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Figure 1: Daily Charting – FBMKLCI



Source: Bloomberg, Kenanga Research

Basic Data		Technical Ratings	
52-week High	1,880.56	Resistance 2	1,880
52-week Low	1,708.48	Resistance 1	1,910
Current Level	1,849.71	Current Level	1,849.71
Intraday High	1,850.01	Support 1	1,800
Intraday Low	1,833.14	Support 2	1,770
		MACD	Bearish
		RSI (14)	Neutral
		Stochastic	Oversold
		Outlook	Bearish

Asian markets gains as trade war tension eases

- Asian markets closed broadly higher as concerns over U.S.–China trade war tension eased after Trump said that a settlement could be possible.
- Similarly, the FBMKLCI gained 12.70 points (0.69%) to close at 1,849.71 yesterday, in tandem with market breadth turning positive. For the day, 702 gainers outnumbered 249 losers, while 355 counters traded unchanged.
- Following yesterday’s move, the index broke through its prior resistance of 1,840. While the overall technical picture has improved, we remain cautious over the shorter-term given the declining MACD indicator coupled with tepid trading volumes.
- From here, the index could potentially resume its sideways movement between 1,840 and 1,880, where it had been hovering for most of the calendar year.
- That said, resistance of 1,880 (R1) has to be taken out decisively before the picture can be considered an affirmative bullish, seeing a higher resistance at 1,910 (R2). Conversely, a decisive break below 1,840 (S1) would be highly negative, potentially triggering a capitulation towards 1,800 (S2).

Wall Street closed higher on softer U.S. stance

- Wall Street rose overnight as technology stocks jumped after a softer stance by U.S. policymakers on China’s tariffs.
- The DJIA gapped up to end the day marginally higher by 43.34 points (0.19%) at 23,979.10 points. Intraday, the index managed to hit an impressive high of 24,373.18 before losing 394 points in its second-half session.
- Overall technical picture remains bearish, with its downtrend since the start of Feb firmly intact. The index is currently trading below the key SMAs, which are now in a state of a “Death Cross”, while indicators continue negative displays.
- However, yesterday’s “inverted hammer” candlestick could depict that a possible trend-reversal may be at play.
- From here, look towards crucial support of 23,280 (S1), with a decisive break below deemed as highly negative, with lower support at 22,250 (S2).
- Overhead resistances of 24,550 (R1) and 26,610 (R2) has to be taken out decisively before the picture can be an affirmative positive.

Daily technical highlights – (GBGAQRS, HENGYUAN)

GBGAQRS (Not Rated)

- Yesterday, GBGAQRS gained 3 sen (1.8%), closing at RM1.69, backed by above-average trading volumes.
- Chart-wise, the share has seemingly bounced back after bottoming-out in late April.
- The share now has closed above its 20-day SMA, backed by encouraging displays from momentum indicators, signalling a bullish turn in short-term sentiment.
- Should the rebound play sustain, keen investors may look towards resistances at RM1.84 (R1) and RM2.16 (R2).
- Meanwhile, downside supports can be found near RM1.49 (S1) and RM1.33 (S2).

HENGYUAN (Not Rated)

- HENGYUAN surged 71.0 sen (8.5%) to end at RM9.06. This was accompanied by 13.6m shares being traded – above average volume of 4.4m shares.
- Positive movements in the past three days, backed by indicating strong volumes could indicate a potential bottoming-out.
- Likewise, momentum indicators also displayed signals of possible reversal, i.e. RSI rebounded strongly from oversold territory, with uptick seen in the MACD.
- The share is currently in the midst of testing its resistance at RM9.10 (R1). A break out from R1 could spark a further rally towards RM11.00 (R2) and RM12.60 (R3) further up.
- Conversely, RM6.00 (S1) represents a crucial support, in which a break below is highly negative and could possibly trigger another round of free fall.

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Figure 2: Daily Charting – Dow Jones Industrial Average



Figure 3: Daily Charting – Gabungan AQRS Berhad (Not Rated)



Figure 4: Daily Charting – Hengyuan Refining Company Berhad (Not Rated)



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Unrealised Positions (April 2018)

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	(%)		
		Simple Average													


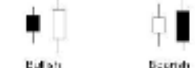


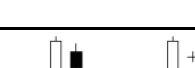

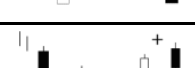

*Tracker does not include Non-Rated positions

Realised Positions (April 2018)

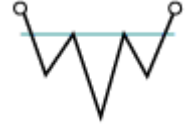

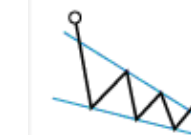

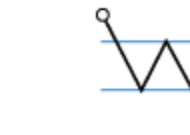


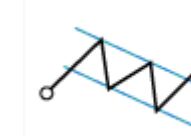


No	CATS Code	Stock Name	Issued Date	Buy Price	Price since Buy Date	Price change since Buy Date (%)	Sell Date	Sell Price	Dividend Received since ID	Gain/Loss (incl. Div.)	Gain/Loss	Rating	Comment/ Action
					(H) (L)	(H) (L)		RM	RM	RM	(%)		
		Simple Average											

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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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