

14 September 2021

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Daily technical highlights – (MSC, OPENSYS)

Daily Charting – MSC (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	Malaysia Smelting Corporation Bhd	52 Week High/Low	2.92/0.67
Bursa Code	MSC	3-m Avg. Daily Vol.	1,544,432
CAT Code	5915	Free Float (%)	44.3
Market Cap	RM978.6m	Beta vs. KLCI	1.0
		Last Price	RM2.33
		Resistance	RM2.70 (R1) RM2.90 (R2)
		Stop Loss	RM2.00

Malaysia Smelting Corporation Bhd (Trading Buy)

- As a global integrated tin mining and smelting group, MSC is a proxy to soaring tin prices. Global tin prices have jumped 69% YTD to USD34,750/MT currently (off the record closing peak of USD36,594/MT in mid-August) in tandem with the growing demand for tin (which is used as solder in semiconductors, electronics, solar photovoltaics and lithium-ion batteries etc).
- With exposure covering both the upstream (i.e. tin mining) and downstream (namely tin smelting) activities of the tin value chain, the group saw its bottomline turning around from net loss of RM12.3m in 1HFY20 to net profit of RM25.1m in 1HFY21 as average tin prices surged 65% YoY to RM111,450/MT on higher tin production quantity during the period.
- This comes after 2QFY21 turned in net profit of RM2.9m (+228% YoY) despite the interruptions in its operations due to the imposition of full movement control order (FMCO) by the government starting from 1 June 2021.
- Whilst 3QFY21 might still be affected by the FMCO impact, the stronger average tin prices of USD34,542/MT quarter-to-date (which is above 1HFY21's average of USD28,249/MT) is expected to lift its forward quarterly earnings.
- Meanwhile, the group's cost and operation efficiencies will be enhanced when its new and modern Pulau Indah smelting plant (which will see a 50% capacity increase and 30% cost savings) is fully commissioned by end-2021 / early-2022.
- Technically speaking, after sliding from a high of RM2.85 in early May to a low of RM1.73 in late June this year, MSC shares have subsequently bounced off the 50% Fibonacci retracement line and plotted a sequence of higher lows and higher highs.
- With the stock now trading near the lower boundary of the ascending price channel and above the 200-day SMA line, the rising momentum indicator (which has just crossed the zero-line) is signalling the share price could extend its uptrend ahead.
- On the way up, MSC shares will probably advance towards our resistance thresholds of RM2.70 (R1; 16% upside potential) and RM2.90 (R2; 24% upside potential).
- We have pegged our stop loss price at RM2.00 (representing a 14% downside risk from yesterday's close of RM2.33).

Daily Charting – OPENSYS (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: OpenSys (M) Bhd	52 Week High/Low	: 0.70/0.36
Bursa Code	: OPENSYS	3-m Avg. Daily Vol.	: 366,161
CAT Code	: 0040	Free Float (%)	: 57.3
Market Cap	: RM187.7m	Beta vs. KLCI	: 1.5
		Last Price	: RM0.42
		Resistance	: RM0.50 (R1) RM0.56 (R2)
		Stop Loss	: RM0.36

OpenSys (M) Bhd (Trading Buy)

- A technical breakout from an ongoing consolidation pattern could be on the cards for OPENSYS shares after moving sideways since mid-June this year.
- In particular, an upward shift in the share price is anticipated following: (i) the formation of a positive MACD divergence pattern (as the MACD lines were trending up while the stock has been flattish), and (ii) the momentum indicator cutting above the zero-line (thus triggering a buy signal).
- Riding on the renewed strength, we reckon the stock will likely climb to challenge our resistance targets of RM0.50 (R1; 19% upside potential) and RM0.56 (R2; 33% upside potential).
- Our stop loss price is pegged at RM0.36 (or 14% downside risk).
- Business-wise, OPENSYS has four revenue models, namely: (i) outright sales of cash recycling machines and cheque deposit machines to financial institutions, (ii) software development services, (iii) outsourcing services via the deployment of bill payment kiosks to utility, insurance and telecommunication companies, and (iv) maintenance services of the machines. The group also runs a dedicated online solar energy platform (buySolar), which is an online marketplace for renewable energy focussing on solar solutions and financing.
- Amid the challenging economic environment, OPENSYS posted net profit of RM2.8m (+7% YoY) in 2QFY21, bringing its cumulative earnings to RM4.6m (+9% YoY) for the 6-month period ended June 2021.
- And with net cash & short-term investments standing at RM40.6m (or 9.1 sen per share) as of end-June this year, the group remains in a financially steady position.

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STOCK CALL MONITOR*





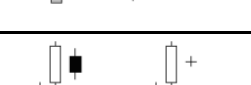
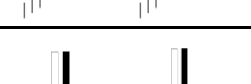


Stock Name	Issue Date (ID)	Rating	Price @ ID	Target Price (TP)	Stop Loss Price (SL)	Upside Potential @ ID	Downside Risk @ ID	Risk to Reward Ratio	Highest Price since ID	Lowest Price since ID	Last Price RM	Status ^A	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
MSM MALAYSIA HOLDINGS BHD	17/8/2021	Trading Sell	1.61	1.39	1.81	-14%	-12%	1.21x	1.77	1.38	1.76	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	1.94	1.95	Open	
SUNWAY REAL ESTATE INVESTMEN	18/8/2021	Trading Buy	1.39	1.53	1.31	10%	-6%	1.62x	1.46	1.39	1.44	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	1.67	Open	
OPCOM HOLDINGS BHD	19/8/2021	Trading Buy	0.55	0.63	0.47	15%	-14%	1.07x	0.64	0.51	0.63	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	0.97	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	1.88	Open	
GAMUDA BHD	20/8/2021	Trading Buy	2.80	3.13	2.52	12%	-10%	1.18x	3.24	2.79	3.10	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	1.36	Open	
MMS VENTURES BHD	24/8/2021	Trading Buy	0.93	1.05	0.83	14%	-10%	1.32x	1.14	0.91	1.05	TP Hit	6/9/2021
SAMCHEM HOLDINGS BHD	25/8/2021	Trading Buy	0.75	0.85	0.65	14%	-13%	1.05x	0.85	0.75	0.84	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	3.25	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	3.59	3.62	Open	
HEXZA CORP BHD	1/9/2021	Trading Buy	1.04	1.16	0.94	12%	-10%	1.20x	1.09	1.05	1.07	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	0.35	0.35	Open	
WAH SEONG CORP BHD	2/9/2021	Trading Buy	0.67	0.79	0.57	17%	-15%	1.15x	0.71	0.65	0.69	Open	
PESTECH INTERNATIONAL BHD	3/9/2021	Trading Buy	1.02	1.15	0.91	13%	-11%	1.18x	1.09	1.02	1.06	Open	
VSTECs BHD	3/9/2021	Trading Buy	1.33	1.50	1.19	13%	-11%	1.21x	1.35	1.29	1.31	Open	
GLOBETRONICS TECHNOLOGY BHD	7/9/2021	Trading Buy	2.14	2.45	1.90	14%	-11%	1.29x	2.18	2.08	2.11	Open	
MCLEAN TECHNOLOGIES BHD	7/9/2021	Trading Buy	0.42	0.50	0.35	19%	-17%	1.14x	0.42	0.40	0.41	Open	
HIL INDUSTRIES BERHAD	8/9/2021	Trading Buy	0.97	1.10	0.85	13%	-12%	1.08x	1.12	0.96	1.02	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	0.80	Open	
CYPARK RESOURCES BHD	9/9/2021	Trading Buy	1.00	1.12	0.89	12%	-11%	1.09x	1.02	0.96	1.01	Open	
TH PLANTATIONS BHD	9/9/2021	Trading Buy	0.56	0.66	0.49	17%	-13%	1.36x	0.58	0.55	0.56	Open	
MALAYSIAN BULK CARRIERS BHD	10/9/2021	Trading Buy	0.75	0.85	0.66	13%	-12%	1.11x	0.77	0.73	0.75	Open	
MYNEWS HOLDINGS BHD	10/9/2021	Trading Buy	0.92	1.03	0.81	13%	-11%	1.10x	0.93	0.89	0.90	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.






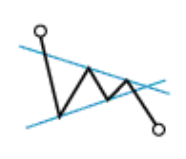

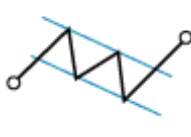


^A Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

@ 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
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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