

30 May 2023

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Daily technical highlights – (KGB, MBMR)

Daily Charting – KGB (Technical Buy)



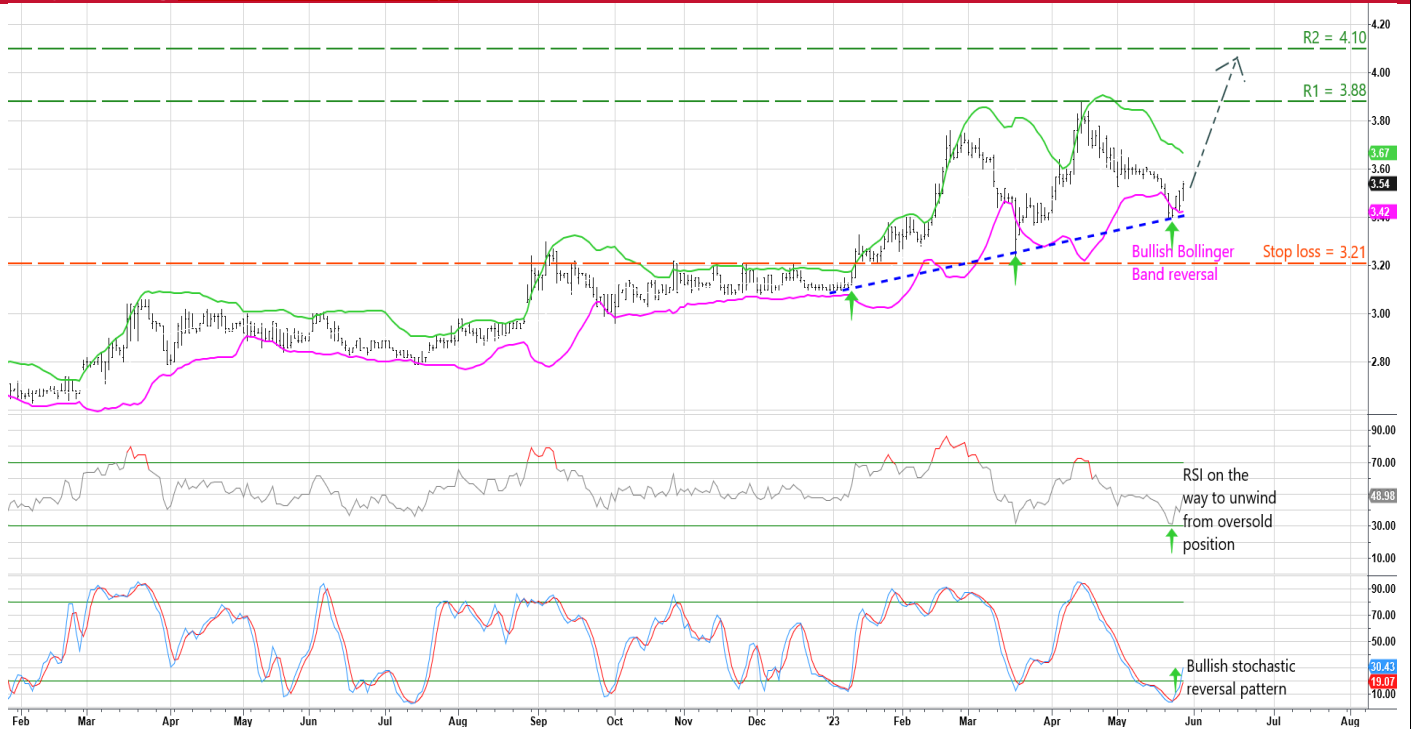
About the Stock:			Key Support & Resistance Levels		
Name	: Kelington Group Bhd	52 Week High/Low	: 1.65/1.06	Last Price	: RM1.40
Bursa Code	: KGB	3-m Avg. Daily Vol.	: 935,853	Resistance	: RM1.53 (R1) RM1.65 (R2)
CAT Code	: 0151	Free Float (%)	: 50.8	Stop Loss	: RM1.27
Market Cap	: RM900.2m	Beta vs. KLCI	: 0.9		

Kelington Group Bhd (Technical Buy)

- A resumption of KGB's share price uptrend could be in the works following its retracement from a high of RM1.65 in mid-February this year to close at RM1.40 yesterday.
- Technically speaking, the price momentum is expected to pick up in view of an emerging Parabolic SAR uptrend while both the RSI and stochastic indicators are making their way out from the oversold territory.
- With that said, the stock will probably advance towards our resistance thresholds of RM1.53 (R1; 9% upside potential) and RM1.65 (R2; 18% upside potential).
- We have placed our stop loss price level at RM1.27 (representing a downside risk of 9%).
- Business-wise, KGB is an integrated engineering services provider with a niche in ultra-high purity (UHP) gas and chemical delivery solutions for the high technology industry. It is also involved in the industrial gases business (providing on-site gas supply & manufacturing of liquid carbon dioxide), process engineering and general contracting activities.
- After posting net profit of RM55.4m (+91% YoY) for FY December 2022, the group recently announced another set of strong net earnings of RM16.2m (+95% YoY) for 1QFY23.
- According to consensus expectations, on the back of an outstanding orderbook of RM1.8b as of end-March 2023, KGB is projected to record net earnings of RM60.9m in FY23 and RM63.7m in FY24.
- This translates to forward PERs of 14.8x this year and 14.1x next year, respectively with its 1-year rolling forward PER currently hovering marginally below the minus 1SD threshold from its historical mean.

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Daily Charting – MBMR (Technical Buy)



About the Stock:		Key Support & Resistance Levels		
Name	MBM Resources Bhd	52 Week High/Low	: 3.97/3.09	
Bursa Code	MBMR	3-m Avg. Daily Vol.	: 398,174	
CAT Code	5983	Free Float (%)	: 31.5	
Market Cap	RM1,383.7m	Beta vs. KLCI	: 0.7	
		Last Price	: RM3.54	
		Resistance	: RM3.88 (R1) RM4.10 (R2)	
		Stop Loss	: RM3.21	

MBM Resources Bhd (Technical Buy)

- After climbing from a trough of RM3.01 in the beginning of December 2021, plotting a sequence of higher lows and higher highs along the way, MBMR's share price (up 2.6% to close at RM3.54 yesterday) is poised to extend its upward trajectory ahead.
- With the shares currently hovering near an intermediate ascending trendline, a bounce-up is anticipated following the price crossing back above the lower Bollinger Band as both the RSI and stochastic indicators are in the midst of unwinding from the oversold position.
- On the back of the strengthening momentum, the stock could make its way to challenge our resistance targets of RM3.88 (R1; 10% upside potential) and RM4.10 (R2; 16% upside potential).
- Our stop loss price level is set at RM3.21 (representing a downside risk of 9%).
- An automotive group that operates through two business divisions – motor trading (with distributorship and dealership of major vehicle brands such as Perodua, Volvo, Daihatsu) and auto parts manufacturing – MBMR registered net profit of RM281.6m (+64% YoY) in FY22 that was followed by net earnings of RM80.0m (-10% YoY) in 1QFY23.
- Consensus is currently forecasting the group to show net profit of RM257.1m for FY December 2023 and RM239.4m for FY December 2024.
- Valuation-wise, this translates to forward PERs of 5.4x this year and 5.8x next year, respectively with its 1-year rolling forward PER currently trading at 1SD below its historical mean.
- In terms of dividend returns, the stock will be traded ex-entitlement for its FY22 final dividend of 6.0 sen per share on 16 June.
- Based on consensus DPS forecasts of 30.1 sen in FY23 and 27.4 sen in FY24, MBMR shares presently offer prospective dividend yields of 8.5% this year and 7.7% next year, respectively.

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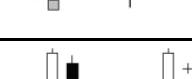
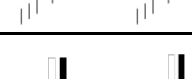
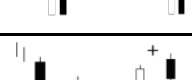

STOCK CALL MONITOR*

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^	Date Status Fulfilled
GDEX BHD	3/5/2023	Technical Buy	0.20	0.25	0.15	25%	-25%	1.00x	0.21	0.16	0.17	Open	
POS MALAYSIA BERHAD	3/5/2023	Technical Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.56	0.53	0.53	Open	
NCT ALLIANCE BHD	5/5/2023	Technical Buy	0.37	0.42	0.32	14%	-14%	1.00x	0.38	0.35	0.35	Open	
POWER ROOT BHD	5/5/2023	Technical Buy	2.16	2.40	1.94	11%	-10%	1.09x	2.26	1.97	2.10	Open	
ECONPILE HOLDINGS BHD	9/5/2023	Technical Buy	0.22	0.25	0.18	16%	-16%	1.00x	0.23	0.17	0.19	SL Hit	23/5/2023
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	0.72	0.74	Open	
PERAK TRANSIT BHD	10/5/2023	Technical Buy	1.01	1.14	0.90	13%	-11%	1.18x	1.14	1.01	1.10	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	0.73	0.78	Open	
RAMSSOL GROUP BHD	11/5/2023	Technical Buy	0.38	0.43	0.34	12%	-12%	1.00x	0.40	0.34	0.34	Open	
ANCOM NYLEX BHD	12/5/2023	Technical Buy	1.00	1.10	0.90	10%	-10%	1.00x	1.02	0.99	1.00	Open	
SOLARVEST HOLDINGS BHD	12/5/2023	Technical Buy	0.87	0.96	0.78	11%	-10%	1.12x	1.05	0.86	1.04	TP Hit	18/5/2023
HENG HUAT RESOURCES GROUP BH	16/5/2023	Technical Buy	0.32	0.36	0.28	13%	-13%	1.00x	0.35	0.31	0.32	Open	
UMEDIC GROUP BHD	16/5/2023	Technical Buy	0.76	0.86	0.67	13%	-13%	1.00x	0.78	0.70	0.71	Open	
MALAKOFF CORP BHD	17/5/2023	Technical Buy	0.67	0.74	0.61	10%	-9%	1.17x	0.69	0.61	0.61	SL Hit	29/5/2023
CYPARK RESOURCES BHD	17/5/2023	Technical Buy	0.73	0.82	0.63	13%	-13%	1.00x	0.75	0.61	0.62	SL Hit	26/5/2023
CORAZA INTEGRATED TECHNOLOGY	18/5/2023	Technical Buy	0.82	0.90	0.73	10%	-10%	1.00x	0.83	0.72	0.79	SL Hit	25/5/2023
KIM TECK CHEONG CONSOLIDATED	18/5/2023	Technical Buy	0.24	0.27	0.21	13%	-13%	1.00x	0.26	0.23	0.24	Open	
AJIYA BHD	19/5/2023	Technical Buy	1.53	1.71	1.36	12%	-11%	1.06x	1.54	1.40	1.46	Open	
QES GROUP BHD	19/5/2023	Technical Buy	0.54	0.60	0.48	11%	-11%	1.00x	0.57	0.51	0.56	Open	
LTKM BHD	23/5/2023	Technical Buy	1.43	1.62	1.28	13%	-10%	1.27x	1.46	1.43	1.44	Open	
PMB TECHNOLOGY BHD	23/5/2023	Technical Buy	3.89	4.30	3.51	11%	-10%	1.08x	3.93	3.77	3.78	Open	
MUAR BAN LEE GROUP BHD	24/5/2023	Technical Buy	0.52	0.56	0.47	9%	-9%	1.00x	0.54	0.51	0.53	Open	
YEW LEE PACIFIC GROUP BHD	24/5/2023	Technical Buy	0.33	0.37	0.29	14%	-11%	1.29x	0.33	0.32	0.33	Open	
INARI AMERTRON BHD	25/5/2023	Technical Buy	2.25	2.53	1.97	12%	-12%	1.00x	2.50	2.25	2.47	Open	
SUNVIEW GROUP BHD	25/5/2023	Technical Buy	0.70	0.77	0.63	10%	-10%	1.00x	0.74	0.69	0.72	Open	
BUMI ARMADA BERHAD	26/5/2023	Technical Buy	0.66	0.73	0.59	11%	-10%	1.15x	0.66	0.62	0.65	Open	
COASTAL CONTRACTS BHD	26/5/2023	Technical Buy	2.35	2.62	2.10	11%	-11%	1.08x	2.35	2.26	2.32	Open	

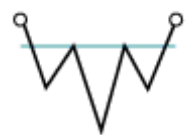




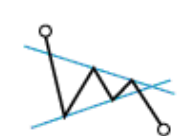
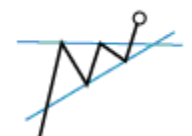
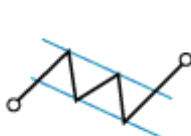

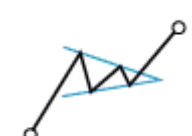
* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

^ 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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