

01 December 2021

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**Daily technical highlights – (SIMEPLT, HEXZA)**

**Daily Charting – SIMEPLT (Trading Buy)**



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Sime Darby Plantation Bhd	<b>52 Week High/Low</b>	: 5.06/3.21
<b>Bursa Code</b>	: SIMEPLT	<b>3-m Avg. Daily Vol.</b>	: 4,520,322
<b>CAT Code</b>	: 5285	<b>Free Float (%)</b>	: 20.2
<b>Market Cap</b>	: RM25,449.8m	<b>Beta vs. KLCI</b>	: 1.0
		<b>Last Price</b>	: RM3.68
		<b>Resistance</b>	: RM4.10 (R1) RM4.40 (R2)
		<b>Stop Loss</b>	: RM3.26

**Sime Darby Plantation Bhd (Trading Buy)**

- A technical rebound may be in the offing for SIMEPLT shares after tumbling from a high of RM4.42 in mid-October this year to RM3.68 currently.
- On the chart, the stock will probably bounce off from a positive sloping trendline following: (i) the appearance of a bullish stochastic divergence pattern (as the %D line has formed two rising bottoms in the oversold area while the price drifted lower), and (ii) an anticipated reversal by the RSI from an oversold territory.
- An ensuing climb in the share price could lift SIMEPLT towards our resistance thresholds of RM4.10 (R1; 11% upside potential) and RM4.40 (R2; 20% upside potential).
- Our stop loss price level is placed at RM3.26 (which represents an 11% downside risk).
- As a fully integrated global plantation group, SIMEPLT stands to benefit from rising CPO price (with the spot month futures price up 33% YTD to RM5,188 per MT currently).
- For the nine-month period ended September 2021, the group's net earnings soared 73% YoY to RM1,789m mainly driven by higher average CPO price of RM3,545 per MT versus 9MFY20's RM2,485 per MT.
- Based on consensus estimates, SIMEPLT's net profit is expected to come in at RM2,286m (+93% YoY) in FY December 2021 before dropping to RM1,701m (-26% YoY) in FY December 2022. This translates to forward PERs of 11.1x this year and 15.0x next year, respectively.

Daily Charting – HEXZA (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Hexza Corporation Bhd	<b>52 Week High/Low</b>	: 1.35/0.985
<b>Bursa Code</b>	: HEXZA	<b>3-m Avg. Daily Vol.</b>	: 452,197
<b>CAT Code</b>	: 3298	<b>Free Float (%)</b>	: 61.1
<b>Market Cap</b>	: RM240.5m	<b>Beta vs. KLCI</b>	: 0.8
		<b>Last Price</b>	: RM1.20
		<b>Resistance</b>	: RM1.35 (R1) RM1.43 (R2)
		<b>Stop Loss</b>	: RM1.05

Hexza Corporation Bhd (Trading Buy)

- After plotting a shape of rounding bottom reversal, HEXZA’s share price is in a position to extend its upward trajectory ahead.
- With the shares currently trading close to an ascending trendline and the 50-day SMA, a technical rebound is in sight as the stock attempts to clear our resistance hurdles of RM1.35 (R1) and RM1.43 (R2). This represents upside potentials of 12% and 19%, respectively.
- We have pegged our stop loss price level at RM1.05 (or a 12% downside risk from yesterday’s close of RM1.20).
- Fundamentally speaking, HEXZA is involved in two principal businesses: (i) the production and sale of ethanol for industrial and potable purposes, and (ii) the manufacture and sale of formaldehyde-based liquid adhesive resins to wood related industries in Sarawak. The group is ranked as the largest manufacturer of ethanol in Malaysia and one of the largest producers of resins in East Malaysia.
- After posting net profit of RM10.2m (-34% YoY) in FY June 2021, its underlying performance continued to be affected by lower sales and margins squeeze (arising from higher raw material costs) as the group logged net earnings of RM1.4m (-61% YoY) in 1QFY22.
- Nonetheless, with a debt-free balance sheet that is backed by cash & cash equivalents of RM94.0m (46.9 sen per share or more than one-third of the existing share price) as of end-September 2021, HEXZA’s healthy financial position should appeal to risk-averse investors.

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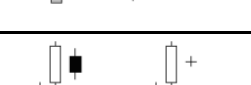
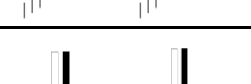


## STOCK CALL MONITOR\*

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 <sup>^</sup>	Date Status Fulfilled
CCK CONSOLIDATED HOLDINGS BH	2/11/2021	Trading Buy	0.60	0.68	0.53	13%	-12%	1.14x	0.64	0.54	0.56	Open	
KRONOLOGI ASIA BHD	2/11/2021	Trading Buy	0.62	0.68	0.56	11%	-9%	1.18x	0.67	0.53	0.55	SL Hit	26/11/2021
OMESTI BHD	3/11/2021	Trading Buy	0.43	0.48	0.38	13%	-11%	1.22x	0.43	0.39	0.40	Open	
FOUNDPAC GROUP BHD	3/11/2021	Trading Buy	0.78	0.89	0.70	14%	-10%	1.38x	0.79	0.62	0.68	SL Hit	25/11/2021
XIN HWA HOLDINGS BHD	5/11/2021	Trading Buy	0.35	0.39	0.31	13%	-10%	1.29x	0.34	0.27	0.29	SL Hit	15/11/2021
REVENUE GROUP BHD	5/11/2021	Trading Buy	1.80	2.00	1.62	11%	-10%	1.11x	1.82	1.40	1.48	SL Hit	11/11/2021
ENGTEX GROUP BHD	9/11/2021	Trading Buy	0.62	0.70	0.55	13%	-11%	1.14x	0.63	0.56	0.59	Open	
SALUTICA BHD	9/11/2021	Trading Buy	0.62	0.69	0.56	11%	-10%	1.17x	0.65	0.51	0.54	SL Hit	26/11/2021
ECO WORLD INTERNATIONAL BHD	10/11/2021	Trading Buy	0.47	0.53	0.42	13%	-11%	1.20x	0.49	0.43	0.45	Open	
GLOMAC BHD	10/11/2021	Trading Buy	0.35	0.40	0.30	14%	-14%	1.00x	0.36	0.31	0.34	Open	
FITTERS DIVERSIFIED BHD	11/11/2021	Trading Buy	0.48	0.54	0.42	14%	-12%	1.18x	0.52	0.34	0.38	SL Hit	26/11/2021
PERTAMA DIGITAL BHD	11/11/2021	Trading Buy	0.56	0.63	0.49	14%	-12%	1.15x	0.57	0.49	0.50	SL Hit	29/11/2021
GENTING MALAYSIA BHD	12/11/2021	Trading Buy	3.15	3.51	2.84	11%	-10%	1.16x	3.20	2.77	2.77	SL Hit	29/11/2021
SARAWAK OIL PALMS BERHAD	12/11/2021	Trading Buy	3.63	4.06	3.24	12%	-11%	1.10x	3.84	3.46	3.50	Open	
POH KONG HOLDINGS BHD	16/11/2021	Trading Buy	0.85	0.96	0.76	13%	-11%	1.22x	0.87	0.78	0.79	Open	
BAHVEST RESOURCES BHD	16/11/2021	Trading Buy	0.53	0.60	0.47	13%	-11%	1.17x	0.55	0.44	0.46	SL Hit	23/11/2021
PESTECH INTERNATIONAL BHD	17/11/2021	Trading Buy	1.15	1.28	1.03	11%	-10%	1.08x	1.16	0.94	1.01	SL Hit	17/11/2021
GDEX BHD	17/11/2021	Trading Buy	0.31	0.35	0.27	13%	-13%	1.00x	0.32	0.29	0.30	Open	
TUNE PROTECT GROUP BHD	18/11/2021	Trading Buy	0.51	0.57	0.46	12%	-10%	1.20x	0.49	0.38	0.42	SL Hit	18/11/2021
CJ CENTURY LOGISTICS HOLDING	18/11/2021	Trading Buy	0.64	0.73	0.56	14%	-13%	1.13x	0.68	0.53	0.58	SL Hit	26/11/2021
DAGANG NEXCHANGE BHD	19/11/2021	Trading Buy	0.84	0.95	0.73	14%	-13%	1.10x	0.89	0.77	0.78	Open	
FLEXIDYNAMIC HOLDINGS BERHAD	19/11/2021	Trading Buy	0.36	0.43	0.29	21%	-18%	1.15x	0.39	0.31	0.34	Open	
MSM MALAYSIA HOLDINGS BHD	23/11/2021	Trading Buy	1.53	1.77	1.31	16%	-14%	1.09x	1.61	1.13	1.16	SL Hit	25/11/2021
MYNEWS HOLDINGS BHD	23/11/2021	Trading Buy	0.92	1.03	0.80	13%	-13%	1.00x	0.93	0.86	0.86	Open	
MUHIBBAH ENGINEERING (M) BHD	24/11/2021	Trading Buy	0.90	1.00	0.79	12%	-12%	1.00x	0.90	0.81	0.84	Open	
MMS VENTURES BHD	24/11/2021	Trading Buy	1.07	1.22	0.93	14%	-13%	1.07x	1.14	0.96	1.03	Open	
ASTRO MALAYSIA HOLDINGS BHD	25/11/2021	Trading Buy	0.95	1.06	0.85	12%	-10%	1.21x	0.96	0.94	0.96	Open	
IGB REAL ESTATE INVESTMENT T	25/11/2021	Trading Buy	1.64	1.83	1.48	12%	-10%	1.19x	1.66	1.62	1.64	Open	
DUOPHARMA BIOTECH BHD	26/11/2021	Trading Buy	1.70	1.92	1.52	13%	-11%	1.22x	1.78	1.58	1.73	Open	
THETA EDGE BHD	26/11/2021	Trading Buy	0.80	0.93	0.68	17%	-14%	1.17x	0.80	0.69	0.71	Open	
MAH SING GROUP BHD	30/11/2021	Trading Buy	0.77	0.89	0.66	16%	-14%	1.09x	0.77	0.73	0.74	Open	
ES CERAMICS TECHNOLOGY BHD	30/11/2021	Trading Buy	0.46	0.54	0.39	17%	-15%	1.14x	0.46	0.43	0.44	Open	

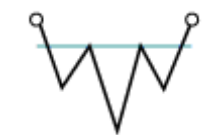



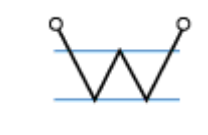
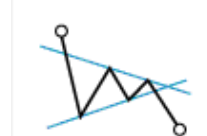

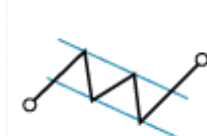


\* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

<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.

**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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