

15 September 2021

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Daily technical highlights – (BINACOM, DRBHCOM)

Daily Charting – BINACOM (Trading Buy)



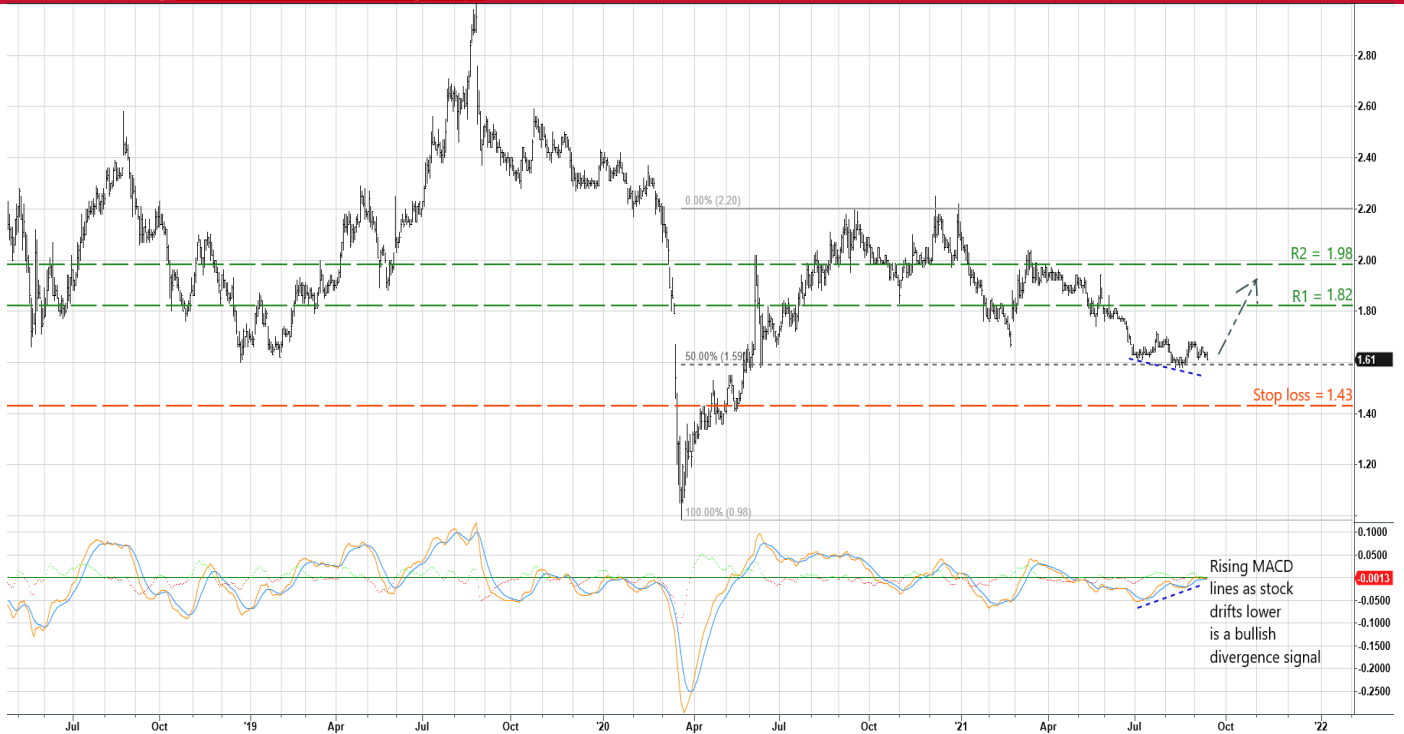
About the Stock:		Key Support & Resistance Levels	
Name	: Binasat Communications Bhd	52 Week High/Low	: 0.515/0.285
Bursa Code	: BINACOM	3-m Avg. Daily Vol.	: 120,307
CAT Code	: 0195	Free Float (%)	: 43.6
Market Cap	: RM97.4m	Beta vs. KLCI	: 1.4
		Last Price	: RM0.34
		Resistance	: RM0.40 (R1) RM0.44 (R2)
		Stop Loss	: RM0.28

Binasat Communications Bhd (Trading Buy)

- After sliding from a high of RM0.515 in February to as low as RM0.30 in mid-July this year, BINACOM shares are in a position to extend its price run-up following a recent technical rebound.
- On the chart, the share price crossover of the 50-day SMA line and the momentum indicator's rise above the zero-line could propel the stock to higher levels ahead.
- Riding on the renewed strength, BINACOM shares will probably climb towards our resistance targets of RM0.40 (R1) and RM0.44 (R2), which imply upside potentials of 18% and 29%, respectively.
- Our stop loss price is set at RM0.28 (representing a downside risk of 18%).
- Business-wise, BINASAT provides support services for satellite, mobile and fibre optic telecommunications networks in Malaysia to major telecommunication companies (either directly or indirectly through equipment suppliers).
- For the 12-month period ended June 2021, the group reported net profit of RM2.4m (-19% YoY) as its overall performance was dragged mainly by weaker margins amid fewer mobile network maintenance services jobs.
- Financially steady, BINASAT's balance sheet is backed by net cash & short-term investments of RM14.4m (or 5.0 sen per share) as of end-June this year.
- Meanwhile, via a proposed acquisition of a 51% stake in Borderless Connection Sdn Bhd for a purchase consideration of RM18.4m, the group plans to diversify into the provision of utilities infrastructure services including transmission and distribution network utility services as well as engineering, procurement, construction & commissioning (EPCC) of solar photovoltaic (PV) facilities.

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Daily Charting – DRBHCOM (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: DRB-Hicom Bhd	52 Week High/Low	: 2.22/1.58
Bursa Code	: DRBHCOM	3-m Avg. Daily Vol.	: 2,069,511
CAT Code	: 1619	Free Float (%)	: 29.6
Market Cap	: RM3,112.5m	Beta vs. KLCI	: 1.3
		Last Price	: RM1.61
		Resistance	: RM1.82 (R1) RM1.98 (R2)
		Stop Loss	: RM1.43

DRB-Hicom Bhd (Trading Buy)

- From a technical perspective, DRBHCOM shares might have already bottomed after slipping from a high of RM2.02 in mid-March this year to a 15-month low of RM1.58 recently. The stock was last traded at RM1.61 yesterday.
- With the 50% Fibonacci retracement threshold (at RM1.59) currently providing immediate support, its downside risk appears fairly limited.
- On the upside, the stock could shift higher ahead following the appearance of a bullish MACD divergence pattern as illustrated by the rising MACD lines in the oversold area while the share price shows a slight downward bias.
- That being the case, we have set our resistance targets at RM1.82 (R1; 13% upside potential) and RM1.98 (R2; 23% upside potential). Our stop loss price is pegged at RM1.43 (or 11% downside risk).
- DRBHCOM – which is involved in the automotive, services and properties businesses – is a proxy to Proton car sales. While the number of Proton cars sold only stood at 5,354 units between June and August this year (no thanks to the full movement control order imposed by the government to curb the Covid-19 outbreak), which then took cumulative vehicles sold to 62,637 units (+1.6% YoY) in the first eight months of this year, sales of Proton cars is expected to catch up in the coming months as economic activities resume.
- After posting net loss of RM234.5m 1HFY21 (which was an improvement from the net loss of RM479.4m in 1HFY20), consensus is forecasting that the group would make net earnings of RM7.6m for FY December 2021 and RM255.0m for FY December 2022. This translates to forward PERs of 409.5x this year and 12.2x 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
MSM MALAYSIA HOLDINGS BHD	17/8/2021	Trading Sell	1.61	1.39	1.81	-14%	-12%	1.21x	1.80	1.38	1.70	TP Hit	25/8/2021
JHM CONSOLIDATION BHD	17/8/2021	Trading Sell	2.14	1.86	2.40	13%	-12%	1.08x	2.26	1.93	1.94	Open	
SUNWAY REAL ESTATE INVESTMEN	18/8/2021	Trading Buy	1.39	1.53	1.31	10%	-6%	1.62x	1.46	1.39	1.41	Open	
IGB REAL ESTATE INVESTMENT T	18/8/2021	Trading Buy	1.67	1.80	1.55	8%	-7%	1.08x	1.72	1.66	1.68	Open	
OPCOM HOLDINGS BHD	19/8/2021	Trading Buy	0.55	0.63	0.47	15%	-14%	1.07x	0.65	0.51	0.62	TP Hit	13/9/2021
MY EG SERVICES BHD	19/8/2021	Trading Buy	0.83	1.86	1.48	125%	79%	1.58x	1.00	0.82	0.96	TP Hit	23/8/2021
DUOPHARMA BIOTECH BHD@	20/8/2021	Trading Buy	1.96	2.18	1.75	11%	-11%	1.00x	2.03	1.83	1.89	Open	
GAMUDA BHD	20/8/2021	Trading Buy	2.80	3.13	2.52	12%	-10%	1.18x	3.24	2.79	3.05	TP Hit	3/9/2021
HEITECH PADU BHD	24/8/2021	Trading Buy	1.34	1.52	1.18	13%	-12%	1.13x	1.40	1.33	1.33	Open	
MMS VENTURES BHD	24/8/2021	Trading Buy	0.93	1.05	0.83	14%	-10%	1.32x	1.14	0.91	1.10	TP Hit	6/9/2021
SAMCHEM HOLDINGS BHD	25/8/2021	Trading Buy	0.75	0.85	0.65	14%	-13%	1.05x	0.86	0.75	0.82	TP Hit	13/9/2021
CCK CONSOLIDATED HOLDINGS BH	25/8/2021	Trading Buy	0.60	0.70	0.51	18%	-14%	1.24x	0.62	0.57	0.58	Open	
BUMI ARMADA BERHAD	26/8/2021	Trading Buy	0.42	0.48	0.37	14%	-12%	1.20x	0.47	0.42	0.44	Open	
AMMB HOLDINGS BHD	26/8/2021	Trading Buy	3.00	3.30	2.79	10%	-7%	1.43x	3.35	2.98	3.13	TP Hit	6/9/2021
SOLARVEST HOLDINGS BHD	27/8/2021	Trading Buy	1.36	1.54	1.21	13%	-11%	1.20x	1.40	1.25	1.26	Open	
SARAWAK OIL PALMS BERHAD	27/8/2021	Trading Buy	3.76	4.21	3.33	12%	-11%	1.05x	3.82	3.55	3.58	Open	
HEXZA CORP BHD	1/9/2021	Trading Buy	1.04	1.16	0.94	12%	-10%	1.20x	1.09	1.05	1.06	Open	
JAG BHD	1/9/2021	Trading Buy	0.35	0.40	0.30	14%	-14%	1.00x	0.38	0.34	0.37	Open	
EWEIN BHD	2/9/2021	Trading Buy	0.35	0.46	0.32	31%	-9%	3.38x	0.40	0.34	0.34	Open	
WAH SEONG CORP BHD	2/9/2021	Trading Buy	0.67	0.79	0.57	17%	-15%	1.15x	0.71	0.65	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.

@ Share price data adjusted for a 1-for-3 bonus issue following the ex-entitlement date on 6 Sep 2021.

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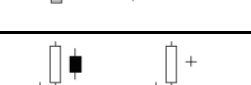
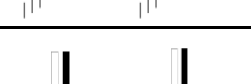


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PESTECH INTERNATIONAL BHD	3/9/2021	Trading Buy	1.02	1.15	0.91	13%	-11%	1.18x	1.13	1.02	1.07	Open	
VSTECS BHD	3/9/2021	Trading Buy	1.33	1.50	1.19	13%	-11%	1.21x	1.35	1.29	1.30	Open	
GLOBETRONICS TECHNOLOGY BHD	7/9/2021	Trading Buy	2.14	2.45	1.90	14%	-11%	1.29x	2.18	2.08	2.10	Open	
MCLEAN TECHNOLOGIES BHD	7/9/2021	Trading Buy	0.42	0.50	0.35	19%	-17%	1.14x	0.42	0.40	0.40	Open	
HIL INDUSTRIES BERHAD	8/9/2021	Trading Buy	0.97	1.10	0.85	13%	-12%	1.08x	1.12	0.96	1.00	TP Hit	8/9/2021
FOUNDPAC GROUP BHD	8/9/2021	Trading Buy	0.80	0.91	0.70	14%	-12%	1.21x	0.81	0.79	0.79	Open	
CYPARK RESOURCES BHD	9/9/2021	Trading Buy	1.00	1.12	0.89	12%	-11%	1.09x	1.02	0.96	0.99	Open	
TH PLANTATIONS BHD	9/9/2021	Trading Buy	0.56	0.66	0.49	17%	-13%	1.36x	0.58	0.54	0.54	Open	
MALAYSIAN BULK CARRIERS BHD	10/9/2021	Trading Buy	0.75	0.85	0.66	13%	-12%	1.11x	0.77	0.73	0.74	Open	
MYNEWS HOLDINGS BHD	10/9/2021	Trading Buy	0.92	1.03	0.81	13%	-11%	1.10x	0.93	0.89	0.92	Open	
MALAYSIA SMELTING CORP BHD	14/9/2021	Trading Buy	2.33	2.70	2.00	16%	-14%	1.12x	2.38	2.28	2.30	Open	
OPENSYS M BHD	14/9/2021	Trading Buy	0.42	0.50	0.36	19%	-14%	1.33x	0.43	0.42	0.42	Open	

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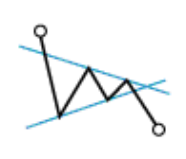

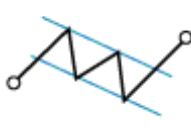


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Technical Terms:

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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