

19 May 2023

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Daily technical highlights – (AJIYA, QES)

Daily Charting – AJIYA (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Ajiya Bhd	<b>52 Week High/Low</b>	: 1.92/0.99
<b>Bursa Code</b>	: AJIYA	<b>3-m Avg. Daily Vol.</b>	: 827,344
<b>CAT Code</b>	: 7609	<b>Free Float (%)</b>	: 28%
<b>Market Cap</b>	: RM444.7m	<b>Beta vs. KLCI</b>	: 0.9
		<b>Last Price</b>	: RM1.53
		<b>Resistance</b>	: RM1.71 (R1) RM1.88 (R2)
		<b>Stop Loss</b>	: RM1.36

**Ajiya Bhd (Technical Buy)**

- AJIYA’s share price might have found an intermediate support already after retracing from RM1.91 on 13 February 2023 and bounced off from a recent low of RM1.51 on 11 May 2023 before closing at RM1.53 yesterday.
- A technical rebound is now anticipated triggered by the following bullish indicators: (i) the Stochastic is climbing out from the oversold zone, (ii) the bullish crossover by the DMI Plus above the DMI Minus, and (iii) the MACD is on the verge of crossing above the signal line.
- An extended upward trajectory could then propel the stock to climb towards our resistance targets of RM1.71 (R1; 12% upside potential) and RM1.88 (R2; 23% upside potential).
- Our stop loss price is pegged at RM1.36 (representing an 11% downside risk).
- Business-wise, AJIYA is a Malaysia-based building material manufacturer which specializes in roofing, glass and other metals as well as aluminium products.
- The group reported a net profit of RM46.1m (including an one-off gain of RM43m arising from fair value gain) in 1QFY23 after registering a full-year net profit of RM29.1m (69% YoY) in FY22.
- Valuation-wise, the stock is currently trading at a Price/Book Value multiple of 1x based on its book value per share of RM1.55 as of end-February 2023.

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Daily Charting – QES (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: QES Group Bhd	<b>52 Week High/Low</b>	: 0.77/0.41
<b>Bursa Code</b>	: QES	<b>3-m Avg. Daily Vol.</b>	: 2,732,086
<b>CAT Code</b>	: 0196	<b>Free Float (%)</b>	: 41%
<b>Market Cap</b>	: RM450.4m	<b>Beta vs. KLCI</b>	: 0.8
		<b>Last Price</b>	: RM0.54
		<b>Resistance</b>	: RM0.60 (R1) RM0.66 (R2)
		<b>Stop Loss</b>	: RM0.48

QES Group Bhd (Technical Buy)

- Following a retracement of 23% from the peak of RM0.67 on 11 April 2023 to a low of RM0.515 this Monday, QES' share price has crossed back above the lower Keltner Channel to close at RM0.54 yesterday.
- From a technical standpoint, the stock is expected to extend its upward bias given that the Stochastic indicator is in the midst of climbing out from the oversold zone amid an emerging Parabolic SAR uptrend.
- Hence, the stock is poised to advance towards our resistance thresholds of RM0.60 (R1; 11% upside potential) and RM0.66 (R2; 22% upside potential).
- Conversely, our stop loss level is set at RM0.48 (representing an 11% downside risk).
- QES is a manufacturer and distributor of inspection, test, measuring, analytical and automated handling equipment.
- Earnings-wise, the group reported a net profit of RM5.5m in 4QFY22 (+25% QoQ), which brought its full-year FY22 bottomline to RM26.4m (+39% YoY).
- Based on consensus projections, the group is expected to report net profit of RM27.8m in FY December 2023 and RM30.7m in FY December 2024, which translate to PERs of 16.2x and 14.5x, respectively.

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## STOCK CALL MONITOR\*

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 <sup>^</sup>	Date Status Fulfilled
TECHBOND GROUP BHD	19/4/2023	Technical Buy	0.41	0.45	0.37	11%	-9%	1.29x	0.41	0.38	0.38	Open	
SENHENG NEW RETAIL BHD	19/4/2023	Technical Buy	0.44	0.50	0.38	15%	-13%	1.18x	0.45	0.42	0.43	Open	
YBS INTERNATIONAL BHD	20/4/2023	Technical Buy	0.67	0.75	0.59	12%	-12%	1.00x	0.68	0.54	0.58	SL Hit	3/5/2023
YEW LEE PACIFIC GROUP BHD	20/4/2023	Technical Buy	0.34	0.38	0.30	12%	-12%	1.00x	0.35	0.30	0.32	Open	
CLASSIC SCENIC BHD #	26/4/2023	Technical Buy	0.54	0.61	0.49	13%	-9%	1.40x	0.65	0.51	0.54	TP Hit	11/5/2023
FARM FRESH BHD	26/4/2023	Technical Buy	1.50	1.65	1.37	10%	-9%	1.15x	1.58	1.49	1.56	Open	
DIALOG GROUP BHD	27/4/2023	Technical Buy	2.30	2.55	2.10	11%	-9%	1.25x	2.38	2.15	2.20	Open	
VOLCANO BHD	27/4/2023	Technical Buy	0.82	0.93	0.73	13%	-11%	1.22x	0.97	0.82	0.94	TP Hit	17/5/2023
PEKAT GROUP BERHAD	28/4/2023	Technical Buy	0.41	0.45	0.36	11%	-11%	1.00x	0.42	0.38	0.40	Open	
SAMAIDEN GROUP BHD	28/4/2023	Technical Buy	0.89	0.99	0.81	11%	-9%	1.25x	0.97	0.87	0.92	Open	
GDEX BHD	3/5/2023	Technical Buy	0.20	0.25	0.15	25%	-25%	1.00x	0.21	0.18	0.19	Open	
POS MALAYSIA BERHAD	3/5/2023	Technical Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.56	0.53	0.54	Open	
NCT ALLIANCE BHD	5/5/2023	Technical Buy	0.37	0.42	0.32	14%	-14%	1.00x	0.37	0.35	0.37	Open	
POWER ROOT BHD	5/5/2023	Technical Buy	2.16	2.40	1.94	11%	-10%	1.09x	2.26	2.08	2.12	Open	
ECONPILE HOLDINGS BHD	9/5/2023	Technical Buy	0.22	0.25	0.18	16%	-16%	1.00x	0.22	0.21	0.22	Open	
ALLIANCE BANK MALAYSIA BHD	9/5/2023	Technical Buy	3.39	3.75	3.06	11%	-10%	1.09x	3.39	3.30	3.33	Open	
JHM CONSOLIDATION BHD	10/5/2023	Technical Buy	0.76	0.85	0.67	13%	-11%	1.12x	0.80	0.76	0.79	Open	
PERAK TRANSIT BHD	10/5/2023	Technical Buy	1.01	1.14	0.90	13%	-11%	1.18x	1.14	1.01	1.11	TP Hit	11/5/2023
MY EG SERVICES BHD	11/5/2023	Technical Buy	0.79	0.89	0.69	13%	-12%	1.05x	0.81	0.78	0.80	Open	
RAMSSOL GROUP BHD	11/5/2023	Technical Buy	0.38	0.43	0.34	12%	-12%	1.00x	0.40	0.36	0.36	Open	
ANCOM NYLEX BHD	12/5/2023	Technical Buy	1.00	1.10	0.90	10%	-10%	1.00x	1.02	1.00	1.02	Open	
SOLARVEST HOLDINGS BHD	12/5/2023	Technical Buy	0.87	0.96	0.78	11%	-10%	1.12x	0.99	0.86	0.99	TP Hit	18/5/223
HENG HUAT RESOURCES GROUP BH	16/5/2023	Technical Buy	0.32	0.36	0.28	13%	-13%	1.00x	0.34	0.32	0.34	Open	
UMEDIC GROUP BHD	16/5/2023	Technical Buy	0.76	0.86	0.67	13%	-13%	1.00x	0.78	0.73	0.74	Open	
MALAKOFF CORP BHD	17/5/2023	Technical Buy	0.67	0.74	0.61	10%	-9%	1.17x	0.69	0.67	0.68	Open	
CYPARK RESOURCES BHD	17/5/2023	Technical Buy	0.73	0.82	0.63	13%	-13%	1.00x	0.75	0.71	0.74	Open	
CORAZA INTEGRATED TECHNOLOGY	18/5/2023	Technical Buy	0.82	0.90	0.73	10%	-10%	1.00x	0.83	0.81	0.81	Open	
KIM TECK CHEONG CONSOLIDATED	18/5/2023	Technical Buy	0.24	0.27	0.21	13%	-13%	1.00x	0.25	0.24	0.24	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.

# Share price data for CSCENIC has been adjusted for a 1-for-2 bonus issue (following its ex-entitlement date on 10 May 2023).

**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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