

09 December 2020

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Daily technical highlights – (SKP, TGUAN)

Daily Charting –SKP Resources Bhd (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: SKP RESOURCES	52 Week High/Low	: 2.29/0.66
Bursa Code	: SKP	3-m Avg. Daily Vol.	: 4,894,306.0
CAT Code	: 7155	Free Float (%)	: 59.1
Market Cap	: RM2,687.3m	Beta vs. KLCI	: 1.1
		Last Price	: RM2.15
		Resistance	: RM2.37 (R1) RM2.54 (R2)
		Stop Loss	: RM1.95

SKP Resources Bhd (Trading Buy)

- SKP Resources Bhd is a company involved in the Electronic Manufacturing Services providing plastic products for (i) computer accessories, (ii) audio accessories, and (iii) video accessories.
- QoQ, the group registered a record breaking quarter with its 2QFY21 revenue at RM726.3m (+82.3%,QoQ), while net income spiked significantly to RM44.1m(+441%,QoQ). This was due to the low based effect on its previous quarter given the MCO lockdown.
- The group indicates that it is well positioned to tap into the growing market share from its key customer, backed by their continuous effort to expand its (i) PCBA, (ii) injection moulding and (iii) engineering capabilities.
- The stock has been on a steady uptrend since the March meltdown this year. Ichimoku-wise the “Bullish Kumo” clouds continue to indicate a positive buying interest. Coupled with an uptick in RSI, we believe the stock could trend higher.
- Based on our Fibonacci projection our overhead resistance are set at RM2.37 (R1:+10%, upside potential) and RM2.54 (R2:+18%, upside potential).
- Meanwhile, our stop loss is set at RM1.95 (-9%, downside risk).

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Daily Charting – THONG GUAN Industries Bhd (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: THONG INDUSTRIES BHD	52 Week High/Low	: 3.35/0.98
Bursa Code	: TGUAN	3-m Avg. Daily Vol.	: 1,590,125.0
CAT Code	: 7034	Free Float (%)	: 52.1
Market Cap	: RM1,032.4m	Beta vs. KLCI	: 1.2
		Last Price	: RM2.72
		Resistance	: RM2.99 (R1) RM3.18 (R2)
		Stop Loss	: RM2.48

THONG GUAN Industries Bhd (Trading Buy)

- TGUAN is involved in the trading and manufacturing of plastic packaging products. The group also trades beverages including tea and coffee.
- The group managed to improve its revenue to RM245.8m(+7%,QoQ) as of 3QFY20 despite Covid-related disruptions which delayed the commissioning of an additional premium stretch film line and new premium blown film line in Europe. These were earlier scheduled to be commissioned in this quarter.
- Chart-wise the stock has retraced from an all-time high of RM3.35 (18th Nov 2020) to its current level of RM2.73 which is a -19% decline and is currently finding support at its 100-Day SMA. We believe the stock is near a rebound, given its (i) RSI in the oversold region, and (ii) shorter-term key SMA which continues to respect the longer-term key SMA.
- Should the buying momentum resume, we expect the stock to test its overhead resistance at RM2.99 (R1: 10% upside potential) and RM3.18 (R2: +16%, upside potential)
- Meanwhile, our stop loss is pegged at RM2.48 (-9%, downside risk)
- Fundamentally, the group is projected to make a net profit of RM79.5 (+28%, YoY) in FY20E and RM86.7m (+9%,YoY) in FY21E. This translates to a forward PER of 12.9x and 12.0x respectively.

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STOCK CALL MONITOR*

Stock Name	Issue Date (ID)	Rating	Price @ ID	Target Price (TP)	Stop Loss Price (SL)	Upside Potential @ ID	Downside Risk @ ID	Risk to Reward Ratio	Highest Price since ID	Lowest Price since ID	Last Price RM	Status [^]	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
HO WAH GENTING BHD	10/11/2020	Trading Buy	0.80	0.91	0.70	14%	-13%	1.10x	1.03	0.71	0.78	TP Hit	4/12/2020
LYC HEALTHCARE BHD	10/11/2020	Trading Buy	0.34	0.39	0.29	16%	-13%	1.22x	0.37	0.32	0.35	Open	
YTL HOSPITALITY REIT	11/11/2020	Trading Buy	0.77	0.87	0.68	13%	-12%	1.11x	0.93	0.77	0.93	TP Hit	17/11/2020
MUHIBBAH ENGINEERING (M) BHD	11/11/2020	Trading Buy	0.86	1.00	0.73	16%	-15%	1.08x	1.15	0.82	0.95	TP Hit	17/11/2020
ELK-DESA RESOURCES	12/11/2020	Trading Buy	1.36	1.50	1.25	10%	-8%	1.27x	1.48	1.37	1.44	Open	
UEM EDGENTA BHD	12/11/2020	Trading Buy	1.92	2.11	1.77	10%	-8%	1.27x	2.03	1.88	1.98	Open	
SAMAIDEN GROUP BHD	13/11/2020	Trading Buy	0.83	0.91	0.77	9%	-7%	1.25x	1.67	0.81	1.30	TP Hit	18/11/2020
HEXTAR GLOBAL BHD	13/11/2020	Trading Buy	0.74	0.83	0.66	12%	-11%	1.13x	1.00	0.73	0.92	TP Hit	26/11/2020
REVENUE GROUP BHD	17/11/2020	Trading Buy	1.22	1.36	1.10	11%	-10%	1.17x	1.31	1.23	1.26	Open	
ASIA POLY HOLDINGS BHD	17/11/2020	Trading Buy	0.39	0.45	0.33	17%	-14%	1.18x	0.40	0.29	0.33	SL Hit	
SUNWAY REAL ESTATE INVESTMEN	18/11/2020	Trading Buy	1.52	1.69	1.39	11%	-9%	1.31x	1.58	1.46	1.57	Open	
IGB REAL ESTATE INVESTMENT T	18/11/2020	Trading Buy	1.73	1.89	1.59	9%	-8%	1.14x	1.75	1.64	1.74	Open	
KAWAN FOOD BHD	19/11/2020	Trading Buy	2.33	2.59	2.14	11%	-8%	1.37x	2.36	2.07	2.21	SL Hit	30/11/2020
POWER ROOT BHD	19/11/2020	Trading Buy	2.24	2.44	2.03	9%	-9%	0.95x	2.24	2.05	2.05	Open	
TOMYPAK HOLDINGS	20/11/2020	Trading Buy	0.82	0.92	0.73	12%	-12%	1.00x	0.89	0.71	0.72	SL Hit	26/11/2020
AME ELITE CONSORTIUM BHD	20/11/2020	Trading Buy	2.21	2.45	2.00	11%	-10%	1.14x	2.35	2.16	2.28	Open	
OPENSYS M BHD	24/11/2020	Trading Buy	0.64	0.71	0.57	11%	-11%	1.00x	0.66	0.61	0.62	Open	
JCY INTERNATIONAL BHD	24/11/2020	Trading Buy	0.64	0.73	0.57	14%	-11%	1.29x	0.67	0.61	0.62	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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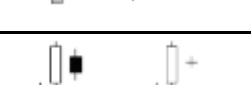
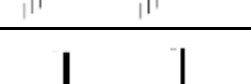
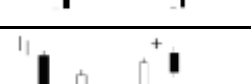

STOCK CALL MONITOR* (cont'd)

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			RM	RM	RM	%	%		RM	RM	RM		
SERBA DINAMIK HOLDINGS BHD	25/11/2020	Trading Buy	1.70	1.92	1.49	13%	-12%	1.05x	2.09	1.61	1.91	TP Hit	7/12/2020
DELEUM BERHAD	25/11/2020	Trading Buy	0.60	0.71	0.51	18%	-15%	1.22x	0.72	0.61	0.67	TP Hit	7/12/2020
MYNEWS HOLDINGS BHD	26/11/2020	Trading Buy	0.60	0.67	0.54	12%	-10%	1.17x	0.71	0.60	0.68	TP Hit	4/12/2020
ZHULIAN CORP BHD	26/11/2020	Trading Buy	1.51	1.65	1.39	9%	-8%	1.17x	1.61	1.48	1.58	Open	
ARB BHD	27/11/2020	Trading Buy	0.29	0.33	0.26	14%	-12%	1.14x	0.29	0.28	0.28	Open	
SUPERCOMNET TECHNOLOGIES BHD	27/11/2020	Trading Buy	2.02	2.20	1.88	9%	-7%	1.29x	2.06	1.75	1.88	SL Hit	7/12/2020
YTL CORP BHD	1/12/2020	Trading Buy	0.65	0.72	0.59	12%	-9%	1.36x	0.72	0.65	0.68	TP Hit	3/12/2020
KIM HIN JOO BHD	1/12/2020	Trading Buy	0.23	0.28	0.17	24%	-24%	1.00x	0.25	0.23	0.23	Open	
TALIWORKS CORP BHD	2/12/2020	Trading Buy	0.80	0.88	0.73	10%	-9%	1.14x	0.84	0.79	0.82	Open	
PANTECH GROUP HOLDINGS BHD	2/12/2020	Trading Buy	0.40	0.45	0.35	14%	-11%	1.22x	0.43	0.40	0.41	Open	
WONG ENGINEERING CORP BHD	3/12/2020	Trading Buy	0.74	0.81	0.67	10%	-9%	1.15x	0.87	0.74	0.80	TP Hit	3/12/2020
TECHBOND GROUP BHD	3/12/2020	Trading Buy	1.30	1.43	1.17	10%	-10%	1.00x	1.31	1.26	1.27	Open	
MIECO CHIPBOARD BERHAD	4/12/2020	Trading Buy	0.79	0.87	0.74	10%	-7%	1.45x	0.79	0.73	0.75	SL Hit	8/12/2020
AEMULUS HOLDINGS BHD	4/12/2020	Trading Buy	0.72	0.79	0.67	10%	-6%	1.56x	0.72	0.68	0.68	Open	
ORNAPAPER BHD	8/12/2020	Trading Buy	1.54	1.68	1.43	9%	-7%	1.27x	1.65	1.56	1.56	Open	
HEVEABOARD BHD	8/12/2020	Trading Buy	0.74	0.80	0.69	8%	-7%	1.20x	0.76	0.73	0.74	Open	



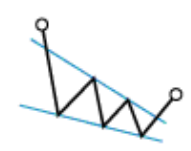


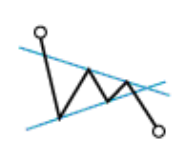

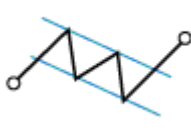
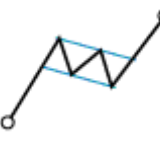

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Technical Terms:

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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