

06 September 2019

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Source: Bloomberg, Kenanga Research

Basic Data				Technical Ratings			
52-week High	1,822.68		(in Million)	Resistance 2	1,650	MACD	Bearish
52-week Low	1,572.03	KLCI Vol	108.50	Resistance 1	1,630	RSI (14)	Neutral
Current Level	1,599.75	Bursa Vol	1854.25	Current Level	1,599.75	Stochastic	Oversold
Intraday High	1,603.79	Bursa Val	1582.58	Support 1	1,570		
Intraday Low	1,592.84			Support 2	1,550	Outlook	Bearish

Asian market continue to move higher as trade tensions ease

- Asian markets mostly closed higher as China and US agreed to hold meeting in early October for another round of trade negotiation.
- Back home, the FBMKLCI dropped 0.14 points (-0.01%) to close at 1,599.75 largely due to profit taking after a significant rise on Wednesday.
- Chart-wise, the index has broken below the key SMAs subdued on rising trade tension and lack of market catalyst. We opine that the outlook for the index remains bearish in tandem with bearish key indicator.
- Should selling pressure continue, key support levels to keep an eye on are 1,570 (S1) and 1,550 (S2).
- Conversely, overhead resistance levels can be found at 1,630 (R1) and 1,650 (R2).

Wall Street jump as China and US agreed to meet

- Wall Street soared yesterday as market saw positive signs from China-US trade negotiation and encouraging US private payrolls data.
- Similarly, the Dow gained 372.68 points (+1.41%) to close at 26,728.15.
- Chart-wise, the index has gapped up and broken above the 50-days SMA yesterday, as now the index has break above the key SMAs, further suggest the bullish sentiment, all in, we believe that the index could continue its upward movement.
- From here on, resistance levels can be found at 26,700 (R1) and 27,800 (R2), while support levels can be identified at 24,800 (S1) and 24,200 (S2).

Daily technical highlights – (SALUTE, BAT)

SALUTE (Not Rated)

- SALUTE fell 1.5 sen (-2.40%) to close at RM0.610 yesterday.
- Chart-wise, the share has been on a rally since breaking above its 100-day SMA in early-July 2019. However, as the share failed to break above RM0.655, we believe that the rally could be on hold and that a consolidation phase should take place.
- Lacklustre signals from key momentum indicators appear in favour of our view as well.
- Support levels can be identified at RM0.570 (S1) and RM0.545 (S2). Conversely, resistance levels can be found at RM0.655 (R1) and RM0.710 (R2).

BAT (Not Rated)

- BAT dropped 64.0 sen (-3.36%) to end at RM18.40 yesterday.
- Chart-wise, the share has been dropping since April-2019 to historical low coupled with increasing trading volume.
- Besides, bearish MACD indicator further support the bearishness of the stock and we see no sign of bottoming, hence we expect the share to continue its downward movement.
- Should selling momentum persist, support levels can be seen at RM17.00 (S1) and RM16.00 (S2).
- Conversely, key resistance levels can be seen at RM20.00 (R1) and RM22.00 (R2).



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Figure 2: Daily Charting – Dow Jones Industrial Average



Source: Bloomberg, Kenanga Research

Figure 3: Daily Charting – Salutica Berhad (Not Rated)



About the stock:

Name	: Salutica Berhad
Bursa Code	: SALUTE
CAT Code	: 0183
Shariah Compliant	: Yes
Market Cap	: 234.8
52 Week High/Low	: 0.66/0.29
3-m Avg. Daily Vol.	: 3,012,494.00
Free Float (%)	: 33.79%
Beta vs. KLCI	: 1.3

Key Support & Resistance Levels

Resistance	: RM0.655 (R1) RM0.710 (R2)
Support	: RM0.570 (S1) RM0.545 (S2)
Outlook	: Neutral

What does the indicator says

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

What should you do

Current Share Price	: RM0.610
Technical Target	: -
Technical Cut-loss	: -

Fundamental Call

Kenanga	: -
Consensus	: RM0.610

Source: Bloomberg, Kenanga Research

Figure 4: Daily Charting – British American Tobacco (Malaysia) Berhad (Not Rated)



About the stock:

Name	: British American Tobacco (Malaysia) Berhad
Bursa Code	: BAT
CAT Code	: 4162
Shariah Compliant	: No
Market Cap	: 5,253.8
52 Week High/Low	: 38.68/18.34
3-m Avg. Daily Vol.	: 439,521.00
Free Float (%)	: 42.34%
Beta vs. KLCI	: 0.682

Key Support & Resistance Levels

Resistance	: RM20.00 (R1) RM22.00 (R2)
Support	: RM17.00(S1) RM16.00 (S2)
Outlook	: Bearish

What does the indicator says

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

What should you do

Current Share Price	: RM18.40
Technical Target	: -
Technical Cut-loss	: -

Fundamental Call

Kenanga	: RM24.40
Consensus	: RM26.61

Source: Bloomberg, Kenanga Research

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Unrealised Positions (August 2019)





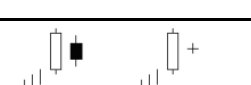

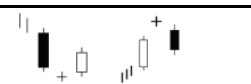

No	CATS Code	Stock Name	Issued Date (ID)	Price @ ID	Target Price	Stop-Loss	Upside Potential @ ID	Downside Risk @ ID	Reward/Risk Ratio @ ID	Last Price	Dividend Received since ID	Gain/Loss (incl. Div.)	Gain/Loss	Rating	Comment/ Action
					RM	RM	(%)	(%)	(x)	RM	RM	RM	(%)		
1	6599	AEON CO (M) BHD	28-Sep-18	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	0.200		-0.04	-16.67%	BUY	
3	7579	AWC BERHAD	27-Feb-19	0.770	0.865	0.675	12.34%	-12.34%	1.0	0.590		-0.18	-23.38%	BUY	
		Simple Average					16.47%	-11.97%	1.42				-17.95%		

*Tracker does not include Non-Rated positions


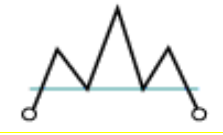
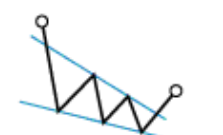

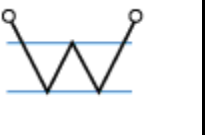
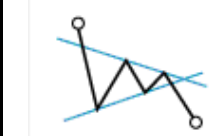
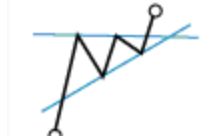
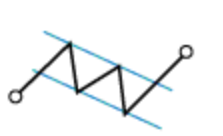


Realised Positions (August 2019)

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		
		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					
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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