

05 May 2022

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Daily technical highlights – (CSCSTEL, WELLCAL)

Daily Charting – CSCSTEL (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: CSC Steel Holdings Bhd	52 Week High/Low	: 2.00/1.14
Bursa Code	: CSCSTEL	3-m Avg. Daily Vol.	: 752,071
CAT Code	: 5094	Free Float (%)	: 43%
Market Cap	: RM638.9m	Beta vs. KLCI	: 1.0
		Last Price	: RM1.73
		Resistance	: RM1.93 (R1) RM2.00 (R2)
		Stop Loss	: RM1.55

CSC Steel Holdings Bhd (Trading Buy)

- Following a sharp sell-off to hit a low of RM1.38 in early-March 2022, CSCSTEL shares have rebounded to form an ascending price channel.
- Technically speaking, the stock will likely break out from a short-term sideways pattern to resume its upward trajectory on the back of the stochastic indicator’s reversal from an oversold area and the DMI Plus hovering above the DMI Minus.
- With that, the stock could rise to challenge our resistance levels of RM1.93 (R1; 12% upside potential) and RM2.00 (R2; 16% upside potential).
- We have pegged our stop loss at RM1.55, which represents a downside risk of 10%.
- CSCSTEL is involved in the manufacturing and sales of steels and related products.
- Earnings-wise, the group reported net profit of RM38.9m (>100% QoQ) in 4QFY21, which brought full-year’s bottomline to RM86.1m (vs. FY20’s RM37m), lifted mainly by higher steel prices. The strong earnings momentum may sustain in the coming quarter(s) amid the prevailing elevated steel prices.
- Going forward, consensus is projecting that the group will make net profit of RM70.4m for FY December 2022 and RM66.2m for FY December 2023, which translate to forward PERs of 9.1x and 9.7x, respectively.

Daily Charting – WELLCAL (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Wellcall Holdings Bhd	52 Week High/Low	: 1.38/0.98
Bursa Code	: WELLCAL	3-m Avg. Daily Vol.	: 772,413
CAT Code	: 7231	Free Float (%)	: 70%
Market Cap	: RM631.8m	Beta vs. KLCI	: 0.7
		Last Price	: RM1.27
		Resistance	: RM1.40 (R1) RM1.47 (R2)
		Stop Loss	: RM1.15

Wellcall Holdings Bhd (Trading Buy)

- After a recent rebound from a trough of RM1.10 in early-March 2022, a price breakout from an intermediate ascending triangle pattern could be underway for WELLCAL shares.
- With the Parabolic SAR indicator showing its first uptick signal and coupled with the DMI Plus on the rise to widen its gap from the DMI Minus, we anticipate that the stock will continue to trend upwards.
- Thus, we believe that WELLCAL's share price could climb towards our resistance thresholds of RM1.40 (R1; 10% upside potential) and RM1.47 (R2; 16% upside potential).
- Our stop loss price level is set at RM1.15 (or a downside risk of 9%).
- Business-wise, WELLCAL is engaged in the manufacturing of industrial rubber hoses and related products.
- Earnings-wise, the group reported a net profit of RM6.9m (-16% YoY) in 1QFY22 as its underlying performance was dragged down by higher raw material costs and global supply chain issues (such as surging freight costs and tight shipping schedules).
- Based on consensus forecasts, the group will make net profit of RM35.4m for FY September 2022 and RM39.9m for FY September 2023, which translate to forward PERs of 17.9x and 15.9x, respectively.
- Its forward earnings will likely improve on the back of: (i) strong demand for rubber hoses from a diversified customer base (as 90% of total revenue is derived from the exports market) as well as from various industries amid the global economic recovery, (ii) a new joint venture agreement with a Swedish company to offer new products, and (iii) an improvement in operating efficiency.

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STOCK CALL MONITOR*





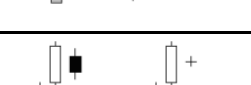
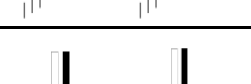


Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Target Price (TP) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status [^]	Date Status Fulfilled
MALAYAN CEMENT BHD	5/4/2022	Trading Buy	2.45	2.82	2.11	15%	-14%	1.09x	2.95	2.50	2.77	TP Hit	7/4/2022
HUME CEMENT INDUSTRIES BHD	5/4/2022	Trading Buy	1.12	1.28	0.98	14%	-13%	1.14x	1.25	1.15	1.18	Open	
OPENSYS M BHD	6/4/2022	Trading Buy	0.37	0.42	0.32	14%	-14%	1.00x	0.40	0.36	0.37	Open	
XIN HWA HOLDINGS BHD	6/4/2022	Trading Buy	0.28	0.32	0.24	14%	-14%	1.00x	0.32	0.28	0.30	TP Hit	7/4/2022
EVERGREEN FIBREBOARD BHD	7/4/2022	Trading Buy	0.67	0.74	0.61	10%	-9%	1.17x	0.80	0.67	0.77	TP Hit	11/4/2022
ORIENTAL FOOD INDUST HLDGS	7/4/2022	Trading Buy	1.03	1.14	0.94	11%	-9%	1.22x	1.09	0.99	1.02	Open	
ACME HOLDINGS BHD	8/4/2022	Trading Buy	0.26	0.29	0.23	12%	-10%	1.20x	0.29	0.23	0.24	SL Hit	11/4/2022
HPP HOLDINGS BHD	8/4/2022	Trading Buy	0.51	0.58	0.46	13%	-10%	1.30x	0.54	0.47	0.48	Open	
LION INDUSTRIES CORP BHD	12/4/2022	Trading Buy	0.61	0.71	0.52	16%	-15%	1.11x	0.67	0.57	0.58	Open	
MALAYSIA STEEL WORKS KL BHD	12/4/2022	Trading Buy	0.34	0.40	0.29	18%	-15%	1.20x	0.42	0.34	0.37	TP Hit	18/4/2022
ANN JOO RESOURCES BHD	13/4/2022	Trading Buy	1.76	2.09	1.56	19%	-11%	1.66x	1.91	1.70	1.72	Open	
MELEWAR INDUSTRIAL GROUP BHD	13/4/2022	Trading Buy	0.43	0.50	0.36	16%	-16%	1.00x	0.46	0.39	0.40	Open	
HEVEABOARD BHD	14/4/2022	Trading Buy	0.56	0.62	0.49	12%	-12%	1.00x	0.61	0.54	0.58	Open	
TASCO BHD	14/4/2022	Trading Buy	1.21	1.35	1.07	12%	-12%	1.00x	1.22	1.10	1.12	Open	
CB INDUSTRIAL PRODUCT HLDG	15/4/2022	Trading Buy	1.73	1.96	1.53	13%	-12%	1.15x	1.75	1.56	1.63	Open	
SDS GROUP BHD	15/4/2022	Trading Buy	0.38	0.43	0.34	13%	-11%	1.25x	0.39	0.34	0.37	SL Hit	20/4/2022
SELANGOR DREDGING BHD	20/4/2022	Trading Buy	0.54	0.61	0.48	13%	-11%	1.17x	0.59	0.54	0.54	Open	
OKA CORP BHD	20/4/2022	Trading Buy	0.84	0.95	0.73	13%	-13%	1.00x	0.84	0.81	0.83	Open	
CJ CENTURY LOGISTICS HOLDING	21/4/2022	Trading Buy	0.67	0.75	0.59	13%	-11%	1.13x	0.70	0.62	0.63	Open	
KRETAM HOLDINGS BHD	21/4/2022	Trading Buy	0.68	0.77	0.60	13%	-12%	1.13x	0.75	0.66	0.70	Open	
CARIMIN PETROLEUM BHD	22/4/2022	Trading Buy	0.71	0.80	0.62	13%	-13%	1.00x	0.72	0.65	0.68	Open	
EWEIN BHD	22/4/2022	Trading Buy	0.33	0.37	0.30	12%	-11%	1.14x	0.37	0.32	0.34	TP Hit	27/4/2022
GREENYIELD BHD	26/4/2022	Trading Buy	0.27	0.32	0.23	19%	-15%	1.25x	0.32	0.28	0.30	TP Hit	27/4/2022
LII HEN INDUSTRIES BHD	26/4/2022	Trading Buy	2.97	3.30	2.68	11%	-10%	1.14x	3.16	2.97	3.10	Open	
THONG GUAN INDUSTRIES BHD	27/4/2022	Trading Buy	2.49	2.86	2.13	15%	-14%	1.03x	2.50	2.45	2.50	Open	
TAFI INDUSTRIES BHD	27/4/2022	Trading Buy	0.65	0.74	0.58	14%	-11%	1.29x	0.67	0.63	0.67	Open	
HOMERITZ CORP BHD	28/4/2022	Trading Buy	0.57	0.62	0.51	10%	-10%	1.00x	0.60	0.56	0.59	Open	
MOBILIA HOLDINGS BHD	28/4/2022	Trading Buy	0.21	0.24	0.19	14%	-12%	1.20x	0.22	0.21	0.22	Open	
MALAKOFF CORP BHD	29/4/2022	Trading Buy	0.67	0.75	0.60	13%	-10%	1.31x	0.68	0.66	0.67	Open	
WEGMANS HOLDINGS BHD#	29/4/2022	Trading Buy	0.25	0.28	0.22	12%	-12%	1.00x	0.26	0.23	0.24	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.

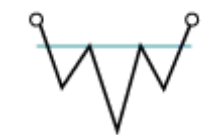



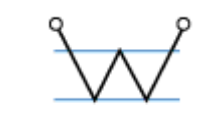
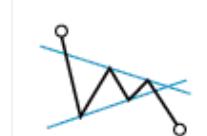

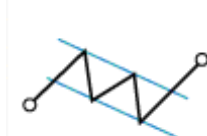


[^] Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

Share price data has been adjusted for a bonus issue exercise on the basis of 1 free warrant for every 4 ordinary shares held following an ex-entitlement date on 29 Apr 2022.

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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