

23 June 2021

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Daily technical highlights – (SOLUTN, SCOMNET)

Daily Charting – SOLUTN (Trading Buy)

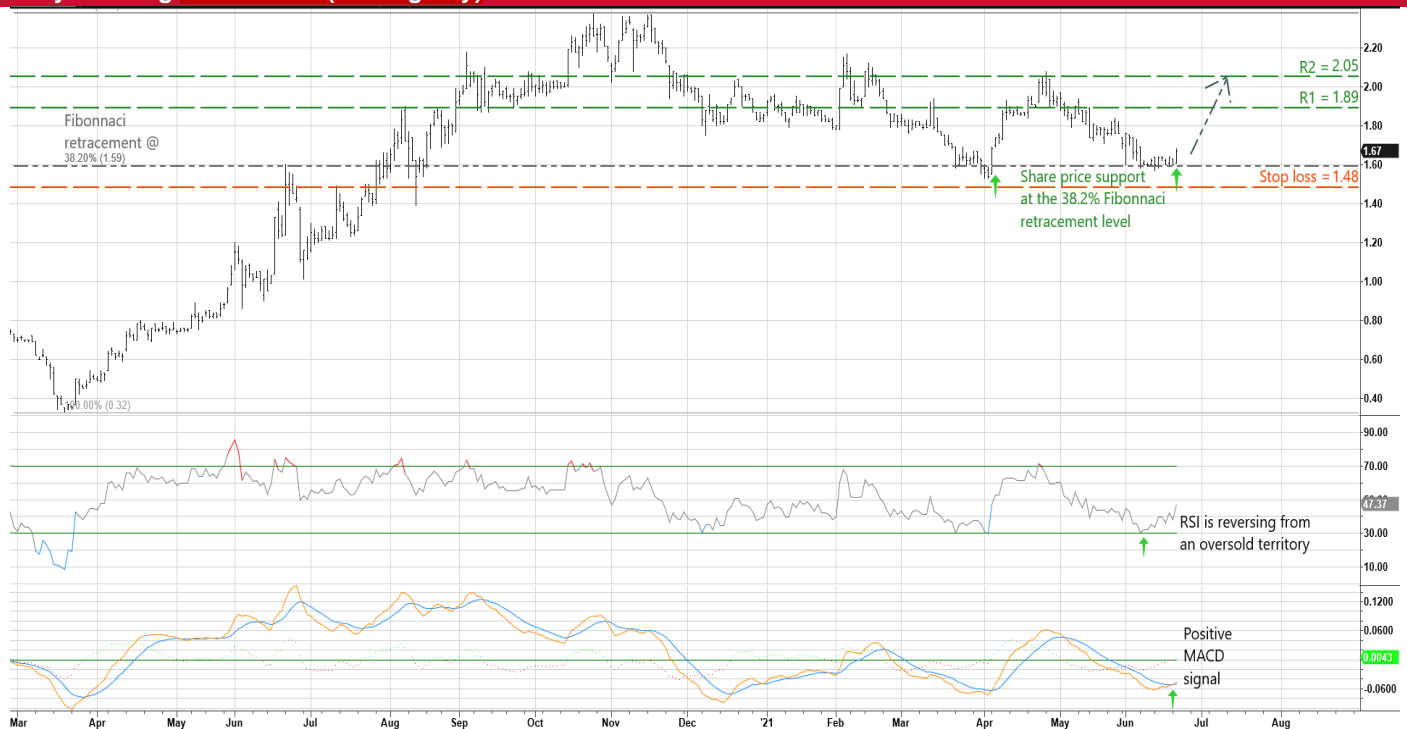


About the Stock:		Key Support & Resistance Levels	
Name	: Solution Group Bhd	52 Week High/Low	: 2.00/0.085
Bursa Code	: SOLUTN	3-m Avg. Daily Vol.	: 14,261,307
CAT Code	: 0093	Free Float (%)	: 51.9
Market Cap	: RM502.7m	Beta vs. KLCI	: 0.8
		Last Price	: RM1.18
		Resistance	: RM1.36 (R1) RM1.48 (R2)
		Stop Loss	: RM1.03

Solution Group Bhd (Trading Buy)

- A vaccine play, SOLUTN is set to supply 3.5m doses of Covid-19 vaccine starting from July this year under an agreement previously signed with the government, as Malaysia plans to accelerate the vaccination programme to bring the Covid-19 pandemic under control as quickly as possible.
- This follows last Thursday's conditional approval given by the Drug Control Authority for the product registration of the single-dose Convidecia Covid-19 vaccine produced by China's CanSino Biologics, which has earlier authorised and granted the exclusive right to SOLUTN to register, manufacture (by providing fill-and-finish services) and commercialise the vaccine in Malaysia.
- Via the collaboration, CanSino will also be using SOLUTN's fill-and-finish facility as the regional hub to market and distribute the COVID-19 vaccine in the ASEAN countries except Indonesia.
- The venture marks the group's diversification into the bio-pharmaceutical related business, complementing its existing business segments, namely engineering equipment, industrial automation, biotechnology, industrial lubricants, metal fabrication & assembly and solar energy.
- The group – which posted a marginal net loss of RM1.7m in 1QFY21 – is in a financially healthy position with net cash holdings & short-term investments of RM39.5m (or 9.3 sen per share) as of end-March 2021.
- Technically speaking, after bouncing off an ascending trendline and the 50% Fibonacci retracement level on numerous occasions since November last year, the share price uptrend remains intact.
- With the stochastics indicator about to climb out from an oversold area, the stock is expected to advance towards our resistance thresholds of RM1.36 (R1; 15% upside potential) and RM1.48 (R2; 25% upside potential).
- We have pegged our stop loss price at RM1.03 (or 13% downside risk from yesterday's close of RM1.18).

Daily Charting – SCOMNET (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Supercomnet Technologies Bhd	52 Week High/Low	: 2.38/1.00
Bursa Code	: SCOMNET	3-m Avg. Daily Vol.	: 718,461
CAT Code	: 0001	Free Float (%)	: 24.9
Market Cap	: RM1,206.5m	Beta vs. KLCI	: 1.5
		Last Price	: RM1.67
		Resistance	: RM1.89 (R1) RM2.05 (R2)
		Stop Loss	: RM1.48

Supercomnet Technologies Bhd (Trading Buy)

- SCOMNET is in the business of manufacturing and assembling advanced high technology wires and cables for the medical devices, electrical appliances, consumer electronics and automotive markets.
- The group, which announced net profit of RM23.5m (+21% YoY) in FY December 2020, has seen its bottomline increasing every year since FY17, translating to a robust 3-year CAGR of 115.3%.
- With the earnings growth momentum extending into 1QFY21 – as net profit jumped 19% YoY to RM4.9m – consensus is projecting SCOMNET to make net earnings of RM30.0m for FY21 and RM48.0m for FY22. This implies forward PERs of 40.2x this year and 25.1x next year, respectively.
- Financially steady, the group has zero borrowings with a cash surplus of RM51.8m (or 7.2 sen per share) as of end-March 2021.
- On the chart, following a share price correction from a high of RM2.08 in late April this year, the stock has subsequently bounced off the 38.2% Fibonacci retracement level to pave the way for the shares to shift higher ahead.
- With the RSI indicator already emerging from an oversold position and the MACD line crossing over the signal line in an oversold area, a technical rebound is anticipated.
- Riding on the positive momentum, the stock will probably climb towards our resistance thresholds of RM1.89 (R1; 13% upside potential) and RM2.05 (R2; 23% upside potential).
- Our stop loss price is set at RM1.48 (representing a 11% downside risk).

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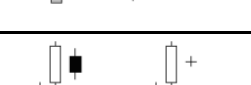
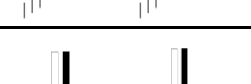


STOCK CALL MONITOR*

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			
GLOBETRONICS TECHNOLOGY BHD	25/5/2021	Trading Buy	2.06	2.46	1.80	19%	-13%	1.53x	2.31	2.00	2.29	Open	
DIALOG GROUP BHD	25/5/2021	Trading Buy	2.87	3.20	2.62	12%	-9%	1.34x	3.03	2.86	2.95	Open	
KELINGTON GROUP BHD	27/5/2021	Trading Buy	2.01	2.29	1.76	14%	-12%	1.12x	2.34	1.89	2.19	TP Hit	18/6/2021
TOMYPAK HOLDINGS	27/5/2021	Trading Buy	0.56	0.63	0.50	13%	-11%	1.17x	0.59	0.52	0.54	Open	
ASTRO MALAYSIA HOLDINGS BHD	28/5/2021	Trading Buy	1.10	1.26	0.97	15%	-12%	1.23x	1.26	1.03	1.25	TP Hit	22/6/2021
REVENUE GROUP BHD	28/5/2021	Trading Buy	1.92	2.14	1.72	11%	-10%	1.10x	2.15	1.82	1.96	TP Hit	18/6/2021
MNRB HOLDINGS BHD	1/6/2021	Trading Buy	1.23	1.45	1.04	18%	-15%	1.16x	1.45	1.21	1.35	TP Hit	15/6/2021
SKP RESOURCES BHD	1/6/2021	Trading Buy	1.53	1.70	1.38	11%	-10%	1.13x	1.85	1.47	1.74	TP Hit	8/6/2021
SOUTHERN CABLE GROUP BHD	2/6/2021	Trading Buy	0.46	0.52	0.41	13%	-11%	1.20x	0.51	0.46	0.49	Open	
HEITECH PADU BHD	2/6/2021	Trading Buy	1.23	1.41	1.09	15%	-11%	1.29x	1.58	1.25	1.37	TP Hit	2/6/2021
ADVANCECON HOLDINGS BHD	3/6/2021	Trading Buy	0.37	0.45	0.33	20%	-12%	1.67x	0.39	0.36	0.38	Open	
THREE-A RESOURCES BHD	3/6/2021	Trading Buy	0.89	1.01	0.79	13%	-11%	1.20x	0.93	0.79	0.81	SL Hit	22/6/2021
FRONTKEN CORP BHD	4/6/2021	Trading Buy	3.10	3.60	2.63	16%	-15%	1.06x	3.08	2.84	2.95	Open	
PRESTAR RESOURCES BHD	4/6/2021	Trading Buy	1.18	1.37	1.00	16%	-15%	1.06x	1.30	1.10	1.11	Open	
KRONOLOGI ASIA BHD	9/6/2021	Trading Buy	0.67	0.77	0.57	16%	-14%	1.11x	0.73	0.66	0.70	Open	
MALAYSIA BUILDING SOCIETY	9/6/2021	Trading Buy	0.65	0.73	0.58	12%	-11%	1.14x	0.66	0.62	0.63	Open	
K-ONE TECHNOLOGY BHD	10/6/2021	Trading Buy	0.30	0.36	0.25	20%	-17%	1.20x	0.33	0.30	0.30	Open	
GAMUDA BHD	10/6/2021	Trading Buy	3.11	3.45	2.86	11%	-8%	1.36x	3.26	3.11	3.14	Open	
KERJAYA PROSPEK GROUP BHD	11/6/2021	Trading Buy	1.22	1.38	1.10	14%	-9%	1.43x	1.28	1.20	1.25	Open	
TECHBOND GROUP BHD	11/6/2021	Trading Buy	0.50	0.56	0.45	12%	-10%	1.20x	0.53	0.50	0.51	Open	
JHM CONSOLIDATION BHD	15/6/2021	Trading Buy	1.70	1.92	1.49	13%	-12%	1.05x	1.95	1.68	1.85	TP Hit	21/6/2021
POS MALAYSIA BERHAD	15/6/2021	Trading Buy	0.84	0.94	0.75	12%	-11%	1.11x	0.87	0.82	0.85	Open	
CYPARK RESOURCES BHD	16/6/2021	Trading Buy	1.11	1.24	1.00	12%	-10%	1.18x	1.14	0.96	0.98	SL Hit	17/6/2021
MY EG SERVICES BHD	16/6/2021	Trading Buy	1.92	2.15	1.75	12%	-9%	1.35x	1.93	1.84	1.86	Open	
AMMB HOLDINGS BHD	17/6/2021	Trading Buy	3.04	3.47	2.63	14%	-13%	1.05x	3.05	2.91	2.96	Open	
AIRASIA GROUP BHD	17/6/2021	Trading Buy	0.93	1.13	0.77	22%	-17%	1.28x	0.95	0.90	0.94	Open	
GHL SYSTEMS BERHAD	18/6/2021	Trading Buy	1.87	2.10	1.65	12%	-12%	1.05x	1.88	1.84	1.86	Open	
IOI CORP BHD	18/6/2021	Trading Buy	3.85	4.25	3.52	10%	-9%	1.21x	3.92	3.82	3.82	Open	
SAMCHEM HOLDINGS BHD	22/6/2021	Trading Buy	0.83	0.94	0.73	13%	-12%	1.10x	0.84	0.80	0.80	Open	
APEX HEALTHCARE BHD	22/6/2021	Trading Buy	3.15	3.56	2.78	13%	-12%	1.11x	3.15	3.10	3.13	Open	

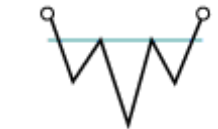

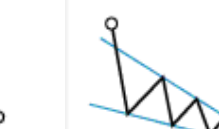

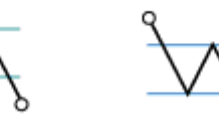
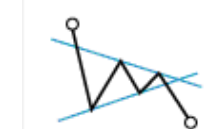




* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

^ 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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