

15 December 2020

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Daily technical highlights – (TCHONG, DRBHCOR)

Daily Charting – TCHONG (Trading Buy)



About the Stock:		Key Support & Resistance Levels			
Name	Tan Chong Motor Holdings Bhd	52 Week High/Low	: 1.38/0.98	Last Price	: RM1.18
Bursa Code	: TCHONG	3-m Avg. Daily Vol.	: 109,107	Resistance	: RM1.32 (R1) RM1.43 (R2)
CAT Code	: 4405	Free Float (%)	: 24.5	Stop Loss	: RM1.05
Market Cap	: RM769.7m	Beta vs. KLCI	: 0.7		

Tan Chong Motor Holdings Bhd (Trading Buy)

- TCHONG's share price – after bouncing up from a trough of RM1.01 in early November this year to RM1.18 presently – remains in an upward trajectory based on its technical outlook.
- On the chart, following the stock's penetration of a descending trendline, the faster 50-day SMA line has also cut above the slower 100-day SMA line. This suggests the positive momentum will likely continue going forward.
- Riding on the uptrend, the stock could climb towards our resistance thresholds of RM1.32 (R1) and RM1.43 (R2), which represents upside potentials of 12% and 21%, respectively.
- Our stop loss price is set at RM1.05 (or 11% downside risk).
- On the fundamental front, TCHONG – which is the franchise holder and exclusive distributor of Nissan vehicles in Vietnam, Myanmar, Laos, Cambodia and Malaysia as well as Renault vehicles in Malaysia – saw its bottomline getting hit by losses in Vietnam and provision for inventories, which consequently caused the Group to register net loss of RM96m in the nine-month period ended September this year.
- Still, much of the bad news might be already reflected in the share price with the stock currently trading at P/BV of 0.26x – which is at 1SD below its historical mean – based on its book value per share of RM4.47 as of end-September 2020.

Daily Charting – DRBHC0M (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: DRB-Hicom Bhd	52 Week High/Low	: 2.43/0.98
Bursa Code	: DRBHC0M	3-m Avg. Daily Vol.	: 2,308,222
CAT Code	: 1619	Free Float (%)	: 30.7
Market Cap	: RM4,059.8m	Beta vs. KLCI	: 1.3
		Last Price	: RM2.10
		Resistance	: RM2.33 (R1) RM2.56 (R2)
		Stop Loss	: RM1.87

DRB-Hicom Bhd (Trading Buy)

- From a trough of RM0.98 in March this year, DRBHC0M's share price has almost recovered back to where it was before the March market crash.
- With the momentum indicator hovering above zero and still rising, the stock is poised to extend its upward trajectory going forward.
- Technically speaking, a break above the RM2.18 level is expected to lift DRBHC0M shares to challenge our resistance hurdles of RM2.33 (R1; 11% upside potential) and RM2.56 (R2; 22% upside potential).
- We have placed our stop loss price at RM1.87 (or 11% downside risk from its last traded price of RM2.10).
- Meanwhile, the worst seems to be over for DRBHC0M after getting hit by business disruptions arising from the Covid-19 pandemic. The Group – which is involved in the automotive, services and properties businesses – saw its bottomline reversing from net loss of RM306.1m in 2QFY20 to net profit of RM47.5m in 3QFY20.
- DRBHC0M is a proxy to rising Proton car sales, which has increased 18% YoY and 0.2% MoM to 11,411 units last month. This brought cumulative sales to 96,410 units (up 7.5% YoY) in the first eleven months of this year.
- Based on consensus expectations of a net loss of RM149m for FY20 before turning around with a net profit of RM239m for FY21, the stock is currently trading at forward PER of 17x next year.

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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	Status [^]	Date Status Fulfilled
			RM	RM	RM	%	%	RM	RM	RM			
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	0.31	SL Hit	7/12/2020
SUNWAY REAL ESTATE INVESTMEN	18/11/2020	Trading Buy	1.52	1.69	1.39	11%	-9%	1.31x	1.60	1.46	1.55	Open	
IGB REAL ESTATE INVESTMENT T	18/11/2020	Trading Buy	1.73	1.89	1.59	9%	-8%	1.14x	1.77	1.64	1.76	Open	
KAWAN FOOD BHD	19/11/2020	Trading Buy	2.33	2.59	2.14	11%	-8%	1.37x	2.36	2.05	2.06	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	2.03	2.05	SL Hit	11/12/2020
TOMYPAK HOLDINGS	20/11/2020	Trading Buy	0.82	0.92	0.73	12%	-12%	1.00x	0.89	0.71	0.74	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	2.14	2.16	Open	
OPENSYS M BHD	24/11/2020	Trading Buy	0.64	0.71	0.57	11%	-11%	1.00x	0.66	0.56	0.58	SL Hit	14/12/2020
JCY INTERNATIONAL BHD	24/11/2020	Trading Buy	0.64	0.73	0.57	14%	-11%	1.29x	0.67	0.56	0.57	SL Hit	14/12/2020
SERBA DINAMIK HOLDINGS BHD	25/11/2020	Trading Buy	1.70	1.92	1.49	13%	-12%	1.05x	2.09	1.61	1.76	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	0.68	TP Hit	7/12/2020
MYNEWS HOLDINGS BHD	26/11/2020	Trading Buy	0.60	0.67	0.54	12%	-10%	1.17x	0.76	0.60	0.69	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	0.27	0.27	Open	
SUPERCOMNET TECHNOLOGIES BHD	27/11/2020	Trading Buy	2.02	2.20	1.88	9%	-7%	1.29x	2.06	1.75	1.82	SLHit	7/12/2020
YTL CORP BHD	1/12/2020	Trading Buy	0.65	0.72	0.59	12%	-9%	1.36x	0.78	0.65	0.76	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	0.22	0.23	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			
TALIWORKS CORP BHD	2/12/2020	Trading Buy	0.80	0.88	0.73	10%	-9%	1.14x	0.84	0.79	0.81	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	0.76	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	1.24	1.25	Open	
MIECO CHIPBOARD BERHAD	4/12/2020	Trading Buy	0.79	0.87	0.74	10%	-7%	1.45x	0.80	0.73	0.78	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	0.64	0.65	SL Hit	11/12/2020
ORNAPAPER BHD	8/12/2020	Trading Buy	1.54	1.68	1.43	9%	-7%	1.27x	1.65	1.53	1.58	Open	
HEVEABOARD BHD	8/12/2020	Trading Buy	0.74	0.80	0.69	8%	-7%	1.20x	0.78	0.72	0.72	Open	
SKP RESOURCES BHD	9/12/2020	Trading Buy	2.15	2.37	1.95	10%	-9%	1.10x	2.19	2.04	2.10	Open	
THONG GUAN INDUSTRIES BHD	9/12/2020	Trading Buy	2.72	2.99	2.48	10%	-9%	1.13x	2.82	2.65	2.66	Open	
MEDIA PRIMA BHD	10/12/2020	Trading Buy	0.25	0.30	0.20	20%	-20%	1.00x	0.30	0.24	0.27	TP Hit	14/12/2020
ECONPILE HOLDINGS BHD	10/12/2020	Trading Buy	0.57	0.63	0.51	11%	-11%	1.00x	0.59	0.53	0.55	Open	
V.S. INDUSTRY BERHAD	11/12/2020	Trading Buy	2.63	2.95	2.45	12%	-7%	1.78x	2.70	2.56	2.60	Open	
MTAG GROUP BHD	11/12/2020	Trading Buy	0.76	0.83	0.71	10%	-6%	1.67x	0.77	0.73	0.74	Open	

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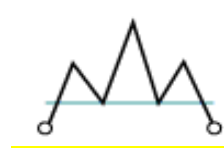
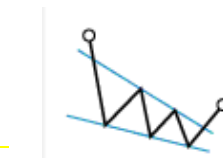




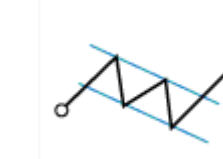

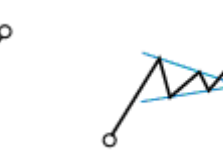
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Technical Terms:

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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