated inside a 14-point range before closing at its intra-week low of 1,400 on Friday. This translates to a weekly dip of 12.0 points or 0.9% for the benchmark index. Over in the US, following its central bank's decision to raise the federal funds rate by a further 25 basis points as anticipated, the DJIA ended at 32,238 (up 375.6 points or 1.2% week-on-week).

As rising counters outnumbered falling ones in three of the five days on the local stock exchange, daily average trading volume averaged 3.2b shares valued at RM1.9b, down from the previous week's average of 3.6b shares worth RM2.7b. In terms of fund flows pattern, there were no significant movements with foreign investors registering marginal net weekly outflows of RM98m, which was matched by net buying trades by domestic institutions and local retailers (amounting to RM13m and RM85m, respectively).

A broadly quiet week is coming up as we enter the final stretch of the first quarter of 2023. Scheduled on the calendar of events are: (i) the publication of Securities Commission Malaysia 2022 Annual Report later today (which may highlight strategic plans for the capital markets going forward), (ii) the release of Bank Negara Malaysia 2022 Annual Report and related reports on Wednesday (which will reveal various economic forecasts for this year), and (iii) the February banking statistics on Friday. On the corporate front, there will be quarterly financial results announcements from the likes of Astro (due this evening).

Against such a backdrop, investors are expected to stay nervous following last week's jittery market performance, which saw the FBM KLCI (-0.9%), FBM70 Index (-0.5%), FBM Small Cap Index (-0.6%), FBM Fledgling Index (-0.2%) closing in negative territory except for the FBM ACE Index (up 1.0% during the week). By sector, industrial products & services (-2.6%), energy (-2.4%) and plantation (-2.3%) declined the most while healthcare (+2.7%), property (+1.5%) and technology (+0.9%) were the outperformers.

Chart-wise, the FBM KLCI has now ended in the red in eight of the last nine weeks, logging a cumulative loss of 100.6 points or 6.7% since 20 January this year. While the bearish momentum will likely persist – as currently indicated by the sliding Parabolic SAR trend and the 50-day SMA cutting below the 100-day SMA – the bellwether may strive to regain its footing following any further weakness. On balance, the FBM KLCI could swing sideways with a slight downward bias, possibly testing again our first support threshold of 1,395 (S1), a break of which may then push the benchmark index towards its preceding trough of 1,373 touched in mid-October last year. Our immediate resistance hurdle to counter any intermittent run-up stays at 1,440 (R1).

On Wall Street, the DJIA remains vulnerable to further downside risk after slipping 2,093.9 points or 6.1% since mid-February this year, plotting lower highs along the way. Following the negative crossing by the 50-day SMA below the 100-day SMA, the key market barometer may regress towards our first support level of 31,300 (S1). On the upside, our immediate resistance barrier is seen at 32,350 (R1).

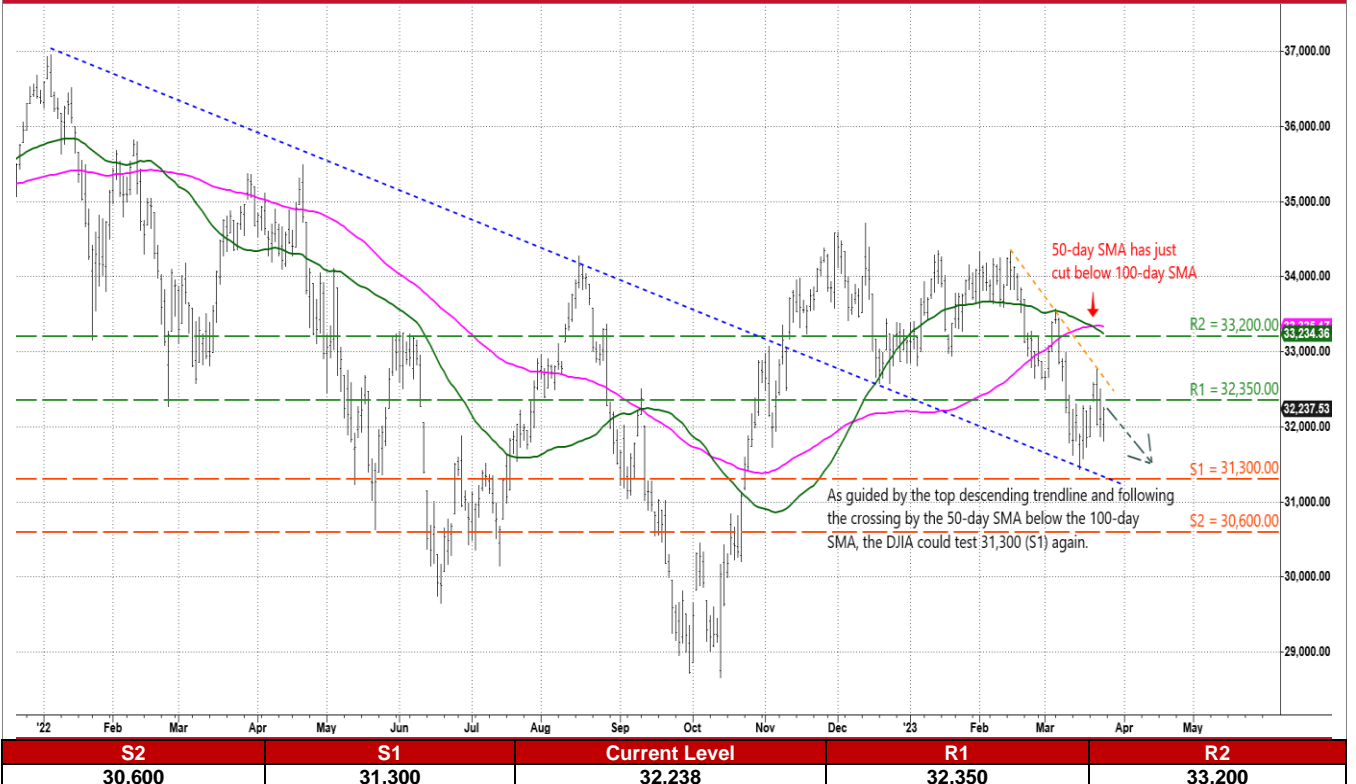
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Chart 1 – FBMKLCI



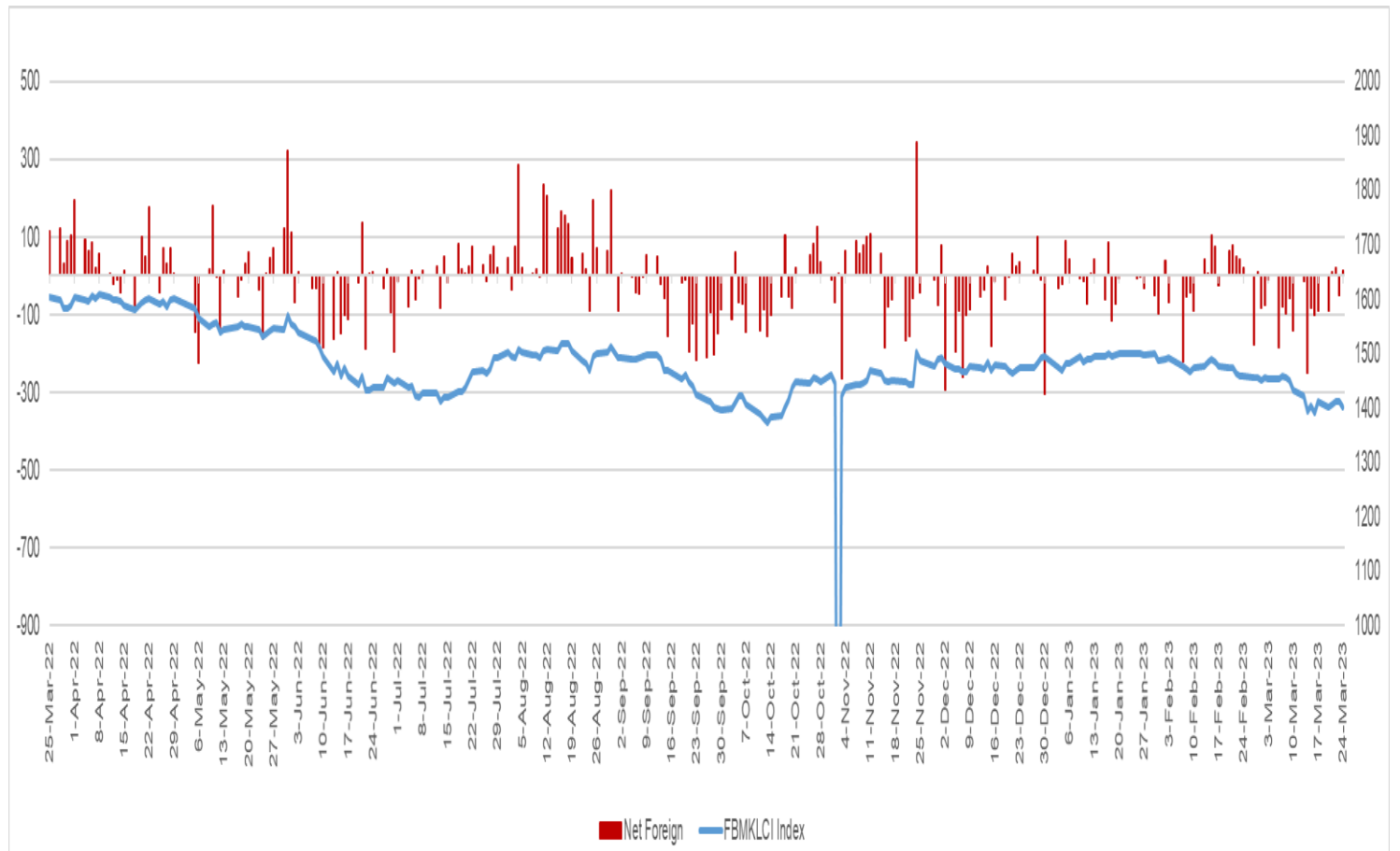
Source: Kenanga Research

Chart 2 – DJIA



Source: Kenanga Research

Net Foreign Trade Position vs FBMKLCI



Foreign investors remained net sellers with net outflows of RM98.2m last week compared to cumulative net outflows of RM536.0m 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	RM			
CCK CONSOLIDATED HOLDINGS BH	28/2/2023	Technical Buy	0.78	0.88	0.69	13%	-12%	1.11x	0.80	0.69	0.71	SL Hit	14/3/2023
LEONG HUP INTERNATIONAL BHD	28/2/2023	Technical Buy	0.49	0.54	0.43	11%	-11%	1.00x	0.54	0.48	0.52	TP Hit	23/3/2023
KELINGTON GROUP BHD	1/3/2023	Technical Buy	1.51	1.70	1.34	13%	-11%	1.12x	1.56	1.39	1.45	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	2.53	Open	
JHM CONSOLIDATION BHD	3/3/2023	Technical Buy	0.79	0.88	0.70	12%	-11%	1.12x	0.86	0.76	0.81	Open	
SOLARVEST HOLDINGS BHD	3/3/2023	Technical Buy	0.92	1.02	0.82	11%	-11%	1.00x	0.97	0.85	0.87	Open	
GHL SYSTEMS BERHAD	7/3/2023	Technical Buy	0.94	1.05	0.83	12%	-11%	1.10x	0.94	0.85	0.87	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	0.45	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	1.00	0.95	0.99	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	0.46	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	2.26	Open	
NOTION VTEC BHD	10/3/2023	Technical Buy	0.36	0.39	0.32	10%	-10%	1.00x	0.37	0.33	0.36	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	0.70	0.66	0.69	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	0.44	0.47	Open	
NCT ALLIANCE BHD	17/3/2023	Technical Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.40	0.34	0.40	TP Hit	22/3/2023
SAMAIDEN GROUP BHD	17/3/2023	Technical Buy	0.90	1.00	0.81	11%	-10%	1.11x	0.93	0.87	0.92	Open	
ATA IMS BHD	21/3/2023	Technical Buy	0.29	0.33	0.26	14%	-10%	1.33x	0.33	0.29	0.30	TP Hit	22/3/2023
PJBUMI BHD	21/3/2023	Technical Buy	0.80	0.90	0.70	13%	-12%	1.11x	0.80	0.71	0.71	Open	
HIBISCUS PETROLEUM BHD	22/3/2023	Technical Buy	0.92	1.02	0.82	11%	-10%	1.11x	0.97	0.94	0.95	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	

* 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.

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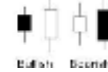

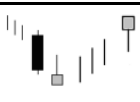




Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Resistance Price (R1) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status [^]	Date Status Fulfilled
GENTING MALAYSIA BHD	23/3/2023	Technical Buy	2.56	2.82	2.30	10%	-10%	1.00x	2.59	2.55	2.55	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	0.67	0.67	Open	
UZMA BHD	24/3/2023	Technical Buy	0.63	0.70	0.56	12%	-10%	1.15x	0.63	0.61	0.61	Open	

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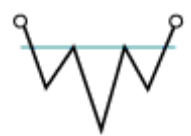
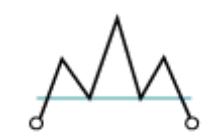
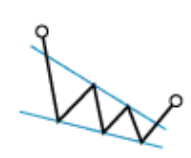




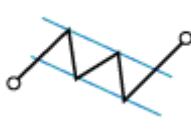


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Basic Technical Terms:

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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