

03 October 2019

By Koh Huat Soon / [hskoh@kenanga.com.my](mailto:hskoh@kenanga.com.my)



Source: Bloomberg, Kenanga Research

Basic Data		Technical Ratings	
52-week High	1,799.80	Resistance 2	1,650
52-week Low	1,572.03	Resistance 1	1,630
Current Level	1,574.90	Current Level	1,574.90
Intraday High	1,589.06	Support 1	1,570
Intraday Low	1,574.90	Support 2	1,550
		MACD	Bearish
		RSI (14)	Neutral
		Stochastic	Oversold
		Outlook	Bearish

**Asian stocks fell as investors worried about slowdown in global growth**

- Asian stock markets plunged yesterday as investors worried about global economic slowdown after US released its weakest manufacturing data on Tuesday.
- Back home, the FBMKLCI dropped 14.54 points (-0.91%) to end at 1,574.90.
- Chart-wise, the index is trading below all the key SMAs coupled with negative MACD indicator, hence we opine that bearish sentiment remains intact until further signal warrants a trend reversal.
- Key support levels to watch out for 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 plunged on recession fear**

- Wall Street fell sharply as investors worried on the potential economic recession following the disappointing manufacturing activity.
- The Dow dropped 494.42 points (-1.86%) to close at 26,078.62 yesterday.
- Chart-wise, the index has broken below our support level and all the key SMAs yesterday, forming a potential “Double Top” reversal chart pattern. However, further confirmation is required to complete the reversal pattern.
- From here on, resistance levels can be identified at 27,000 (R1) and 27,400 (R2), while support levels can be found at 25,700 (S1) and 25,000 (S2).

**Daily technical highlights – (GCB,CARIMIN)**

**GCB (Not Rated)**

- GCB rose 17.0 sen (+4.25%) to close at RM4.17 yesterday.
- Chart-wise, the share has been trading above all the key SMAs since mid-August 2019, and yesterday it has broken above the historical high with a long bullish candlestick.
- Coupled with bullish MACD indicator, we believe that the share could move higher.
- Should buying momentum persists, we expect the share to test the resistance level at RM4.40 (R1) and RM4.50 (R2)
- On the other hand, support levels can be found at RM3.85 (S1) and RM3.75 (S2).

**CARIMIN (Not Rated)**

- Yesterday, CARIMIN gained 6.0 sen (+5.66%) to close at RM1.12.
- Chart-wise, the share has broken above the previous high coupled with higher-than-average trading volume.
- Besides, the bullish MACD indicator further support the bullish sentiment, hence we believe that the share could trend higher.
- Should the buying interest persist, the key resistance levels to look out for are RM1.25 (R1) and RM1.30 (R2).
- Conversely, downside supports can be identified at RM0.900 (S1) and RM0.860 (S2).

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Figure 2: Daily Charting – Dow Jones Industrial Average



Source: Bloomberg, Kenanga Research

Figure 3: Daily Charting – Guan Chong Berhad (Not Rated)



**About the stock:**

<b>Name</b>	: Guan Chong Berhad
<b>Bursa Code</b>	: GCB
<b>CAT Code</b>	: 5102
<b>Shariah Compliant</b>	: No
<b>Market Cap</b>	: 1,992.4
<b>52 Week High/Low</b>	: 4.24/2.02
<b>3-m Avg. Daily Vol.</b>	: 689,059.70
<b>Free Float (%)</b>	: 18.37%
<b>Beta vs. KLCI</b>	: 0.859

**Key Support & Resistance Levels**

<b>Resistance</b>	: RM4.40 (R1) RM4.50 (R2)
<b>Support</b>	: RM3.85 (S1) RM3.75 (S2)
<b>Outlook</b>	: Bullish

**What does the indicator says**

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

**What should you do**

Current Share Price	: RM4.17
Technical Target	: -
Technical Cut-loss	: -

**Fundamental Call**

Kenanga	: RM4.85
Consensus	: RM6.00

Source: Bloomberg, Kenanga Research



Figure 4: Daily Charting – Carimin Petroleum Berhad (Not Rated)



**About the stock:**

<b>Name</b>	: Carimin Petroleum Berhad
<b>Bursa Code</b>	: CARIMIN
<b>CAT Code</b>	: 5257
<b>Shariah Compliant</b>	: Yes
<b>Market Cap</b>	: 261.9
<b>52 Week High/Low</b>	: 1.14/0.22
<b>3-m Avg. Daily Vol.</b>	: 5,015,670.00
<b>Free Float (%)</b>	: 30.32%
<b>Beta vs. KLCI</b>	: 1.4

**Key Support & Resistance Levels**

<b>Resistance</b>	: RM1.25 (R1) RM1.30(R2)
<b>Support</b>	: RM0.900 (S1) RM0.860 (S2)
<b>Outlook</b>	: Bullish

**What does the indicator says**

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

**What should you do**

Current Share Price	: RM1.12
Technical Target	: -
Technical Cut-loss	: -

**Fundamental Call**

Kenanga	: -
Consensus	: -

Source: Bloomberg, Kenanga Research

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## Unrealised Positions (October 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	1.520		-0.22	-12.64%	BUY	
2	0080	STRAITS INTER LOGISTICS BHD	22-Feb-19	0.240	0.300	0.200	25.00%	-16.67%	1.5	0.215		-0.03	-10.42%	BUY	
3	7579	AWC BERHAD	27-Feb-19	0.770	0.865	0.675	12.34%	-12.34%	1.0	0.605		-0.17	-21.43%	BUY	
		<b>Simple Average</b>					<b>16.47%</b>	<b>-11.97%</b>	<b>1.42</b>				<b>-14.83%</b>		

\*Tracker does not include Non-Rated positions

## Realised Positions (October 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		
		<b>Simple Average</b>													

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, 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 (Bullish)</b> <b>Shooting Star (Bearish)</b>		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> <b>Hanging Man (Bearish)</b>		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 (Bullish)</b> <b>Evening Doji Star (Bearish)</b>		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 (Bullish)</b>	<b>Head &amp; Shoulders (Bearish)</b>	<b>Wedge Reversal (Bullish/ Bearish)</b>	<b>Double Top (Bearish)</b>	<b>Double Bottom (Bullish)</b>
Continuation Patterns	<b>Symmetrical Triangle (Bullish/ Bearish)</b>	<b>Ascending Triangle (Bullish)</b>	<b>Channels (Bullish/ Bearish)</b>	<b>Flags (Bullish/ Bearish)</b>	<b>Pennant (Bullish/ Bearish)</b>

Source: Various

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**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](http://www.kenanga.com.my) E-mail: [research@kenanga.com.my](mailto:research@kenanga.com.my)

