

22 April 2020

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**Figure 1: Daily Charting – FBMKLCI**



Source: Bloomberg, Kenanga Research

| Basic Data    |          | Technical Ratings |          |
|---------------|----------|-------------------|----------|
| 52-week High  | 1,694.55 | Resistance 2      | 1,485    |
| 52-week Low   | 1,207.80 | Resistance 1      | 1,420    |
| Current Level | 1,381.73 | Current Level     | 1,381.73 |
| Intraday High | 1,407.23 | Support 1         | 1,360    |
| Intraday Low  | 1,381.73 | Support 2         | 1,310    |
|               |          | MACD              | Bullish  |
|               |          | RSI               | Neutral  |
|               |          | Stochastic        | Neutral  |
|               |          | Outlook           | Bullish  |

**Asian markets in the red following a historical plunge in oil futures**

- Asian stocks finished lower yesterday, tracking Wall Street's fall as U.S. oil futures took a dive into negative territory.
- Back home, the FBMKLCI fell 31.39 points (-2.22 %) to finish at 1,381.73.
- Chart-wise, the index - after having rebounded from the previous oversold position to close the gap that was opened during the mid-March market meltdown - could face renewed selling pressures ahead.
- Following yesterday's pullback, which saw the index testing but failing to break above its 50-day SMA, our support levels now stand at 1,360 (S1) and 1,310 (S2).
- On the upside, we have revised our support-turned-resistance levels to 1,400 (R1) and 1,420 (R2).

**Wall Street closed lower following the collapse in crude oil price**

- U.S. stocks continued to close lower yesterday as the collapse in crude oil price spilled into June future contracts.
- Yesterday, the Dow lost 631.56 points (-2.67%) to close at 23,018.88.
- Chart-wise, given the upticks in momentum indicators, the index is experiencing an intermittent technical rebound from its oversold position.
- Support levels can be found at 22,370 (S1) and 20,750 (38.2% retracement), using the retracement method (measuring from the trough back in 2009 to the recent peak level) as a gauge
- On the way up, its major resistance levels are seen at 25,200 (R1) and 27,350 (R2).

**Daily technical highlights – (MFLOUR, COMFORT)**

**MFLOUR (Not Rated)**

- MFLOUR gained 4.5 sen (+8.74%) to end at RM 0.560 yesterday.
- Chart-wise, the stock began to rebound since mid-March this year.
- Yesterday's candlestick closed higher on the back of stronger-than-average trading volume. Given a bullish MACD signal, we believe the stock may be poised for more upside.
- On the way up, resistance levels are identified at RM0.730 (R1) and RM0.850 (R2).
- Conversely, supports can be found at RM0.460 (S1) and RM0.350 (S2).

**COMFORT (Not Rated)**

- COMFORT rose 15.0 sen (+13.89%) to close at RM1.23 yesterday.
- Chart-wise, the stock has been rallying since mid-March this year, which sees it currently trending above all of its key SMAs.
- Coupled with upticks in momentum indicator and robust trading volumes, we believe the bullish momentum may persist.
- From here on, overhead resistance can be seen at RM1.40 (R1) and RM1.60 (R2).
- Conversely, downside supports can be identified at RM1.00 (S1) and RM0.850 (S2).

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Figure 2: Daily Charting – Dow Jones Industrial Average



Source: Bloomberg, Kenanga Research

Figure 3: Daily Charting – Malayan Flour Mills Berhad (Not Rated)



Source: Bloomberg, Kenanga Research

About the stock:

|                            |                              |
|----------------------------|------------------------------|
| <b>Name</b>                | : Malayan Flour Mills Berhad |
| <b>Bursa Code</b>          | : MFLOUR                     |
| <b>CAT Code</b>            | : 3662                       |
| <b>Shariah Compliant</b>   | : No                         |
| <b>Market Cap</b>          | : 564.1                      |
| <b>52 Week High/Low</b>    | : 0.79/0.34                  |
| <b>3-m Avg. Daily Vol.</b> | : 2,149,139.00               |
| <b>Free Float (%)</b>      | : 54.19%                     |
| <b>Beta vs. KLCI</b>       | : 1.3                        |

Key Support & Resistance Levels

|                   |                             |
|-------------------|-----------------------------|
| <b>Resistance</b> | : RM0.730 (R1) RM0.850 (R2) |
| <b>Support</b>    | : RM0.460 (S1) RM0.350 (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 | : RM0.560 |
| Technical Target    | : -       |
| Technical Cut-loss  | : -       |

Fundamental Call

|           |           |
|-----------|-----------|
| Kenanga   | : -       |
| Consensus | : RM0.780 |

Figure 4: Daily Charting – Comfort Gloves Berhad (Not Rated)



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## Unrealised Positions (April 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                    | 1.040      |                            | -0.70                  | -40.23%        | BUY    |                 |
| 2  | 0080      | STRAITS INTER LOGISTICS BHD | 22-Feb-19        | 0.240      | 0.300        | 0.200     | 25.00%                | -16.67%            | 1.5                    | 0.165      |                            | -0.08                  | -31.25%        | BUY    |                 |
| 3  | 7579      | AWC BERHAD                  | 27-Feb-19        | 0.770      | 0.865        | 0.675     | 12.34%                | -12.34%            | 1.0                    | 0.420      |                            | -0.35                  | -45.45%        | BUY    |                 |
|    |           | <b>Simple Average</b>       |                  |            |              |           | <b>16.47%</b>         | <b>-11.97%</b>     | <b>1.42</b>            |            |                            |                        | <b>-38.98%</b> |        |                 |

\*Tracker does not include Non-Rated positions

## Realised Positions (April 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        |        |                 |
|    |           |                       |             |           |                      |     |                                 |     |           |            |                            |                        |           |        |                 |
|    |           | <b>Simple Average</b> |             |           |                      |     |                                 |     |           |            |                            |                        |           |        |                 |

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Basic Technical Terms:

| Reversal Candlesticks  | Patterns | Description   |
|--|----------|---|
| <b>Doji</b><br>Dragonfly Doji (Bullish)<br>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><br><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><br><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><br><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><br><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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