

07 September 2021

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Daily technical highlights – (GTRONIC, MCLEAN)

Daily Charting – GTRONIC (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Globetronics Technology Bhd	<b>52 Week High/Low</b>	: 3.36/1.96
<b>Bursa Code</b>	: GTRONIC	<b>3-m Avg. Daily Vol.</b>	: 1,608,632
<b>CAT Code</b>	: 7022	<b>Free Float (%)</b>	: 58.4
<b>Market Cap</b>	: RM1,432.6m	<b>Beta vs. KLCI</b>	: 1.0
		<b>Last Price</b>	: RM2.14
		<b>Resistance</b>	: RM2.45 (R1) RM2.71 (R2)
		<b>Stop Loss</b>	: RM1.90

**Globetronics Technology Bhd (Trading Buy)**

- With a possible double-bottom pattern in the making, GTRONIC shares could be staging a technical rebound soon.
- In essence, an upward shift in the stock is anticipated following: (i) the presence of a bullish stochastics divergence (after the %D line has formed two rising bottoms in the oversold area as the stock drifted lower) while the %K line has crossed over the %D line to trigger a buy signal at the same time, and (ii) the rising momentum indicator's climb above the zero line.
- On the way up, the share price will probably challenge our resistance targets of RM2.45 (R1; 14% upside potential) and RM2.71 (R2; 27% upside potential).
- We have placed our stop loss price at RM1.90 (or 11% downside risk from yesterday's close of RM2.14).
- The recent share price weakness – down 5.7% since 27 July – might have already discounted the earnings disappointment after GTRONIC (which is involved in the manufacture, assembly and testing of semiconductor components such as integrated circuits and sensors) announced net profit of RM18.8m (up 18% YoY) in 1HFY21.
- Going forward, consensus is projecting the group to post a net profit rebound to RM56.3m (+11% YoY) in FY December 2021 and RM66.9m (+19% YoY) in FY December 2022. This translates to forward PERs of 25.4x this year and 21.4x next year, respectively.
- With a debt-free balance sheet that is backed by cash holdings of RM179.8m (or 26.9 sen per share) as of end-June this year, the stock offers prospective dividend yields of 3.5%-4.1% based on consensus DPS estimates of 7.4 sen for FY21 and 8.7 sen for FY22.

Daily Charting – MCLEAN (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	MClean Technologies Bhd	<b>52 Week High/Low</b>	: 0.715/0.165
<b>Bursa Code</b>	MCLEAN	<b>3-m Avg. Daily Vol.</b>	: 4,486,405
<b>CAT Code</b>	0167	<b>Free Float (%)</b>	: 45.9
<b>Market Cap</b>	RM82.8m	<b>Beta vs. KLCI</b>	: 1.1
		<b>Last Price</b>	: RM0.42
		<b>Resistance</b>	: RM0.50 (R1) RM0.58 (R2)
		<b>Stop Loss</b>	: RM0.35

MClean Technologies Bhd (Trading Buy)

- After drifting sideways since mid-May this year, MCLEAN shares – which inched up 2.4% to end at RM0.42 on relatively high volume yesterday – may attempt to break out from the existing consolidation pattern ahead.
- Preliminary technical signs of an anticipated price run-up could be seen from: (i) the %K line crossing over the %D line as the stochastics indicator reverses from an oversold position, and (ii) the recent appearance of the bullish dragonfly doji candlestick.
- With that, the stock will likely climb towards our resistance thresholds of RM0.50 (R1) and RM0.58 (R2), representing upside potentials of 19% and 38%, respectively.
- Our stop loss price is set at RM0.35 (or 17% downside risk), which is placed just below the 61.8% Fibonacci retracement level.
- Fundamentally speaking, MCLEAN – which provides surface treatment, precision cleaning and packaging services mainly for the hard disk drive (HDD), consumer electronics and oil & gas industries with operations located in Malaysia, Singapore, Thailand and China – is an indirect proxy to the growing demand for storage for enterprise and cloud data.
- The group made a slight net loss of RM0.6m in 2QFY21 (vs 2QFY20’s net profit of RM0.3m), bringing 1HFY21’s net loss to RM1.3m (vs 1HFY20’s net loss of RM0.5m) as its overall performance was affected by business disruptions arising from the Covid-19 pandemic and lower other income contributions.
- Nonetheless, its stable balance sheet (with a marginal net cash position of RM0.7m as of end-June this year) suggests that MCLEAN is financially resilient to weather through the prevailing challenging industry environment.

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## STOCK CALL MONITOR\*





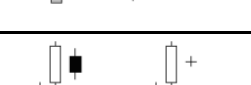
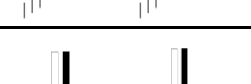


Stock Name	Issue Date (ID)	Rating	Price @ ID	Target Price (TP)	Stop Loss Price (SL)	Upside Potential @ ID	Downside Risk @ ID	Risk to Reward Ratio	Highest Price since ID	Lowest Price since ID	Last Price RM	Status <sup>^</sup>	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
EG INDUSTRIES BHD	11/8/2021	Trading Buy	0.63	0.74	0.55	17%	-13%	1.38x	0.68	0.58	0.60	Open	
STRAITS ENERGY RESOURCES BHD	11/8/2021	Trading Buy	0.21	0.24	0.18	17%	-15%	1.17x	0.22	0.20	0.21	Open	
<b>HEXTAR INDUSTRIES BHD</b>	<b>12/8/2021</b>	<b>Trading Buy</b>	<b>0.36</b>	<b>0.42</b>	<b>0.31</b>	<b>17%</b>	<b>-14%</b>	<b>1.20x</b>	<b>0.38</b>	<b>0.30</b>	<b>0.31</b>	<b>SL Hit</b>	<b>2/9/2021</b>
ATA IMS BHD	12/8/2021	Trading Buy	2.74	3.14	2.39	15%	-13%	1.14x	2.83	2.53	2.65	Open	
ASTRO MALAYSIA HOLDINGS BHD	13/8/2021	Trading Buy	1.09	1.22	1.00	12%	-8%	1.44x	1.13	1.07	1.08	Open	
WCT HOLDINGS BHD	13/8/2021	Trading Buy	0.52	0.58	0.47	13%	-9%	1.44x	0.56	0.51	0.56	Open	
<b>MSM MALAYSIA HOLDINGS BHD</b>	<b>17/8/2021</b>	<b>Trading Sell</b>	<b>1.61</b>	<b>1.39</b>	<b>1.81</b>	<b>-14%</b>	<b>-12%</b>	<b>1.21x</b>	<b>1.72</b>	<b>1.38</b>	<b>1.68</b>	<b>TP Hit</b>	<b>25/8/2021</b>
JHM CONSOLIDATION BHD	17/8/2021	Trading Sell	2.14	1.86	2.40	13%	-12%	1.08x	2.26	1.99	2.10	Open	
SUNWAY REAL ESTATE INVESTMEN	18/8/2021	Trading Buy	1.41	1.53	1.31	9%	-7%	1.20x	1.47	1.40	1.44	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	1.69	Open	
OPCOM HOLDINGS BHD	19/8/2021	Trading Buy	0.55	0.63	0.47	15%	-14%	1.07x	0.57	0.51	0.52	Open	
<b>MY EG SERVICES BHD</b>	<b>19/8/2021</b>	<b>Trading Buy</b>	<b>1.65</b>	<b>1.86</b>	<b>1.48</b>	<b>13%</b>	<b>-10%</b>	<b>1.24x</b>	<b>2.00</b>	<b>1.64</b>	<b>1.96</b>	<b>TP Hit</b>	<b>23/8/2021</b>
DUOPHARMA BIOTECH BHD@	20/8/2021	Trading Buy	1.96	2.18	1.75	11%	11%	1.07x	1.96	1.87	1.96	Open	
<b>GAMUDA BHD</b>	<b>20/8/2021</b>	<b>Trading Buy</b>	<b>2.80</b>	<b>3.13</b>	<b>2.52</b>	<b>12%</b>	<b>-10%</b>	<b>1.18x</b>	<b>3.18</b>	<b>2.79</b>	<b>3.16</b>	<b>TP Hit</b>	<b>3/9/2021</b>
HEITECH PADU BHD	24/8/2021	Trading Buy	1.34	1.52	1.18	13%	-12%	1.13x	1.40	1.33	1.34	Open	
<b>MMS VENTURES BHD</b>	<b>24/8/2021</b>	<b>Trading Buy</b>	<b>0.93</b>	<b>1.05</b>	<b>0.83</b>	<b>14%</b>	<b>-10%</b>	<b>1.32x</b>	<b>1.06</b>	<b>0.91</b>	<b>1.05</b>	<b>TP Hit</b>	<b>6/9/2021</b>
SAMCHEM HOLDINGS BHD	25/8/2021	Trading Buy	0.75	0.85	0.65	14%	-13%	1.05x	0.83	0.75	0.81	Open	
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	0.45	Open	
<b>AMMB HOLDINGS BHD</b>	<b>26/8/2021</b>	<b>Trading Buy</b>	<b>3.00</b>	<b>3.30</b>	<b>2.79</b>	<b>10%</b>	<b>-7%</b>	<b>1.43x</b>	<b>3.33</b>	<b>2.98</b>	<b>3.26</b>	<b>TP Hit</b>	<b>6/9/2021</b>
SOLARVEST HOLDINGS BHD	27/8/2021	Trading Buy	1.36	1.54	1.21	13%	-11%	1.20x	1.40	1.33	1.35	Open	
SARAWAK OIL PALMS BERHAD	27/8/2021	Trading Buy	3.76	4.21	3.33	12%	-11%	1.05x	3.82	3.60	3.64	Open	
HEXZA CORP BHD	1/9/2021	Trading Buy	1.04	1.16	0.94	12%	-10%	1.20x	1.09	1.05	1.08	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	0.39	0.46	0.32	19%	-17%	1.15x	0.43	0.39	0.41	Open	
WAH SEONG CORP BHD	2/9/2021	Trading Buy	0.67	0.79	0.57	17%	-15%	1.15x	0.69	0.65	0.67	Open	
PESTECH INTERNATIONAL BHD	3/9/2021	Trading Buy	1.02	1.15	0.91	13%	-11%	1.18x	1.08	1.02	1.08	Open	
VSTECs BHD	3/9/2021	Trading Buy	1.33	1.50	1.19	13%	-11%	1.21x	1.34	1.32	1.34	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.

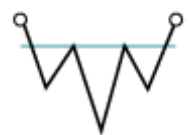
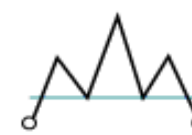


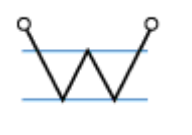
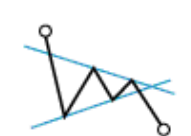

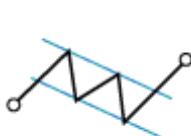


<sup>^</sup> Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

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

**Technical Terms:**

Reversal Candlesticks	Patterns	Description
<b>Doji</b> <b>Dragonfly Doji</b> (Bullish) <b>Gravestone Doji</b> (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.
<b>Engulfing Pattern</b>		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.
<b>Hammer</b> (Bullish) <b>Shooting Star</b> (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.
<b>Inverted Hammer</b> (Bullish) <b>Hanging Man</b> (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.
<b>Harami</b> <b>Harami Cross</b>		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.
<b>Marubozu</b>		A Marubozu candlestick has no shadow extending from the body at either the open, the close or at both.
<b>Morning Doji Star</b> (Bullish) <b>Evening Doji Star</b> (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.
<b>Spinning Top</b>		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	<b>Inverted Head &amp; Shoulders</b> (Bullish)	<b>Head &amp; Shoulders</b> (Bearish)	<b>Wedge Reversal</b> (Bullish/ Bearish)	<b>Double Top</b> (Bearish)	<b>Double Bottom</b> (Bullish)
					
Continuation Patterns	<b>Symmetrical Triangle</b> (Bullish/ Bearish)	<b>Ascending Triangle</b> (Bullish)	<b>Channels</b> (Bullish/ Bearish)	<b>Flags</b> (Bullish/ Bearish)	<b>Pennant</b> (Bullish/ Bearish)
					

Source: Various

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