

17 February 2021

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Daily technical highlights – (EFORCE, N2N)

Daily Charting – EFORCE (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Excel Force MSC Bhd	52 Week High/Low	: 0.67/0.23
Bursa Code	: EFORCE	3-m Avg. Daily Vol.	: 4,527,149
CAT Code	: 0065	Free Float (%)	: 48.6
Market Cap	: RM260.1m	Beta vs. KLCI	: 1.1
		Last Price	: RM0.465
		Resistance	: RM0.55 (R1) RM0.59 (R2)
		Stop Loss	: RM0.40

Excel Force MSC Bhd (Trading Buy)

- EFORCE is a proxy to the resurgence of trading activity post the Lunar New Year break on the Malaysian bourse, which saw daily average transaction volume swelling to 11.3b shares valued at RM5.2b so far this week, compared with the daily average trades in January (of 6.9b shares worth RM5.0b) and February month-to-date (of 7.2b shares worth RM4.4b).
- A leading information technology solution provider that is involved in the development, provision and maintenance of application and system solutions for the financial services industry, the Group services stockbroking companies and investment banks and derives part of its income from outsourcing service charge (which is volume and transaction based).
- Just like last year when the Group benefited from the surge in trading interest following the Covid-19 pandemic, its bottomline jumped 43% YoY to RM7.0m for the nine-month period ended September 2020. In addition, its debt-free balance sheet is backed by cash holdings of RM20.7m (or 3.7 sen per share) as of end-September last year.
- Valuation-wise, EFORCE is currently trading at PBV multiple of 2.7x (or at 0.5SD below its historical mean) based on its book value per share of RM0.17 as of end-September 2020.
- From a technical perspective, the stock is poised to extend its upward trajectory after breaking past a negative sloping trendline.
- And the positive momentum is expected to continue following the simultaneous crossovers by the share price of both the 50-day and 100-day SMA lines, as well as the DMI Plus cutting above the DMI Minus indicator.
- Driven by these bullish signals, EFORCE shares could climb towards our resistance thresholds of RM0.55 (R1; 18% upside potential) and RM0.59 (R2; 27% upside potential).
- We have set our stop loss price at RM0.40 (or 14% downside risk from yesterday's closing price of RM0.465).

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Daily Charting – N2N (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: N2N Connect Bhd	52 Week High/Low	: 0.995/0.34
Bursa Code	: N2N	3-m Avg. Daily Vol.	: 1,361,102
CAT Code	: 0108	Free Float (%)	: 43.5
Market Cap	: RM496.2m	Beta vs. KLCI	: 1.4
		Last Price	: RM0.83
		Resistance	: RM0.95 (R1) RM1.00 (R2)
		Stop Loss	: RM0.73

N2N Connect Bhd (Trading Buy)

- N2N is a beneficiary of robust trading activity in the stock markets. A capital market solution provider offering application solutions and network & infrastructure services to capital market players (such as financial institutions and securities firms), the Group has a geographical presence stretching across Malaysia, Hong Kong, Singapore, Vietnam, Philippines, Indonesia and Thailand.
- Capturing the positive impact of the transaction-based charging mechanism (following the increased stock market activity last year), the Group registered net profit of RM20.4m (+45% YoY) for the nine-month period ended September 2020 with slightly more than half of its earnings contributed by the Malaysian operation.
- Strengthening in tandem is its balance sheet which is backed by net cash holdings & unit trust investments of RM121.2m (or 20.3 sen per share) as of end-September 2020.
- Meanwhile, the Company is seeking to transfer its listing status from the ACE Market to the Main Market, which would then enhance its investment appeal to a wider pool of investors.
- In terms of PBV valuation, the stock is presently trading at 1.7x (or at 0.5SD below its historical mean) based on its book value per share of RM0.48 as of end-September last year.
- Technically speaking, following the price surge amid strong volume on Monday, N2N shares have broken out from its consolidation pattern that started in the beginning of September last year.
- And with the momentum indicator still rising after cutting above the zero line, the stage is set for the stock to plot higher highs ahead, probably testing our resistance targets of RM0.95 (R1; 14% upside potential) and RM1.00 (R2; 20% upside potential).
- Our stop loss price is set at RM0.73 (or 12% downside risk from its last traded price of RM0.83).

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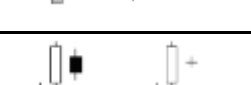
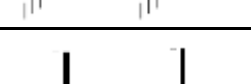
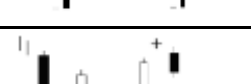

STOCK CALL MONITOR*

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			
GLOBALTEC FORMATION BHD	19/1/2021	Trading Buy	0.41	0.46	0.35	14%	-14%	1.00x	0.55	0.40	0.51	TP Hit	21/1/2021
ECOBUILT HOLDINGS BHD	19/1/2021	Trading Buy	0.21	0.24	0.17	17%	-17%	1.00x	0.24	0.19	0.21	TP Hit	21/1/2021
TEK SENG HOLDINGS BHD	20/1/2021	Trading Buy	0.74	0.85	0.63	16%	-14%	1.10x	0.79	0.67	0.68	Open	
OMESTI BHD	20/1/2021	Trading Buy	0.55	0.62	0.48	13%	-13%	1.00x	0.64	0.54	0.62	TP Hit	27/1/2021
MBM RESOURCES BERHAD	21/1/2021	Trading Buy	3.23	3.70	2.75	15%	-15%	0.98x	3.35	3.04	3.30	Open	
SOLARVEST HOLDINGS BHD	21/1/2021	Trading Buy	2.04	2.30	1.79	13%	-12%	1.04x	3.31	2.02	3.00	TP Hit	26/1/2021
SARAWAK CONSOLIDATED INDUSTRIES BHD	22/1/2021	Trading Buy	2.11	2.41	1.81	14%	-14%	1.00x	3.08	2.01	2.13	TP Hit	26/1/2021
KELINGTON GROUP BHD	22/1/2021	Trading Buy	2.23	2.55	1.95	14%	-13%	1.14x	2.70	2.06	2.59	TP Hit	15/2/2021
MAH SING GROUP BHD	26/1/2021	Trading Buy	0.83	0.98	0.75	18%	-10%	1.88x	0.85	0.77	0.79	Open	
COMFORT GLOVE BHD	26/1/2021	Trading Buy	3.30	3.90	2.75	18%	-17%	1.09x	3.37	2.60	2.62	SL Hit	15/2/2021
ENGTEX GROUP BHD	27/1/2021	Trading Buy	0.57	0.65	0.51	14%	-11%	1.33x	0.69	0.54	0.69	TP Hit	15/2/2021
MALAYSIA STEEL WORKS KL BHD	27/1/2021	Trading Buy	0.55	0.61	0.50	11%	-9%	1.20x	0.61	0.49	0.61	SL Hit	2/2/2021
LAGENDA PROPERTIES BHD	29/1/2021	Trading Buy	1.51	1.68	1.35	11%	-11%	1.06x	1.80	1.49	1.75	TP Hit	5/2/2021
KPOWER BHD	29/1/2021	Trading Buy	2.69	3.00	2.40	12%	-11%	1.07x	2.67	2.28	2.34	SL Hit	2/2/2021
TALIWORKS CORP BHD	3/2/2021	Trading Buy	0.81	0.88	0.75	9%	-7%	1.17x	0.85	0.81	0.84	Open	
YTL CORP BHD	3/2/2021	Trading Buy	0.65	0.72	0.59	11%	-9%	1.17x	0.69	0.65	0.68	Open	
AMMB HOLDINGS BHD	4/2/2021	Trading Buy	3.24	3.62	3.00	12%	-7%	1.58x	3.44	3.23	3.38	Open	
ECONPILE HOLDINGS BHD	4/2/2021	Trading Buy	0.41	0.48	0.36	19%	-11%	1.67x	0.46	0.40	0.45	Open	
ANCOM BHD	5/2/2021	Trading Buy	1.07	1.20	0.95	12%	-11%	1.08x	1.20	1.06	1.17	TP Hit	11/2/2021
SPRING ART HOLDINGS BHD	5/2/2021	Trading Buy	0.39	0.43	0.35	12%	-10%	1.13x	0.49	0.38	0.48	TP Hit	8/2/2021
ARB BHD	9/2/2021	Trading Buy	0.28	0.32	0.24	14%	-14%	1.00x	0.41	0.28	0.37	TP Hit	15/2/2021
SOLUTION GROUP BHD	9/2/2021	Trading Buy	1.31	1.50	1.16	15%	-11%	1.27x	1.37	1.22	1.29	Open	
COASTAL CONTRACTS BHD	10/2/2021	Trading Buy	0.73	0.81	0.64	12%	-12%	1.00x	0.77	0.71	0.76	Open	
JOHORE TIN BHD	10/2/2021	Trading Buy	1.89	2.16	1.66	14%	-12%	1.17x	1.93	1.87	1.91	Open	
HAP SENG PLANTATIONS HLDGS	11/2/2021	Trading Buy	1.75	1.93	1.60	10%	-9%	1.20x	1.80	1.76	1.79	Open	
MALAYSIA BUILDING SOCIETY	11/2/2021	Trading Buy	0.65	0.72	0.59	11%	-10%	1.08x	0.68	0.65	0.67	Open	
NOTION VTEC BHD	16/2/2021	Trading Buy	0.95	1.11	0.81	17%	-15%	1.14x	1.03	0.96	0.98	Open	
SALUTICA BHD	16/2/2021	Trading Buy	0.67	0.78	0.57	16%	-15%	1.10x	0.70	0.67	0.68	Open	



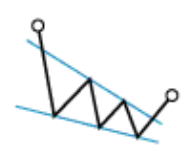


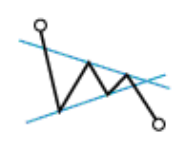

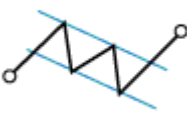


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

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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