

21 July 2021

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Daily technical highlights – (SEM, SUNWAY)

Daily Charting – SEM (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	7-Eleven Malaysia Holdings Bhd	52 Week High/Low	1.63/1.20
Bursa Code	SEM	3-m Avg. Daily Vol.	223,957
CAT Code	5250	Free Float (%)	34.7
Market Cap	RM1,655.7m	Beta vs. KLCI	0.4
		Last Price	RM1.47
		Resistance	RM1.65 (R1) RM1.73 (R2)
		Stop Loss	RM1.31

7-Eleven Malaysia Holdings Bhd (Trading Buy)

- SEM is involved in: (i) the operation and franchising of 7-Eleven convenience stores; and (ii) the operation of the pharmaceutical retail chain under the “Caring”, “Wellings” and “Georgetown” brands in Malaysia. As of end-December last year, the group has a total combined store count of 2,557 stores, comprising 2,413 convenience stores and 144 pharmaceutical stores.
- The Caring Pharmacy Group, whose acquisition was completed in June last year, has made an immediate positive impact with the most recent quarter (1QFY21) showing the pharmaceutical segment contributed RM208.1m in revenue and RM8.8m in operating profit.
- And the retail pharmacy business is expected to see a further boost from the incoming sales of Covid-19 home self-test kits following the government’s approval to use these devices as part of its “live with the virus” screening strategy for economic activities to gradually return to normalcy.
- In terms of overall earnings outlook, after posting net profit of RM11.7m (+3% YoY) in 1QFY21, consensus is projecting the group to make RM59.6m in FY Dec 2021 and RM70.5m in FY Dec 2022, which translate to forward PERs of 27.8x this year and 23.5x next year, respectively.
- On the chart, the stock could attempt to break away from a rectangle pattern after moving sideways since late April this year.
- In essence, SEM shares – which have recently bounced off the key 200-day SMA line – will likely show an upward bias as the momentum indicator is set to rise further following its recent crossing above the zero-line.
- An ensuing breakout could lift the share price towards our resistance thresholds of RM1.65 (R1; 12% upside potential) and RM1.73 (R2; 18% upside potential).
- We have pegged our stop loss price at RM1.31 (or 11% downside risk).

Daily Charting – SUNWAY (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Sunway Bhd	52 Week High/Low	: 1.81/1.21
Bursa Code	: SUNWAY	3-m Avg. Daily Vol.	: 3,852,561
CAT Code	: 5211	Free Float (%)	: 32.2
Market Cap	: RM8,457.8m	Beta vs. KLCI	: 0.8
		Last Price	: RM1.73
		Resistance	: RM1.93 (R1) RM2.05 (R2)
		Stop Loss	: RM1.56

Sunway Bhd (Trading Buy)

- SUNWAY is a leading conglomerate with a diverse business presence spanning across key industries, namely property development, property investment & REIT, leisure, hospitality, construction, healthcare, trading & manufacturing, quarry and building materials.
- The group has also ventured into the fintech space via: (i) its acquisition of a 51% stake in Credit Bureau Malaysia (CBM, which is one of only seven registered credit reporting agency or CRA in Malaysia) in April last year; and (ii) its interest to bid for a digital banking licence in Malaysia (reportedly together with Tencent-backed Chinese fintech firm Linklogis Inc and Bangkok Bank PCL).
- Following the debut listing of CTOS Digital (the market leader of the credit reporting industry with a market share of 71%), which is currently valued at a market cap of RM3.56b based on Monday's closing price, this in turn may set a valuation reference for CBM (which is the third largest CRA with a market share of 7%).
- After reporting net earnings of RM58.4m (-6% YoY) in 1QFY21, consensus is forecasting SUNWAY's bottomline to come in at RM354.1m in FY Dec 2021 and RM458.8m in FY Dec 2022. This translates to forward PERs of 23.9x this year and 18.4x next year, respectively.
- From a technical perspective, SUNWAY's share price will probably extend its upward trajectory after plotting higher highs and higher lows since mid-November last year.
- With the shares continuing to tread above the key 150-day SMA line, its uptrend pattern remains intact as the stock is expected to shift higher following the momentum indicator's crossing above the zero line.
- Hence, we reckon the share price could climb to challenge our resistance targets of RM1.93 (R1; 12% upside potential) and RM2.05 (R2; 18% upside potential).
- Our stop loss price is pegged at RM1.56 (or 10% downside risk).

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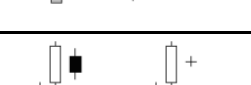
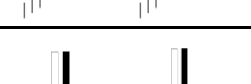


STOCK CALL MONITOR*

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 ^A	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
SAMCHEM HOLDINGS BHD	22/6/2021	Trading Buy	0.83	0.94	0.73	13%	-12%	1.10x	0.84	0.70	0.73	SL Hit	30/6/2021
APEX HEALTHCARE BHD	22/6/2021	Trading Buy	3.15	3.56	2.78	13%	-12%	1.11x	3.20	2.89	2.94	Open	
SOLUTION GROUP BHD	23/6/2021	Trading Buy	1.18	1.36	1.03	15%	-13%	1.20x	1.21	1.02	1.04	SL Hit	28/6/2021
SUPERCOMNET TECHNOLOGIES BHD	23/6/2021	Trading Buy	1.65	1.89	1.48	14%	-11%	1.36x	1.74	1.41	1.44	SL Hit	13/7/2021
BIMB HOLDINGS BHD	24/6/2021	Trading Buy	3.99	4.50	3.55	13%	-11%	1.16x	3.99	3.72	3.76	Open	
BERMAZ AUTO BHD	24/6/2021	Trading Buy	1.53	1.81	1.35	19%	-12%	1.60x	1.54	1.45	1.52	Open	
BP PLASTICS HOLDING BHD	25/6/2021	Trading Buy	1.65	1.88	1.45	14%	-12%	1.15x	2.01	1.58	1.90	TP Hit	13/7/2021
MALAYAN CEMENT BHD	25/6/2021	Trading Buy	2.95	3.30	2.63	12%	-11%	1.09x	2.95	2.73	2.84	Open	
MATRIX CONCEPTS HOLDINGS BHD	29/6/2021	Trading Buy	1.96	2.16	1.80	10%	-8%	1.25x	2.07	1.94	2.05	Open	
MALAKOFF CORP BHD	29/6/2021	Trading Buy	0.81	0.89	0.74	10%	-9%	1.14x	0.84	0.80	0.82	Open	
BUMI ARMADA BERHAD	30/6/2021	Trading Buy	0.44	0.51	0.38	16%	-14%	1.17x	0.48	0.42	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	1.11	1.14	Open	
THONG GUAN INDUSTRIES BHD	2/7/2021	Trading Buy	2.57	2.93	2.28	14%	-11%	1.24x	2.67	2.50	2.57	Open	
SCGM BHD	2/7/2021	Trading Buy	2.56	3.00	2.19	17%	-15%	1.18x	2.60	2.32	2.46	Open	
MOBILIA HOLDINGS BHD	6/7/2021	Trading Buy	0.43	0.50	0.37	16%	-14%	1.17x	0.48	0.41	0.46	Open	
FLEXIDYNAMIC HOLDINGS BERHAD	6/7/2021	Trading Buy	0.39	0.45	0.34	15%	-13%	1.20x	0.43	0.38	0.40	Open	
POH KONG HOLDINGS BHD	7/7/2021	Trading Buy	0.87	0.98	0.76	13%	-12%	1.10x	0.87	0.82	0.84	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	0.14	Open	
PADINI HOLDINGS BERHAD	8/7/2021	Trading Buy	2.79	3.20	2.42	15%	-13%	1.11x	2.86	2.74	2.85	Open	
QES GROUP BHD	9/7/2021	Trading Buy	0.84	0.90	0.78	8%	-7%	1.18x	0.88	0.78	0.86	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	3.25	TP Hit	15/7/2021
BOUSTEAD PLANTATIONS BHD	13/7/2021	Trading Buy	0.60	0.69	0.52	15%	-13%	1.13x	0.62	0.60	0.61	Open	
JOHORE TIN BHD	13/7/2021	Trading Buy	1.55	1.75	1.36	13%	-12%	1.05x	1.57	1.51	1.54	Open	
OMESTI BHD	14/7/2021	Trading Buy	0.41	0.47	0.36	15%	-12%	1.20x	0.49	0.41	0.47	TP Hit	16/7/2021
MSM MALAYSIA HOLDINGS BHD	14/7/2021	Trading Buy	1.16	1.32	1.02	14%	-12%	1.14x	1.33	1.15	1.29	TP Hit	19/6/2021
GLOMAC BHD	15/7/2021	Trading Buy	0.32	0.38	0.27	19%	-14%	1.33x	0.33	0.32	0.33	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	2.88	Open	
UNITED U-LI CORP BHD	16/7/2021	Trading Buy	1.12	1.28	1.00	14%	-11%	1.33x	1.19	1.12	1.12	Open	



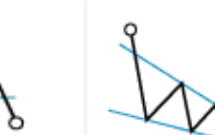


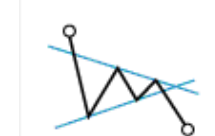


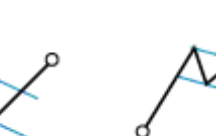

* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

^A 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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