

27 July 2021

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Daily technical highlights – (RGTBHD, MFLOUR)

Daily Charting – RGTBHD (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: RGT Bhd	52 Week High/Low	: 0.69/0.325
Bursa Code	: RGTBHD	3-m Avg. Daily Vol.	: 873,859
CAT Code	: 9954	Free Float (%)	: 50.6
Market Cap	: RM228.6m	Beta vs. KLCI	: 2.0
		Last Price	: RM0.35
		Resistance	: RM0.41 (R1) RM0.45 (R2)
		Stop Loss	: RM0.30

RGT Bhd (Trading Buy)

- As an integrated, one-stop solution manufacturer of hygiene care and air care products – such as soap, sanitizer and fragrance dispensers – RGTBHD offers exposure to the growing demand for these products which are widely used to prevent and control the spread of the Covid-19 virus.
- Capturing the high demand, the group registered net profit of RM3.0m (+396% YoY) on the back of revenue of RM32.3m (+110% YoY) in 3Q ended March 2021. This brought YTD net earnings to RM11.4m (+301% YoY) and revenue to RM119.4m (+133% YoY) for the 9-month period.
- To cater to the strong overseas orders (especially from US and Europe, which collectively accounts for 80%-90% of overall sales), RGTBHD is in the midst of constructing a new 100,000 sq ft manufacturing cum warehouse facility. Scheduled to commence operations in early 2022, it will raise the annual production capacity by 2.5 times to approximately RM500m worth of hygiene care products.
- In addition, the group is financially healthy with net cash holdings of RM36.6m (or 5.6 sen per share) as of end-March 2021.
- Technically speaking, RGTBHD's share price is poised to stage a trend reversal after sliding from a high of RM0.69 in November last year to RM0.35 currently.
- This follows the recent bullish technical signals triggered by: (i) the DMI Plus crossing over DMI Minus, (ii) the momentum indicator which is on the increase after cutting above zero, and (iii) the appearance of dragonfly doji candlesticks.
- An anticipated price increase could lift the stock towards our resistance thresholds of RM0.41 (R1; 17% upside potential) and RM0.45 (R2; 29% upside potential).
- Our stop loss price is pegged at RM0.30 (or 14% downside risk).

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Daily Charting – MFLOUR (Trading Buy)



About the Stock:

Name : Malayan Flour Mills Bhd
Bursa Code : MFLOUR
CAT Code : 3662
Market Cap : RM785.0m

52 Week High/Low : 1.05/0.51
3-m Avg. Daily Vol. : 2,663,807
Free Float (%) : 50.5
Beta vs. KLCI : 1.0

Key Support & Resistance Levels

Last Price : RM0.77
Resistance : RM0.88 (R1) RM0.98 (R2)
Stop Loss : RM0.68

Malayan Flour Mills Bhd (Trading Buy)

- A technical rebound could be on the cards for MFLOUR shares following a price correction of 23% from a recent high of RM1.00 in early May this year.
- On the chart, after overcoming a descending trendline recently, the stock is expected to continue its upward trajectory as the DMI Plus crosses over the DMI Minus while the MACD line cuts above the signal line.
- With that, the share price could advance further to challenge our resistance targets of RM0.88 (R1; 14% upside potential) and RM0.98 (R2; 27% upside potential).
- We have placed our stop loss price at RM0.68 (representing a 12% downside risk).
- Fundamentally speaking, MFLOUR – which is involved in the flour & grains trading and poultry integration businesses – has posted a turnaround with net profit of RM17.7m in 1QFY21 (from a net loss of RM16.8m in 1QFY20), lifted primarily by better margins in the flour business amid lower wheat costs and higher selling prices.
- Going forward, consensus is forecasting the group to make net profit of RM65.1m for FY December 2021 and RM105.0m for FY December 2022, which translate to forward PERs of 12.1x this year and 7.5x next year, respectively.

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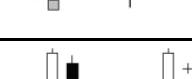
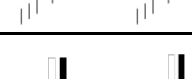
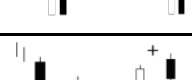

STOCK CALL MONITOR*

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
MATRIX CONCEPTS HOLDINGS BHD	29/6/2021	Trading Buy	1.96	2.16	1.80	10%	-8%	1.25x	2.07	1.94	2.00	Open	
MALAKOFF CORP BHD	29/6/2021	Trading Buy	0.81	0.89	0.74	10%	-9%	1.14x	0.84	0.80	0.83	Open	
BUMI ARMADA BERHAD	30/6/2021	Trading Buy	0.44	0.51	0.38	16%	-14%	1.17x	0.48	0.41	0.42	Open	
KSL HOLDINGS BHD	30/6/2021	Trading Buy	0.59	0.67	0.52	14%	-12%	1.14x	0.63	0.58	0.61	Open	
TUNE PROTECT GROUP BHD	1/7/2021	Trading Buy	0.42	0.48	0.36	16%	-13%	1.18x	0.43	0.40	0.41	Open	
ASTRO MALAYSIA HOLDINGS BHD	1/7/2021	Trading Buy	1.11	1.40	1.00	26%	-10%	2.57x	1.19	1.09	1.09	Open	
THONG GUAN INDUSTRIES BHD	2/7/2021	Trading Buy	2.57	2.93	2.28	14%	-11%	1.24x	2.67	2.50	2.54	Open	
SCGM BHD	2/7/2021	Trading Buy	2.56	3.00	2.19	17%	-15%	1.18x	2.60	2.32	2.37	Open	
MOBILIA HOLDINGS BHD	6/7/2021	Trading Buy	0.43	0.50	0.37	16%	-14%	1.17x	0.55	0.41	0.51	TP Hit	23/6/2021
FLEXIDYNAMIC HOLDINGS BERHAD	6/7/2021	Trading Buy	0.39	0.45	0.34	15%	-13%	1.20x	0.48	0.38	0.42	TP Hit	23/6/2021
POH KONG HOLDINGS BHD	7/7/2021	Trading Buy	0.87	0.98	0.76	13%	-12%	1.10x	0.87	0.82	0.83	Open	
TOMEI CONSOLIDATED BHD	7/7/2021	Trading Buy	1.01	1.15	0.88	14%	-13%	1.08x	1.04	0.92	0.94	Open	
VELESTO ENERGY BHD	8/7/2021	Trading Buy	0.15	0.19	0.12	23%	-20%	1.17x	0.16	0.14	0.15	Open	
PADINI HOLDINGS BERHAD	8/7/2021	Trading Buy	2.79	3.20	2.42	15%	-13%	1.11x	2.88	2.74	2.86	Open	
QES GROUP BHD	9/7/2021	Trading Buy	0.84	0.90	0.78	8%	-7%	1.18x	0.90	0.78	0.85	SL Hit	13/7/2021
FRONTKEN CORP BHD	9/7/2021	Trading Buy	2.99	3.35	2.75	12%	-8%	1.50x	3.39	2.97	3.31	TP Hit	15/7/2021
BOUSTEAD PLANTATIONS BHD	13/7/2021	Trading Buy	0.60	0.69	0.52	15%	-13%	1.13x	0.64	0.60	0.62	Open	
JOHORE TIN BHD	13/7/2021	Trading Buy	1.55	1.75	1.36	13%	-12%	1.05x	1.57	1.51	1.52	Open	
OMESTI BHD	14/7/2021	Trading Buy	0.41	0.47	0.36	15%	-12%	1.20x	0.51	0.41	0.48	TP Hit	16/7/2021
MSM MALAYSIA HOLDINGS BHD	14/7/2021	Trading Buy	1.16	1.32	1.02	14%	-12%	1.14x	1.41	1.15	1.28	TP Hit	19/6/2021
GLOMAC BHD	15/7/2021	Trading Buy	0.32	0.38	0.27	19%	-14%	1.33x	0.35	0.32	0.35	Open	
NWP HOLDINGS BHD	15/7/2021	Trading Buy	0.22	0.27	0.17	23%	-21%	1.11x	0.22	0.21	0.22	Open	
LOTTE CHEMICAL TITAN HOLDING	16/7/2021	Trading Buy	2.76	3.09	2.50	12%	-9%	1.27x	2.92	2.74	2.80	Open	
UNITED U-LI CORP BHD	16/7/2021	Trading Buy	1.12	1.28	1.00	14%	-11%	1.33x	1.19	1.10	1.10	Open	
7-ELEVEN MALAYSIA HOLDINGS B	21/7/2021	Trading Buy	1.47	1.65	1.31	12%	-11%	1.13x	1.47	1.45	1.51	Open	
SUNWAY BHD	21/7/2021	Trading Buy	1.73	1.93	1.56	12%	-10%	1.18x	1.75	1.72	1.69	Open	
SHIN YANG SHIPPING CORP BHD	22/7/2021	Trading Buy	0.35	0.43	0.27	25%	-22%	1.13x	0.36	0.34	0.34	Open	
JF TECHNOLOGY BHD	22/7/2021	Trading Buy	1.42	1.68	1.20	18%	-15%	1.18x	1.50	1.41	1.44	Open	
SUPERMAX CORP BHD	23/7/2021	Trading Buy	3.65	4.20	3.21	15%	-12%	1.25x	3.78	3.44	3.44	Open	
SKP RESOURCES BHD	23/7/2021	Trading Buy	1.75	1.95	1.58	11%	-10%	1.18x	1.78	1.69	1.75	Open	

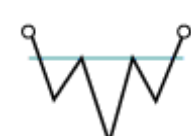

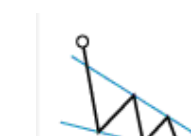

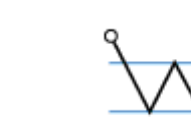


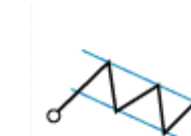


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

^ 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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