

25 February 2020

By Vincent Tee / vincent.tee@kenanga.com.my ; Koh Huat Soon / hskoh@kenanga.com.my



Source: Bloomberg, Kenanga Research

Basic Data				Technical Ratings			
52-week High	1,732.27			Resistance 2	1,500	MACD	Bearish
52-week Low	1,486.71	KLCI Vol	255.64	Resistance 1	1,500	RSI	Neutral
Current Level	1,490.06	Bursa Vol	4033.48	Current Level	1,490.06	Stochastic	Neutral
Intraday High	1,510.42	Bursa Val	3905.81	Support 1	1,470		
Intraday Low	1,486.71			Support 2	1,430	Outlook	Bearish

KLCI dropped sharply following the resignation of Malaysia's Prime Minister

- The FBMKLCI was down by -41.14 points (-2.69%) to close at 1,490.06, following political upheavals and the resignation of Tun Dr. Mahathir as PM.
- Asian markets on the other hand were down as Coronavirus appears to be spreading more widely in South Korea.
- Chart-wise, the FBMKLCI has fallen below the crucial 1,500-pts support level and 20-day SMA. Coupled with the bearish crossover signal from MACD, we expect the index to remain under pressure ahead.
- As the local political landscape is still in a limbo, the FBMKLCI is expected to test our next support levels at 1,470 (S1) and 1,430 (S2) given the weak market sentiment.
- Overhead resistance levels are now seen at support-turned-resistance thresholds of 1,500 (R1) and 1,550 (R2).

Wall Street dragged by fears of a potential pandemic outbreak

- Wall Street tumbled yesterday, as a sudden rise in new cases outside of China spread fears across the markets.
- The Dow plunged 1,031.6 points (-3.56%) to close at 27,960.80.
- Chart-wise, the index gapped down below its 50-Day SMA and found support at its 100-Day SMA. Given the decline in RSI while key technical indicator appears to be losing momentum, we thus turned from a bullish to neutral stance.
- With that, its key resistance levels are at 29,400 (R1) and 29,900 (R2), while support levels can be seen at 27,800 (S1) and 27,300 (S2).

Daily technical highlights – (TOPGLOV, DUFU)

TOPGLOV (Not Rated)

- TOPGLOV gained 15.0sen (+2.84) to close at RM5.44 yesterday.
- Chart-wise, the stock has been on a downtrend since late January.
- Yesterday, the bullish candlestick found support at its 50-Day SMA backed by above average trading volume. Coupled with an uptick in key technical indicators we expect the share to trend higher.
- Should the uptrend continue, key resistance levels are seen at RM5.70 (R1) and RM6.00 (R2).
- Conversely, key support levels can be seen at RM4.90 (S1) and RM4.40 (S2).

DUFU (Not Rated)

- DUFU dropped by 8.0 sen (-1.65%) to close at RM4.78 yesterday.
- Chart-wise, the stock has been on an uptrend since June last year.
- Yesterday, the bullish candlestick continued to close above all key SMAs, indicating strong buying momentum. Coupled with a bullish MACD Crossover, we thus expect the share to trend higher.
- From here on, resistance can be identified at RM5.40 (R1) and RM5.70 (R2).
- Conversely, its support levels can be identified at RM4.35 (S1) and RM3.70 (S2).

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Figure 2: Daily Charting – Dow Jones Industrial Average



Source: Bloomberg, Kenanga Research

Figure 3: Daily Charting – Top Glove Corp Bhd (Not Rated)



Source: Bloomberg, Kenanga Research

About the stock:

Name	: TOP GLOVE CORP BHD
Bursa Code	: TOPGLOV
CAT Code	: 7113
Shariah Compliant	: Yes
Market Cap	: 13,926.5
52 Week High/Low	: 6.1/4.21
3-m Avg. Daily Vol.	: 8,723,583.00
Free Float (%)	: 47.12%
Beta vs. KLCI	: 0.2

Key Support & Resistance Levels

Resistance	: RM5.70 (R1) RM6.00 (R2)
Support	: RM4.90 (S1) RM4.40 (S2)
Outlook	: Bullish

What does the indicator says

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

What should you do

Current Share Price	: RM5.44
Technical Target	: -
Technical Cut-loss	: -

Fundamental Call

Kenanga	: RM5.30
Consensus	: RM5.77

Figure 4: Daily Charting – DUFU Technology Corp Bhd (Not Rated)



Source: Bloomberg, Kenanga Research

About the stock:

Name	: DUFU TECHNOLOGY CORP BHD
Bursa Code	: DUFU
CAT Code	: 7233
Shariah Compliant	: Yes
Market Cap	: 1,225.2
52 Week High/Low	: 5/1.33
3-m Avg. Daily Vol.	: 1,130,463.00
Free Float (%)	: 49.42%
Beta vs. KLCI	: 1.628

Key Support & Resistance Levels

Resistance	: RM5.40 (R1) RM5.70 (R2)
Support	: RM4.35 (S1) RM3.70 (S2)
Outlook	: Bullish

What does the indicator says

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

What should you do

Current Share Price	: RM4.80
Technical Target	: -
Technical Cut-loss	: -

Fundamental Call

Kenanga	: -
Consensus	: -

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Unrealised Positions (February 2020)

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	1.330		-0.44	-25.29%	BUY	
2	0080	STRAITS INTER LOGISTICS BHD	22-Feb-19	0.240	0.300	0.200	25.00%	-16.67%	1.5	0.220		-0.03	-10.42%	BUY	
3	7579	AWC BERHAD	27-Feb-19	0.770	0.865	0.675	12.34%	-12.34%	1.0	0.535		-0.25	-31.82%	BUY	
		Simple Average					16.47%	-11.97%	1.42				-22.51%		

*Tracker does not include Non-Rated positions

Realised Positions (February 2020)

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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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

