By Chan Ken Yew / kychan@kenanga.com.my

Figure 1: Daily Charting – FBMKLCI

Source: Bloomberg, Kenanga Research

Basic Data				
52-week High	1,822.68			**(in Million)**
52-week Low	1,572.03		**KLCI Vol**	120.54
Current Level	1,601.00		**Bursa Vol**	1894.33
Intraday High	1,608.39		**Bursa Val**	1742.25
Intraday Low	1,601.00			

Technical Ratings				
Resistance 2	1,650		**MACD**	Bearish
Resistance 1	1,630		**RSI (14)**	Neutral
Current Level	1,601.00		**Stochastic**	Neutral
Support 1	1,570			
Support 2	1,550		**Outlook**	Bearish

Asian markets ended mixed await for ECB stimulus plan

- Asian stocks ended mix as investors are waiting for announcement from European Central Bank (ECB) on its stimulus plan.
- Back home, the FBMKLCI lost 1.3 points (-0.08%) to close at 1,601 after Bank Negara Malaysia announced to remain OPR rate at 3%.
- Chart-wise, the underlying trend of the index remains bearish as the index remains below 50- and 100-day SMAs, due to lack of market catalyst.
- Should the selling pressure persist, key support levels can be seen at 1,570 (S1) and 1,550 (S2).
- Conversely, overhead resistance levels can be found at 1,630 (R1) and 1,650 (R2).

Wall Street inches higher with ECB economic-stimulus measures

- Wall Street inched closer to record levels, amid ECB rate cut. Meanwhile, investors continued to react positively on U.S. China trade aggressions that continued to soften.
- The Dow gained 45.41 points (+0.17%) to close at 27,182.45.
- Chart-wise the index has been trading above all key SMAs since the significant breakout since last week. Meanwhile, we note that RSI is currently heading towards the overbought territory, and should it be able to sustain, we expect the index to re-test its record high.
- From here on, resistance levels can be identified at 27,200 (R1) and 27,800 (R2), while support levels can be found at 25,100 (S1) and 24,900 (S2).

Daily technical highlights – (PENTA, MALAKOF)

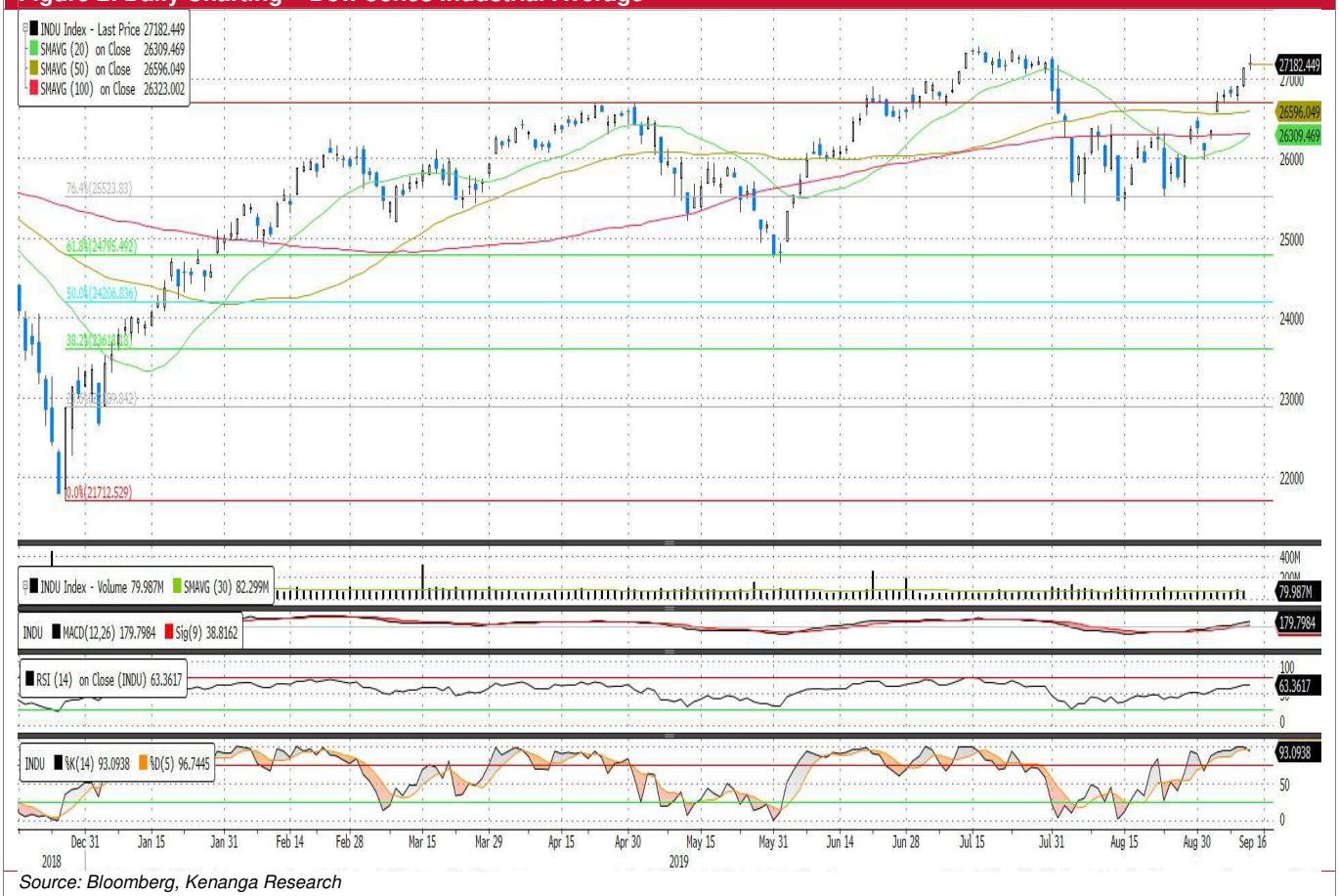
PENTA (Not Rated)

- PENTA gained 18.0sen (+4.89%) to close at RM3.86 yesterday.
- The share has been on an uptrend since early-January and is currently at its all-time high.
- Yesterday's candlestick closed higher and break above its ascending triangle pattern formation. Coupled with a bullish MACD Crossover and all key SMAs that appear to be healthy, we expect the share to trend higher.
- With that, key resistances can be seen at RM4.20 (R1) and RM4.40 (R2).
- Conversely, key support levels can be found at RM3.50 (S1) and RM3.30 (S2).

MALAKOF (Not Rated)

- MALAKOF lost 1.0sen (-1.18%) to end at RM0.840 yesterday.
- Chart-wise the share has been consolidating since early-August.
- Yesterday's candlestick gapped down and traded below all key SMAs, indicating that selling pressure has escalated. Coupled with below-average trading volume and lacklustre in key technical indicators, we expect the downtrend to persist.
- Should selling pressure persist, key support levels can be seen at RM0.800 (S1) and RM0.740 (S2).
- With that, key resistance levels can be seen at RM0.885 (R1) and RM0.925 (R2).

Figure 2: Daily Charting – Dow Jones Industrial Average



Source: Bloomberg, Kenanga Research

Figure 3: Daily Charting – Pentamaster Corporation Bhd (Not Rated)

About the stock:

Name	:	Pentamaster Corporation Bhd
Bursa Code	:	PENTA
CAT Code	:	7160
Shariah Compliant	:	Yes
Market Cap	:	1,833.0
52 Week High/Low	:	3.92/1.53
3-m Avg. Daily Vol.	:	1,984,508.00
Free Float (%)	:	62.62%
Beta vs. KLCI	:	1.6

Key Support & Resistance Levels

Resistance	:	RM4.20 (R1)	RM4.40 (R2)
Support	:	RM3.50 (S1)	RM3.30 (S2)
Outlook	:	Bullish	

What does the indicator says

MACD	:	Bullish
RSI	:	Neutral
Stochastic	:	Overbought
Trend	:	Bullish

What should you do

Current Share Price	:	RM3.86
Technical Target	:	-
Technical Cut-loss	:	-

Fundamental Call

Kenanga	:	-
Consensus	:	RM4.16

Source: Bloomberg, Kenanga Research

Figure 4: Daily Charting – Malakoff Corporation Bhd (Not Rated)

Source: Bloomberg, Kenanga Research

About the stock:

Name	:	Malakoff Corporation Bhd
Bursa Code	:	MALAKOF
CAT Code	:	5264
Shariah Compliant	:	Yes
Market Cap	:	4,105.0
52 Week High/Low	:	0.99/0.75
3-m Avg. Daily Vol.	:	2,053,371.00
Free Float (%)	:	18.33%
Beta vs. KLCI	:	1.2

Key Support & Resistance Levels

Resistance	:	RM0.885 (R1) RM0.925 (R2)
Support	:	RM0.800 (S1) RM0.740 (S2)
Outlook	:	Bearish

What does the indicator says

MACD	:	Bearish
RSI	:	Neutral
Stochastic	:	Oversold
Trend	:	Bearish

What should you do

Current Share Price	:	RM0.840
Technical Target	:	-
Technical Cut-loss	:	-

Fundamental Call

Kenanga	:	RM1.00
Consensus	:	RM0.99

This section is intentionally left blank

Unrealised Positions (September 2019)

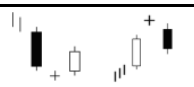
No	CATS Code	Stock Name	Issued Date (ID)	Price @ ID	Target Price	Stop-Loss	Upside Potential @ ID	Downside Risk @ ID	Reward/ Risk Ratio @ ID	Last Price	Dividend Received since ID	Gain/ Loss (incl. Div.)	Gain/ Loss	Rating	Comment/ Action
					RM	RM	(%)	(%)	(x)	RM	RM	RM	(%)		
1	6599	AEON CO (M) BHD	28-Sep-18	1.740	1.950	1.620	12.07%	-6.90%	1.8	1.500		-0.24	-13.79%	BUY	
2	0080	STRAITS INTER LOGISTICS BHD	22-Feb-19	0.240	0.300	0.200	25.00%	-16.67%	1.5	0.210		-0.03	-12.50%	BUY	
3	7579	AWC BERHAD	27-Feb-19	0.770	0.865	0.675	12.34%	-12.34%	1.0	0.600		-0.17	-22.08%	BUY	
		Simple Average					**16.47%**	**-11.97%**	**1.42**				**-16.12%**		

*Tracker does not include Non-Rated positions

Realised Positions (September 2019)

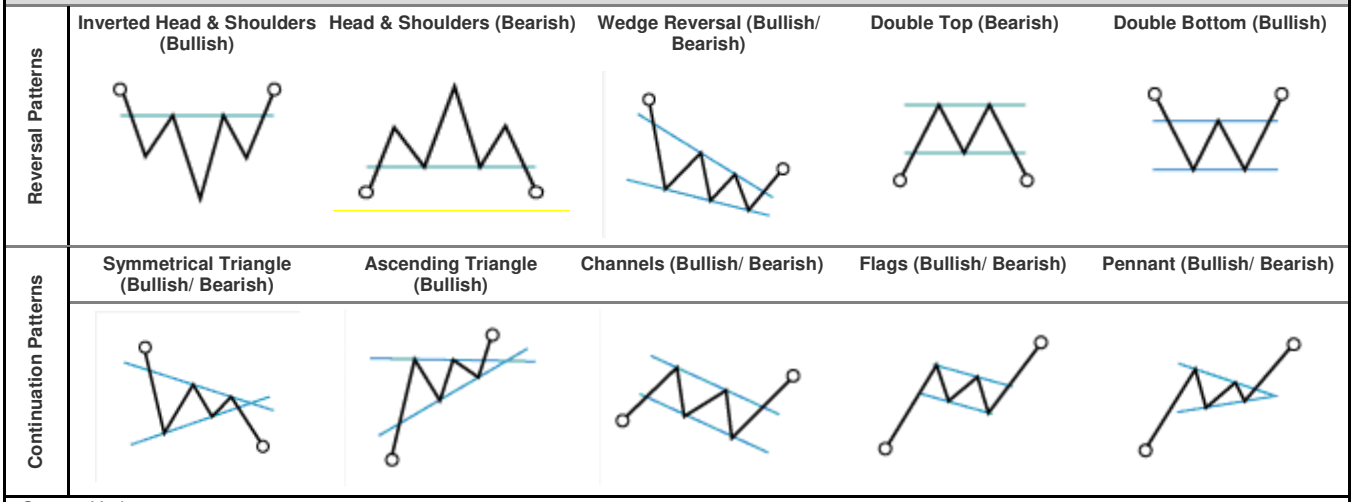
No	CATS Code	Stock Name	Issued Date	Buy Price	Price since Buy Date		Price change since Buy Date (%)		Sell Date	Sell Price	Dividend Received since ID	Gain/ Loss (incl. Div.)	Gain/ Loss	Rating	Comment/ Action
					(H)	(L)	(H)	(L)		RM	RM	RM	(%)		
		Simple Average													

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, 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



Source: Various

This document has been prepared for general circulation based on information obtained from sources believed to be reliable but we do not make any representations as to its accuracy or completeness. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may read this document. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees. Kenanga Investment Bank Berhad accepts no liability whatsoever for any direct or consequential loss arising from any use of this document or any solicitations of an offer to buy or sell any securities. Kenanga Investment Bank Berhad and its associates, their directors, and/or employees may have positions in, and may effect transactions in securities mentioned herein from time to time in the open market or otherwise, and may receive brokerage fees or act as principal or agent in dealings with respect to these companies.

Published and printed by:

KENANGA INVESTMENT BANK BERHAD (15678-H)
Level 17, Kenanga Tower, 237, Jalan Tun Razak, 50400 Kuala Lumpur, Malaysia
Telephone: (603) 2172 0880 Website: www.kenanga.com.my E-mail: research@kenanga.com.my