

25 April 2023

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It is going to be slow and sluggish for the Malaysian bourse going forward. The key FBM KLCI oscillated inside a tight 18-point range during the holiday-shortened week, closing lower day-by-day before ending at 1,422, down 13.0 points or 0.9% week-on-week. In the US, the DJIA finished at 33,809 – which translated to a minute weekly dip of 77.5 points or 0.2% – amidst a dearth of fresh market-related news.

As falling counters beat rising ones in all the four trading days, the local stock exchange recorded daily average turnover of 3.0b shares in volume and RM1.7b in value, compared with the prior week's average of 3.0b shares worth RM1.8b. And in a reversal from the preceding week's fund flows movements, both foreign investors and domestic institutions registered net weekly outflows (of RM151m and RM7m, respectively) that were matched by net buying trades by local retailers (valued at RM158m).

Just like last week, news flows will be slow in view of the fewer working days in the coming week (as well as for the following week). Scheduled for release on the calendar of events include the March banking statistics (on Friday) and corporate earnings announcements by the likes of Nestle (Malaysia) (on Tuesday), Unisem (on Wednesday) as well as IGB REIT and CapitalLand Malaysia Trust (both on Thursday).

Against this backdrop, the sluggish performance will probably persist. In the week just ended, all the five main indices, namely the FBM KLCI (-0.9%), FBM 70 Index (-1.6%), FBM Small Cap Index (-1.6%), FBM Fledgling Index (-0.7%) and FBM ACE Index (-0.5%) ended in the red. By sector, healthcare (-3.9%), technology (-2.7%) and energy (-2.6%) lost the most ground as only utilities (+2.0%) and telecommunications & media (+1.0%) finished in positive territory.

From a charting perspective, the FBM KLCI appears to be losing momentum following last week's broad market weakness. Amidst the ongoing consolidation pattern, the stochastic indicator's unwinding from an overbought position is signalling that the bellwether – which is also on the edge of breaking below the 25-day SMA – remains vulnerable to renewed selling pressure. With that said, the key market barometer could show a negative bias ahead, possibly pulling back deeper from our first resistance hurdle of 1,440 (R1) towards our immediate support threshold of 1,395 (S1).

On Wall Street, after surging 2,379.1 points or 7.6% from a low of 31,430 in mid-March this year, the DJIA will probably back off from our immediate resistance barrier of 34,100 (R1) as the 50-day SMA remains below the 100-day SMA. Our first support line stays at 33,200 (S1).



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Chart 1 – FBMKLCI



Source: Kenanga Research

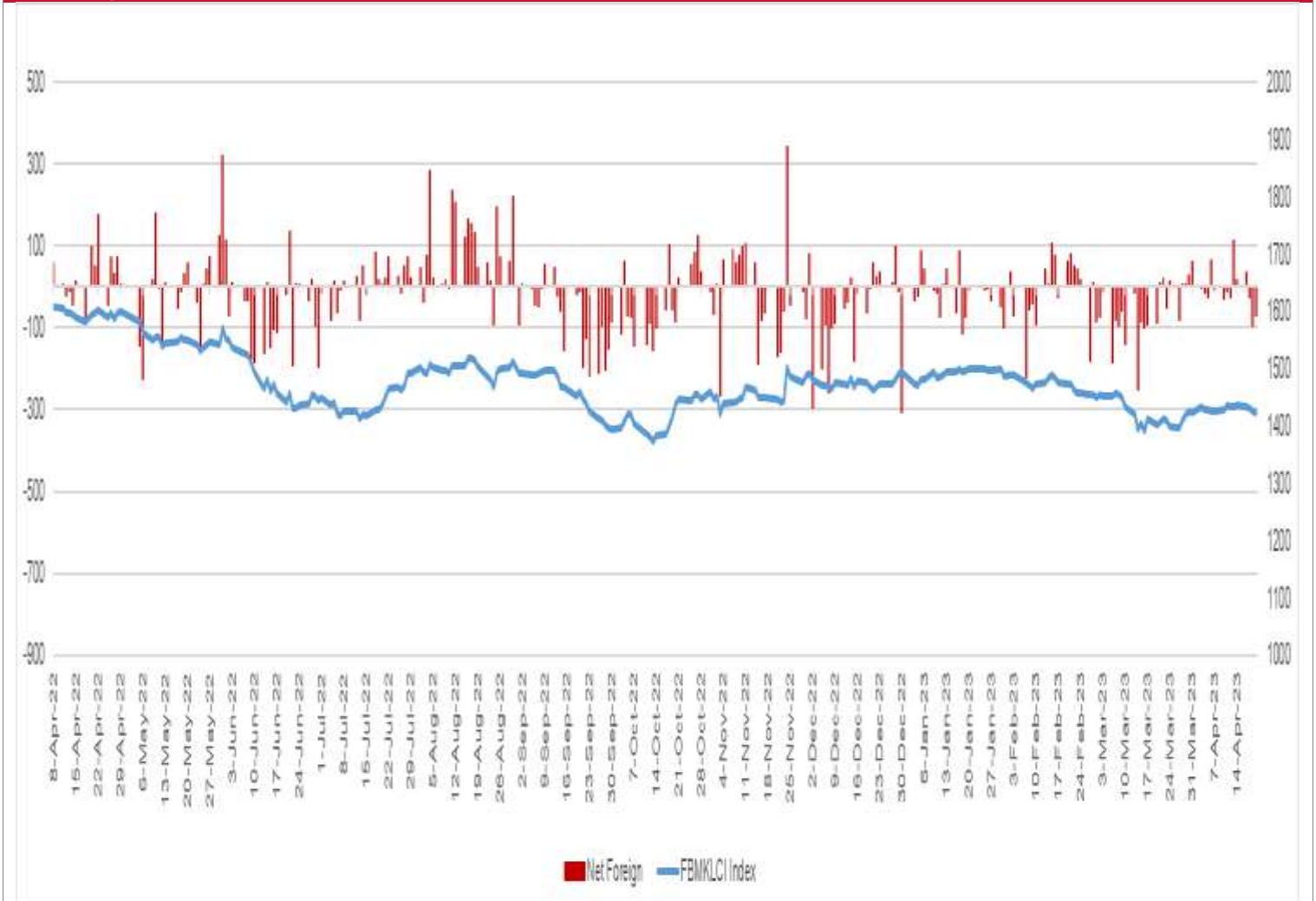
Chart 2 – DJIA



Source: Kenanga Research,

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Net Foreign Trade Position vs FBMKLCI



Foreign investors turned net sellers with net outflows of RM151.1m last week compared to cumulative net inflows of RM69.5m 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 <sup>^</sup>	Date Status Fulfilled
			RM	RM	RM	%	%	RM	RM	RM			
UEM SUNRISE BHD	28/3/2023	Technical Buy	0.25	0.30	0.21	20%	-16%	1.25x	0.29	0.25	0.26	Open	
PLS PLANTATIONS BHD	28/3/2023	Technical Buy	0.94	1.05	0.83	12%	-11%	1.10x	1.02	0.88	0.89	Open	
CCK CONSOLIDATED HOLDINGS BH	29/3/2023	Technical Buy	0.70	0.77	0.63	11%	-9%	1.15x	0.74	0.68	0.71	Open	
EASTERN & ORIENTAL BHD	29/3/2023	Technical Buy	0.31	0.36	0.27	16%	-13%	1.25x	0.38	0.31	0.35	TP Hit	12/4/2023
CNERGENZ BHD	30/3/2023	Technical Buy	0.84	0.96	0.74	14%	-12%	1.20x	0.95	0.84	0.93	Open	
TEXCHEM RESOURCES BERHAD	30/3/2023	Technical Buy	1.60	1.80	1.42	13%	-11%	1.11x	1.69	1.59	1.63	Open	
DATASONIC GROUP BHD	31/3/2023	Technical Buy	0.42	0.46	0.38	10%	-10%	1.00x	0.46	0.41	0.43	TP Hit	14/4/2023
NATIONGATE HOLDINGS BHD	31/3/2023	Technical Buy	1.21	1.34	1.09	11%	-10%	1.08x	1.35	1.20	1.31	TP Hit	14/4/2023
KIM HIN JOO BHD	4/4/2023	Technical Buy	0.21	0.25	0.18	19%	-14%	1.33x	0.23	0.21	0.21	Open	
CUSCAPI BHD	4/4/2023	Technical Buy	0.20	0.23	0.16	18%	-18%	1.00x	0.21	0.18	0.19	Open	
RESERVOIR LINK ENERGY BHD	5/4/2023	Technical Buy	0.34	0.39	0.29	15%	-15%	1.00x	0.35	0.32	0.33	Open	
SAMCHEM HOLDINGS BHD	5/4/2023	Technical Buy	0.58	0.66	0.52	14%	-10%	1.33x	0.59	0.57	0.57	Open	
CAREPLUS GROUP BHD	6/4/2023	Technical Buy	0.33	0.37	0.29	14%	-12%	1.13x	0.37	0.31	0.31	TP Hit	10/4/2023
V.S. INDUSTRY BERHAD	6/4/2023	Technical Buy	0.83	0.94	0.73	13%	-12%	1.10x	0.85	0.81	0.82	Open	
ELSOFT RESEARCH BHD	7/4/2023	Technical Buy	0.63	0.69	0.56	10%	-10%	1.00x	0.65	0.59	0.60	Open	
SOLARVEST HOLDINGS BHD	7/4/2023	Technical Buy	0.90	0.99	0.81	11%	-9%	1.12x	0.96	0.87	0.89	Open	
SKP RESOURCES BHD	11/4/2023	Technical Buy	1.27	1.45	1.12	14%	-12%	1.20x	1.31	1.22	1.28	Open	
KUB MALAYSIA BHD	11/4/2023	Technical Buy	0.50	0.55	0.44	11%	-11%	1.00x	0.52	0.48	0.51	Open	
CJ CENTURY LOGISTICS HOLDING	12/4/2023	Technical Buy	0.49	0.56	0.43	14%	-12%	1.17x	0.52	0.48	0.51	Open	
CTOS DIGITAL BHD	12/4/2023	Technical Buy	1.29	1.41	1.17	9%	-9%	1.00x	1.37	1.28	1.35	Open	
COSMOS TECHNOLOGY INTERNATIO	13/4/2023	Technical Buy	0.51	0.58	0.45	13%	-12%	1.08x	0.53	0.47	0.47	Open	
INFOLINE TEC GROUP BHD	13/4/2023	Technical Buy	0.89	1.00	0.78	12%	-12%	1.00x	0.93	0.82	0.83	Open	
CORAZA INTEGRATED TECHNOLOGY	14/4/2023	Technical Buy	0.88	0.98	0.78	12%	-11%	1.11x	0.91	0.84	0.85	Open	
FIAMMA HOLDINGS BERHAD	14/4/2023	Technical Buy	1.05	1.18	0.94	12%	-10%	1.18x	1.09	0.99	0.99	Open	
OCK GROUP BHD	18/4/2023	Technical Buy	0.42	0.46	0.37	11%	-11%	1.00x	0.42	0.40	0.41	Open	
SOUTHERN CABLE GROUP BHD	18/4/2023	Technical Buy	0.32	0.36	0.29	13%	-11%	1.14x	0.32	0.30	0.31	Open	
TECHBOND GROUP BHD	19/4/2023	Technical Buy	0.41	0.45	0.37	11%	-9%	1.29x	0.41	0.40	0.40	Open	
SENHENG NEW RETAIL BHD	19/4/2023	Technical Buy	0.44	0.50	0.38	15%	-13%	1.18x	0.45	0.42	0.44	Open	
YBS INTERNATIONAL BHD	20/4/2023	Technical Buy	0.67	0.75	0.59	12%	-12%	1.00x	0.68	0.65	0.67	Open	
YEW LEE PACIFIC GROUP BHD	20/4/2023	Technical Buy	0.34	0.38	0.30	12%	-12%	1.00x	0.34	0.33	0.34	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.

**Basic Technical Terms:**

Reversal Candlesticks	Patterns	Description
<b>Doji</b> 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.
<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 (Bullish)</b> 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.
<b>Inverted Hammer (Bullish)</b> 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.
<b>Harami</b> 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.
<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 (Bullish)</b> 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.
<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	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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