

14 August 2020

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Daily technical highlights – (SOP, JHM)

Daily Charting – Sarawak Oil Palms Bhd (Trading Buy)



About the Stock:

Name : Sarawak Oil Palms Bhd
Bursa Code : SOP
CAT Code : 5126
Market Cap : RM2,055.3m

52 Week High/Low : 4.22/1.90
3-m Avg. Daily Vol. : 245,873.0
Free Float (%) : 22.5
Beta vs. KLCI : 1.4

Key Support & Resistance Levels

Last Price : RM3.60
Resistance : RM3.95 (R1) RM4.20 (R2)
Stop Loss : RM3.35

Sarawak Oil Palms Bhd (Trading Buy)

- Sarawak Oil Palms is the business of cultivation of oil palm plantation, milling, refining of oil palm products and trading of oil palm products.
- The group has increased its net income for 3 consecutive quarters on the back of better CPO prices. Based on its current quarter results (1QFY20), the group made a core net income of RM41m (+28% QoQ). The coming quarter earnings is expected to hold too given the pent-up demand (partly due to the Deepavali festival in November).
- Based on consensus estimates, the group's net incomes are forecasted at RM111.0m (+23.5% YoY) in FY20E and RM148.0m (+33% YoY) in FY21E. This translates to forward PERs of 18x and 15x, respectively.
- Chart-wise, the stock has been trending in an upward sloping channel since the March market melt-down while forming higher lows. Given its rising RSI indicator from an oversold region and backed by above average trading volume, we thus believe the price uptrend could persist.
- With that, our overhead resistance levels are set at RM3.95 (R1) (+10% potential upside) and RM4.20 (R2) (+17% potential upside).
- Meanwhile, our stop loss is set at RM3.35 (-7% downside risk).

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STOCK CALL MONITOR*

Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Target Price (TP) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status^	Date Status Fulfilled
HLT GLOBAL BHD	14/7/2020	Trading Buy	0.66	0.79	0.53	21%	-19%	1.08x	3.33	0.66	1.61	TP Hit	14/7/2020
ES CERAMICS TECHNOLOGY BHD	14/7/2020	Trading Buy	0.56	0.67	0.45	21%	-19%	1.10x	2.07	0.50	0.84	TP Hit	27/7/2020
BERJAYA SPORTS TOTO BHD	15/7/2020	Trading Buy	2.17	2.30	2.11	6%	-3%	2.17x	2.19	2.07	2.09	SL Hit	30/7/2020
MAGNUM BHD	15/7/2020	Trading Buy	2.20	2.34	2.10	6%	-5%	1.40x	2.25	2.06	2.15	SL Hit	3/8/2020
CYPARK RESOURCES BHD	16/7/2020	Trading Buy	1.01	1.15	0.92	14%	-9%	1.56x	1.02	0.91	0.94	SL Hit	3/8/2020
SOLARVEST HOLDINGS BHD	16/7/2020	Trading Buy	1.41	1.54	1.29	9%	-9%	1.08x	1.42	1.15	1.21	SL Hit	24/7/2020
MGB BHD	17/7/2020	Trading Buy	0.47	0.54	0.41	15%	-13%	1.17x	0.55	0.45	0.55	TP Hit	13/8/2020
KUMPULAN POWERNET BHD	17/7/2020	Trading Buy	2.58	2.90	2.30	12%	-11%	1.14x	2.91	2.40	2.54	TP Hit	23/7/2020
DRB-HICOM BHD	21/7/2020	Trading Buy	1.85	2.10	1.65	14%	-11%	1.25x	2.04	1.82	1.95	Open	
UEM EDGENTA BHD	21/7/2020	Trading Buy	2.04	2.30	1.85	13%	-9%	1.37x	2.48	2.04	2.12	TP Hit	22/7/2020
GREEN PACKET BHD	22/7/2020	Trading Buy	0.52	0.61	0.46	17%	-12%	1.50x	0.63	0.51	0.59	TP Hit	11/8/2020
INSAS BHD	22/7/2020	Trading Buy	0.76	0.86	0.67	13%	-12%	1.11x	0.92	0.74	0.88	TP Hit	4/8/2020
7-ELEVEN MALAYSIA HOLDINGS B	23/7/2020	Trading Buy	1.38	1.57	1.25	14%	-9%	1.46x	1.43	1.28	1.36	Open	
FEDERAL INTERNATIONAL HOLDIN	23/7/2020	Trading Buy	0.45	0.52	0.39	16%	-13%	1.17x	0.52	0.38	0.43	SL Hit	3/8/2020
GUAN CHONG BHD	24/7/2020	Trading Buy	2.81	3.05	2.60	9%	-7%	1.14x	3.58	2.71	3.58	TP Hit	27/7/2020
SARAWAK CONSOLIDATED INDUSTRIES	24/7/2020	Trading Buy	2.95	3.30	2.65	12%	-10%	1.17x	2.98	2.59	2.71	SL Hit	4/8/2020
MUI PROPERTIES BERHAD	28/7/2020	Trading Buy	0.20	0.24	0.16	23%	-18%	1.29x	0.53	0.20	0.27	TP Hit	28/7/2020
PESTECH INTERNATIONAL BHD	28/7/2020	Trading Buy	0.85	0.98	0.76	15%	-11%	1.44x	0.90	0.81	0.82	Open	
MALAYSIA SMELTING CORP BHD	29/7/2020	Trading Buy	0.72	0.82	0.65	14%	-10%	1.43x	0.74	0.68	0.71	Open	
MUDA HOLDINGS BERHAD	29/7/2020	Trading Buy	1.72	1.95	1.53	13%	-11%	1.21x	2.36	1.64	1.82	TP Hit	10/8/2020
MMC CORP BHD	30/7/2020	Trading Buy	0.73	0.85	0.67	16%	-8%	2.00x	0.74	0.66	0.68	SL Hit	4/8/2020
YTL CORP BHD	30/7/2020	Trading Buy	0.78	0.89	0.70	14%	-10%	1.38x	0.80	0.72	0.73	Open	

* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

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NAIM HOLDINGS BERHAD	4/8/2020	Trading Buy	0.85	0.97	0.76	14%	-11%	1.33x	0.92	0.82	0.84	Open	
OOCK GROUP BHD	4/8/2020	Trading Buy	0.52	0.60	0.46	17%	-11%	1.55x	0.52	0.48	0.49	Open	
HLT GLOBAL BHD	5/8/2020	Trading Sell	2.45	1.78	3.05	27%	-24%	1.12x	3.33	1.45	1.61	SL Hit	6/8/2020
ES CERAMICS TECHNOLOGY BHD	5/8/2020	Trading Sell	1.40	1.07	1.75	24%	-25%	0.94x	2.07	0.79	0.84	SL Hit	6/8/2020
KELINGTON GROUP BHD	6/8/2020	Trading Buy	1.12	1.28	0.98	14%	-13%	1.14x	1.27	1.02	1.10	Open	
GENETEC TECHNOLOGY BHD	6/8/2020	Trading Buy	1.52	1.71	1.35	13%	-11%	1.12x	1.70	1.50	1.57	Open	
MASTER-PACK GROUP BHD	7/8/2020	Trading Buy	1.94	2.25	1.70	16%	-12%	1.29x	2.21	1.86	1.95	Open	
DAIBOCHI BHD	7/8/2020	Trading Buy	2.80	3.30	2.40	18%	-14%	1.25x	2.80	2.63	2.65	Open	
PUBLIC PACKAGES HOLDINGS BHD	11/8/2020	Trading Buy	0.74	0.84	0.65	14%	-12%	1.11x	0.77	0.68	0.69	Open	
ORNAPAPER BHD	11/8/2020	Trading Buy	1.18	1.33	1.04	13%	-12%	1.07x	1.21	1.12	1.12	Open	
COASTAL CONTRACTS BHD	12/8/2020	Trading Buy	0.69	0.79	0.59	15%	-14%	1.11x	0.70	0.66	0.68	Open	
DELEUM BERHAD	12/8/2020	Trading Buy	0.65	0.76	0.57	17%	-12%	1.38x	0.66	0.59	0.63	Open	
HUP SENG INDUSTRIES BHD	13/8/2020	Trading Buy	0.91	1.00	0.85	10%	-7%	1.50x	0.93	0.92	0.63	Open	
PADINI HOLDINGS BERHAD	13/8/2020	Trading Buy	2.16	2.49	1.95	15%	-10%	1.57x	2.23	2.12	0.63	Open	

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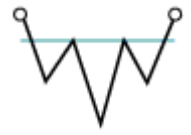

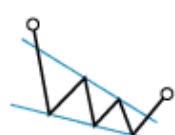

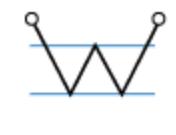
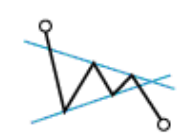
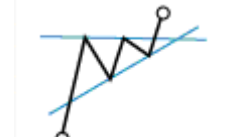
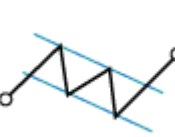


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Technical Terms:

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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