

02 October 2019

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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	1,589.44	Current Level	1,589.44
Intraday High	1,589.64	Support 1	1,570
Intraday Low	1,583.84	Support 2	1,550
		MACD	Bearish
		RSI (14)	Neutral
		Stochastic	Oversold
		Outlook	Bearish

**Asian stocks lifted after Australia cut rate**

- Asian stocks mostly closed higher following the Australian central bank cutting cash rate to a new record low.
- Back home, the FBMKLCI gained 5.53 points (+0.35%) to end at 1,589.44.
- 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 dropped following disappointing manufacturing data**

- Wall Street plunged after US announced its manufacturing activity contracted to the worst level since 2009.
- The Dow dropped 343.79 points (-1.28%) to close at 26,573.04 yesterday.
- Chart-wise, the index still trading above the 50 and 100-days SMAs, coupled with bullish MACD indicator, we opine that the bullish trend remains intact. However, investor should be cautious as the index did not manage to penetrate the high at 27,400 on its previous test.
- From here on, resistance levels can be identified at 27,400 (R1) and 28,000 (R2), while support levels can be found at 26,800 (S1) and 26,400 (S2).

**Daily technical highlights – (INARI,PIE)**

**INARI (Not Rated)**

- INARI rose 8.0 sen (+4.4%) to close at RM1.90 yesterday.
- Chart-wise, the share has broken above the previous peak at RM1.85 with higher-than-average trading volume indicating a strong bullish sentiment.
- 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 RM2.20 (R1) and RM2.40 (R2)
- On the other hand, support levels can be found at RM1.60 (S1) and RM1.40 (S2).

**PIE (Not Rated)**

- Yesterday, PIE gained 8.0 sen (+6.40%) to close at RM1.33.
- Chart-wise, the share has broken above all the key SMAs yesterday with huge trading volume signalling a strong buying pressure over the company's share.
- 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 RM1.50 (R1) and RM1.65 (R2).
- Conversely, downside supports can be identified at RM1.10 (S1) and RM1.00 (S2).

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Figure 2: Daily Charting – Dow Jones Industrial Average



Source: Bloomberg, Kenanga Research

Figure 3: Daily Charting – Inari Amertron Bhd (Not Rated)



Source: Bloomberg, Kenanga Research

About the stock:

<b>Name</b>	Inari Amertron Bhd
<b>Bursa Code</b>	INARI
<b>CAT Code</b>	0166
<b>Shariah Compliant</b>	Yes
<b>Market Cap</b>	6,040.4
<b>52 Week High/Low</b>	2.42/1.22
<b>3-m Avg. Daily Vol.</b>	9,733,200.00
<b>Free Float (%)</b>	53.74%
<b>Beta vs. KLCI</b>	1.044

Key Support & Resistance Levels

<b>Resistance</b>	: RM2.20 (R1)	RM2.40 (R2)
<b>Support</b>	: RM1.60 (S1)	RM1.40 (S2)
<b>Outlook</b>	: Neutral	

What does the indicator says

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

What should you do

Current Share Price	: RM1.90
Technical Target	: -
Technical Cut-loss	: -

Fundamental Call

Kenanga	: -
Consensus	: RM1.68

Figure 4: Daily Charting – P.I.E Industrial Bhd (Not Rated)



Source: Bloomberg, Kenanga Research

**About the stock:**

<b>Name</b>	:	P.I.E Industrial Bhd
<b>Bursa Code</b>	:	PIE
<b>CAT Code</b>	:	7095
<b>Shariah Compliant</b>	:	Yes
<b>Market Cap</b>	:	510.8
<b>52 Week High/Low</b>	:	1.73/1.07
<b>3-m Avg. Daily Vol.</b>	:	296,182.00
<b>Free Float (%)</b>	:	34.54%
<b>Beta vs. KLCI</b>	:	0.8

**Key Support & Resistance Levels**

<b>Resistance</b>	:	RM1.50 (R1)	RM1.65 (R2)
<b>Support</b>	:	RM1.10 (S1)	RM1.00 (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	:	RM1.33
Technical Target	:	-
Technical Cut-loss	:	-

**Fundamental Call**

Kenanga	:	-
Consensus	:	RM1.24

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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	1.500		-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	0.215		-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>-15.21%</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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