

23 July 2021

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Daily technical highlights – (SUPERMX, SKPRES)

Daily Charting – SUPERMX (Trading Buy)



About the Stock:

Name : Supermax Corporation Bhd
Bursa Code : SUPERMX
CAT Code : 7106
Market Cap : RM9,554.4m

52 Week High/Low : 11.63/3.04
3-m Avg. Daily Vol. : 21,815,460
Free Float (%) : 36%
Beta vs. KLCI : 1.7

Key Support & Resistance Levels

Last Price : RM3.65
Resistance : RM4.20 (R1) RM4.50 (R2)
Stop Loss : RM3.21

Supermax Corporation Berhad (Trading Buy)

- SUPERMX is principally involved in the manufacturing and selling of latex gloves around the world.
- In the 9-month period ended March 2021, SUPERMX recorded a 2,166% YoY surge in net profit (to RM2.9b), driven by: (i) a jump in demand for rubber gloves, and (ii) higher average selling prices, as supply was slow to catch up with demand.
- While consensus is expecting SUPERMX to achieve a net profit of RM3.7b in FY Jun 21 (+600%), its net profit is forecasted to come off to RM2.05b (-44%) in FY Jun 22 to account for lower selling prices. These translate to undemanding forward PERs of 2.6x and 4.7x, respectively, which suggest that the share price might have already discounted the decreasing selling prices.
- On the back of negative sentiment surrounding glove counters, fuelled by fears of softening glove demand and falling selling prices, SUPERMX shares have plunged 75% from a peak of RM11.96 in August 2020 to a recent low of RM3.04 in July 2021.
- Since then, the stock has gradually rebounded likely driven by: (i) its attractive FY22F dividend yield of 7.7%, and (ii) improving sentiment on glove counters due to the rising global Covid-19 delta variant cases.
- Chart-wise, the stock appears to be forming a rounding bottom pattern since May, which could signify the reversal of its long-term price decline.
- In addition, the parabolic SAR shows that the stock is currently riding an uptrend after hitting its recent trough in early-July.
- The Heikin Ashi candlesticks also signal that the stock is gaining upward momentum, with the formation of several consecutive green candlesticks with no lower shadows.
- With the MACD indicator showing signs of rising momentum, we believe the share price could potentially challenge our resistance levels of RM4.20 (R1; 15% upside potential) and RM4.50 (R2; 23% upside potential).
- We have pegged our stop loss at RM3.21 (12% downside risk).

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Daily Charting – SKPRES (Trading Buy)



About the Stock:

Name : SKP Resources Bhd
Bursa Code : SKPRES
CAT Code : 7155
Market Cap : RM2,734.1m

52 Week High/Low : 2.06/1.09
3-m Avg. Daily Vol. : 4,326,845
Free Float (%) : 58%
Beta vs. KLCI : 1.0

Key Support & Resistance Levels

Last Price : RM1.75
Resistance : RM1.95 (R1) RM2.05 (R2)
Stop Loss : RM1.58

SKP Resources Berhad (Trading Buy)

- SKPRES is an electronics manufacturing services (EMS) provider that is principally involved in the manufacturing of plastic products and fabrication of moulds.
- In FY ended March 2021, SKPRES achieved a net profit of RM128m (+75% YoY) as the group secured higher order volume from its key customer riding on strong consumer demand for household products amidst the pandemic.
- Moving forward, consensus is estimating SKPRES to make a net profit of RM165m (+29% YoY) in FY Mar 22 and RM191m (+16% YoY) in FY Mar 23. These translate to forward PERs of 16.6x and 14.3x, respectively.
- Technically speaking, from its recent peak of RM1.85 in mid-June, the stock has corrected and recently rebounded off the 23.6% Fibonacci retracement level of RM1.61.
- Following which, the stock has subsequently rebounded off the 50-day SMA, suggesting it is still in an uptrend.
- With the MACD and parabolic SAR indicators showing signs of rising momentum, an anticipated upward movement in the share price could potentially challenge our resistance levels of RM1.95 (R1; 11% upside potential) and RM2.05 (R2; 17% upside potential).
- We have pegged our stop loss at RM1.58 (10% downside risk).

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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
SOLUTION GROUP BHD	23/06/2021	Trading Buy	1.18	1.36	1.03	15%	-13%	1.20x	1.21	1.02	1.05	SL Hit	28/06/2021
SUPERCOMNET TECHNOLOGIES BHD	23/06/2021	Trading Buy	1.65	1.89	1.48	14%	-11%	1.36x	1.74	1.40	1.40	SL Hit	13/07/2021
BIMB HOLDINGS BHD	24/06/2021	Trading Buy	3.99	4.50	3.55	13%	-11%	1.16x	3.99	3.72	3.78	Open	
BERMAZ AUTO BHD	24/06/2021	Trading Buy	1.53	1.81	1.35	19%	-12%	1.60x	1.60	1.45	1.59	Open	
BP PLASTICS HOLDING BHD	25/06/2021	Trading Buy	1.65	1.88	1.45	14%	-12%	1.15x	2.01	1.58	1.94	TP Hit	13/07/2021
MALAYAN CEMENT BHD	25/06/2021	Trading Buy	2.95	3.30	2.63	12%	-11%	1.09x	2.95	2.73	2.80	Open	
MATRIX CONCEPTS HOLDINGS BHD	29/06/2021	Trading Buy	1.96	2.16	1.80	10%	-8%	1.25x	2.07	1.94	2.04	Open	
MALAKOFF CORP BHD	29/06/2021	Trading Buy	0.81	0.89	0.74	10%	-9%	1.14x	0.84	0.80	0.83	Open	
BUMI ARMADA BERHAD	30/06/2021	Trading Buy	0.44	0.51	0.38	16%	-14%	1.17x	0.48	0.41	0.43	Open	
KSL HOLDINGS BHD	30/06/2021	Trading Buy	0.59	0.67	0.52	14%	-12%	1.14x	0.63	0.58	0.61	Open	
TUNE PROTECT GROUP BHD	01/07/2021	Trading Buy	0.42	0.48	0.36	16%	-13%	1.18x	0.43	0.40	0.40	Open	
ASTRO MALAYSIA HOLDINGS BHD	01/07/2021	Trading Buy	1.11	1.40	1.00	26%	-10%	2.57x	1.19	1.10	1.12	Open	
THONG GUAN INDUSTRIES BHD	02/07/2021	Trading Buy	2.57	2.93	2.28	14%	-11%	1.24x	2.67	2.50	2.56	Open	
SCGM BHD	02/07/2021	Trading Buy	2.56	3.00	2.19	17%	-15%	1.18x	2.60	2.32	2.40	Open	
MOBILIA HOLDINGS BHD	06/07/2021	Trading Buy	0.43	0.50	0.37	16%	-14%	1.17x	0.48	0.41	0.47	Open	
FLEXIDYNAMIC HOLDINGS BERHAD	06/07/2021	Trading Buy	0.39	0.45	0.34	15%	-13%	1.20x	0.43	0.38	0.41	Open	
POH KONG HOLDINGS BHD	07/07/2021	Trading Buy	0.87	0.98	0.76	13%	-12%	1.10x	0.87	0.82	0.83	Open	
TOMEI CONSOLIDATED BHD	07/07/2021	Trading Buy	1.01	1.15	0.88	14%	-13%	1.08x	1.04	0.92	0.95	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.

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VELESTO ENERGY BHD	08/07/2021	Trading Buy	0.15	0.19	0.12	23%	-20%	1.17x	0.16	0.14	0.15	Open	
PADINI HOLDINGS BERHAD	08/07/2021	Trading Buy	2.79	3.20	2.42	15%	-13%	1.11x	2.88	2.74	2.85	Open	
QES GROUP BHD	09/07/2021	Trading Buy	0.84	0.90	0.78	8%	-7%	1.18x	0.88	0.78	0.84	SL Hit	13/07/2021
FRONTKEN CORP BHD	09/07/2021	Trading Buy	2.99	3.35	2.75	12%	-8%	1.50x	3.39	2.97	3.26	TP Hit	15/07/2021
BOUSTEAD PLANTATIONS BHD	13/07/2021	Trading Buy	0.60	0.69	0.52	15%	-13%	1.13x	0.62	0.60	0.62	Open	
JOHORE TIN BHD	13/07/2021	Trading Buy	1.55	1.75	1.36	13%	-12%	1.05x	1.57	1.51	1.53	Open	
OMESTI BHD	14/07/2021	Trading Buy	0.41	0.47	0.36	15%	-12%	1.20x	0.49	0.41	0.48	TP Hit	16/07/2021
MSM MALAYSIA HOLDINGS BHD	14/07/2021	Trading Buy	1.16	1.32	1.02	14%	-12%	1.14x	1.41	1.15	1.38	TP Hit	19/06/2021
GLOMAC BHD	15/07/2021	Trading Buy	0.32	0.38	0.27	19%	-14%	1.33x	0.34	0.32	0.33	Open	
NWP HOLDINGS BHD	15/07/2021	Trading Buy	0.22	0.27	0.17	23%	-21%	1.11x	0.22	0.21	0.22	Open	
LOTTE CHEMICAL TITAN HOLDING	16/07/2021	Trading Buy	2.76	3.09	2.50	12%	-9%	1.27x	2.92	2.74	2.85	Open	
UNITED U-LI CORP BHD	16/07/2021	Trading Buy	1.12	1.28	1.00	14%	-11%	1.33x	1.19	1.12	1.13	Open	
7-ELEVEN MALAYSIA HOLDINGS B	21/07/2021	Trading Buy	1.47	1.65	1.31	12%	-11%	1.13x	1.47	1.45	1.47	Open	
SUNWAY BHD	21/07/2021	Trading Buy	1.73	1.93	1.56	12%	-10%	1.18x	1.75	1.72	1.73	Open	
SHIN YANG SHIPPING CORP BHD	22/07/2021	Trading Buy	0.35	0.43	0.27	25%	-22%	1.13x	0.36	0.35	0.35	Open	
JF TECHNOLOGY BHD	22/07/2021	Trading Buy	1.42	1.68	1.20	18%	-15%	1.18x	1.46	1.41	1.41	Open	

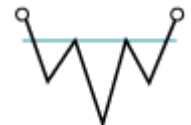

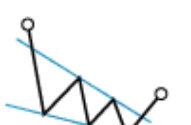







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Technical Terms:

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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