

11 May 2022

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Daily technical highlights – (SCIENTX, SAMCHEM)

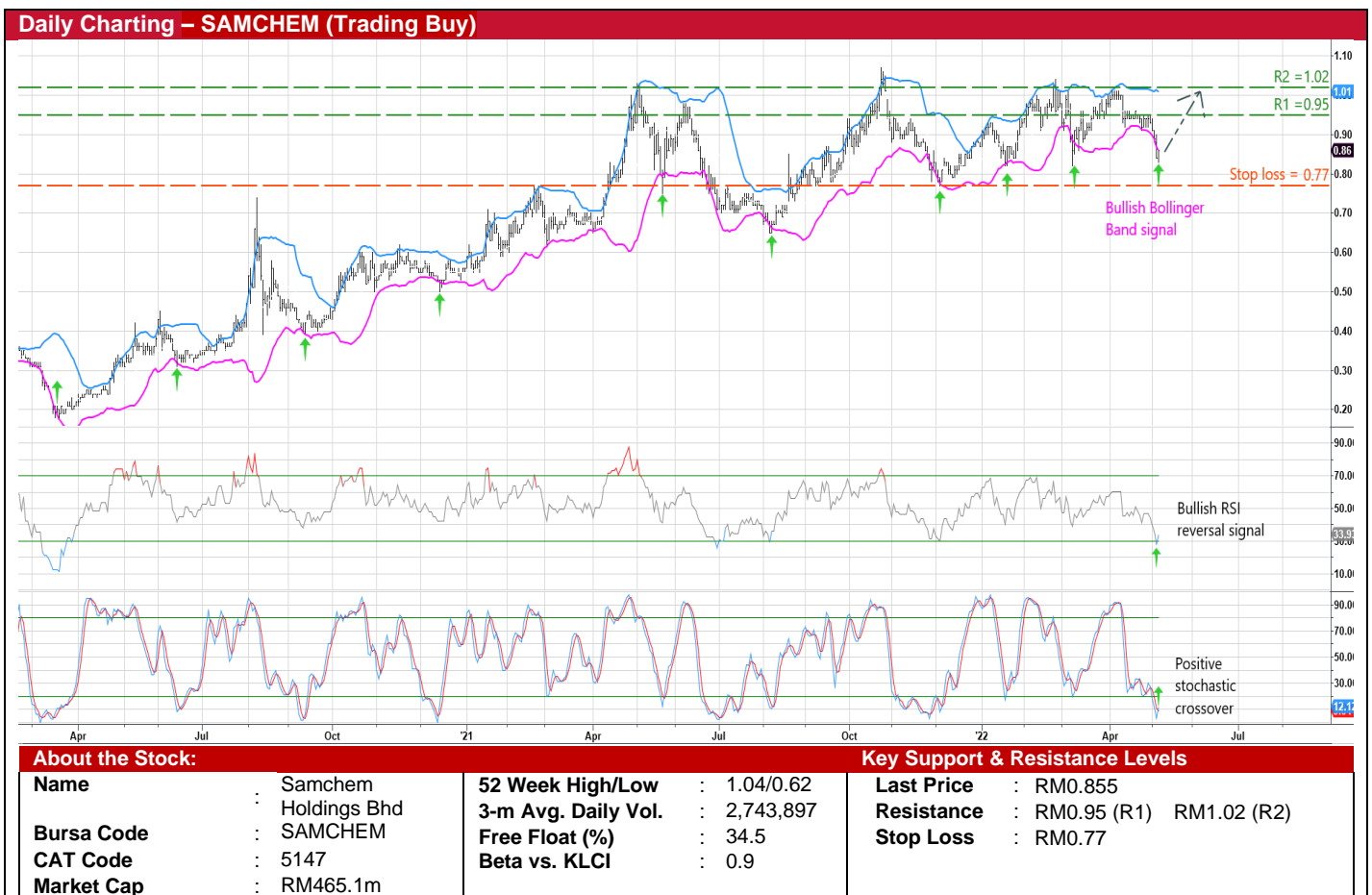
Daily Charting – SCIENTX (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Scientex Bhd	52 Week High/Low	: 5.00/3.71
Bursa Code	: SCIENTX	3-m Avg. Daily Vol.	: 856,174
CAT Code	: 4731	Free Float (%)	: 33.0
Market Cap	: RM5,847.3m	Beta vs. KLCI	: 0.5
		Last Price	: RM3.77
		Resistance	: RM4.15 (R1) RM4.45 (R2)
		Stop Loss	: RM3.40

Scientex Bhd (Trading Buy)

- Following a price retracement from a high of RM5.00 in early January this year to an intra-day low of RM3.71 yesterday (or back to where it was in December 2020), a technical rebound could be on the cards for SCIENTX shares.
- This comes as both the RSI and stochastic indicators are poised to climb out from their oversold positions.
- Riding on the renewed technical strength, the stock will probably rise to challenge our resistance levels of RM4.15 (R1; 10% upside potential) and RM4.45 (R2; 18% upside potential).
- Our stop loss price level is set at RM3.40 (representing a downside risk of 10% from yesterday's close of RM3.77).
- Business-wise, SCIENTX is: (i) one of the world's top manufacturers of stretch film and an end-to-end flexible plastic packaging producer with a presence across the packaging value chain – from stretch films, base films and printed films to bags and multi-layered flexible plastic packaging solutions used in industrial and consumer packaging, and (ii) a property developer of affordable homes in Malaysia.
- The group posted net profit of RM93.7m (-16% YoY) in 2QFY22, bringing 1HFY22's bottomline to RM196.6m (-4% YoY).
- Going forward, consensus is projecting SCIENTX to make net earnings of RM438.2m for FY July 2022 and RM538.1m for FY July 2023. This translates to forward PERs of 13.3x and 10.9x, respectively.



Samchem Holdings Bhd (Trading Buy)

- Presently hovering near the bottom part of an ascending price channel, SAMCHEM shares could shift higher to extend the uptrend pattern ahead.
- Technically speaking, a continuation of the upward trajectory is anticipated as the share price has just crossed back above the lower Bollinger Band while both the RSI and stochastic indicators are in the midst of reversing from their oversold positions.
- With that, the stock is expected to climb towards our resistance thresholds of RM0.95 (R1) and RM1.02 (R2). This translates to upside potentials of 11% and 19%, respectively.
- We have placed our stop loss price level at RM0.77 (or a 10% downside risk).
- A leading industrial chemicals and lubricants distributor in Malaysia and South East Asia, SAMCHEM supplies about 500 different petrochemicals and services to more than 7,000 clients from industries such as automotive, paints & inks, oil & gas and agriculture across the region (mainly in Malaysia, Indonesia, Vietnam and Singapore).
- After registering net profit of RM75.0m (+84% YoY) in FY December 2021, on the back of the reopening of economic sectors across the region, the group's robust earnings momentum has carried over to 1QFY22 with net profit coming in at RM19.6m (+3% YoY).

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STOCK CALL MONITOR*





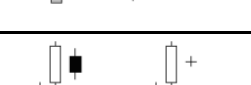
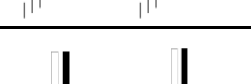


Stock Name	Issue Date (ID)	Rating	Price @ ID	Target Price (TP)	Stop Loss Price (SL)	Upside Potential @ ID	Downside Risk @ ID	Risk to Reward Ratio	Highest Price since ID	Lowest Price since ID	Last Price RM	Status [^]	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
LION INDUSTRIES CORP BHD	12/4/2022	Trading Buy	0.61	0.71	0.52	16%	-15%	1.11x	0.67	0.55	0.56	Open	
MALAYSIA STEEL WORKS KL BHD	12/4/2022	Trading Buy	0.34	0.40	0.29	18%	-15%	1.20x	0.42	0.33	0.34	TP Hit	18/4/2022
ANN JOO RESOURCES BHD	13/4/2022	Trading Buy	1.82	2.09	1.56	15%	-14%	1.04x	1.91	1.55	1.57	SL Hit	10/5/2022
MELEWAR INDUSTRIAL GROUP BHD	13/4/2022	Trading Buy	0.43	0.50	0.36	16%	-16%	1.00x	0.46	0.37	0.37	Open	
HEVEABOARD BHD	14/4/2022	Trading Buy	0.56	0.62	0.49	12%	-12%	1.00x	0.61	0.52	0.53	Open	
TASCO BHD	14/4/2022	Trading Buy	1.21	1.35	1.07	12%	-12%	1.00x	1.22	0.99	1.03	SL Hit	6/5/2022
CB INDUSTRIAL PRODUCT HLDG	15/4/2022	Trading Buy	1.73	1.96	1.53	13%	-12%	1.15x	1.75	1.43	1.44	SL Hit	6/5/2022
SDS GROUP BHD	15/4/2022	Trading Buy	0.38	0.43	0.34	13%	-11%	1.25x	0.39	0.34	0.39	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	0.52	0.52	Open	
OKA CORP BHD	20/4/2022	Trading Buy	0.84	0.95	0.73	13%	-13%	1.00x	0.84	0.80	0.81	Open	
CJ CENTURY LOGISTICS HOLDING	21/4/2022	Trading Buy	0.67	0.75	0.59	13%	-11%	1.13x	0.70	0.58	0.61	SL Hit	6/5/2022
KRETAM HOLDINGS BHD	21/4/2022	Trading Buy	0.68	0.77	0.60	13%	-12%	1.13x	0.75	0.61	0.61	Open	
CARIMIN PETROLEUM BHD	22/4/2022	Trading Buy	0.71	0.80	0.62	13%	-13%	1.00x	0.77	0.65	0.70	Open	
EWEIN BHD	22/4/2022	Trading Buy	0.33	0.37	0.30	12%	-11%	1.14x	0.37	0.31	0.32	TP Hit	27/4/2022
GREENYIELD BHD	26/4/2022	Trading Buy	0.27	0.32	0.23	19%	-15%	1.25x	0.32	0.27	0.28	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	2.93	2.94	Open	
THONG GUAN INDUSTRIES BHD	27/4/2022	Trading Buy	2.49	2.86	2.13	15%	-14%	1.03x	2.55	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	0.59	0.59	Open	
HOMERITZ CORP BHD	28/4/2022	Trading Buy	0.57	0.62	0.51	10%	-10%	1.00x	0.60	0.55	0.55	Open	
MOBILIA HOLDINGS BHD	28/4/2022	Trading Buy	0.21	0.24	0.19	14%	-12%	1.20x	0.22	0.20	0.20	Open	
MALAKOFF CORP BHD	29/4/2022	Trading Buy	0.67	0.75	0.60	13%	-10%	1.31x	0.66	0.62	0.64	Open	
WEGMANS HOLDINGS BHD#	29/4/2022	Trading Buy	0.25	0.28	0.22	12%	-12%	1.00x	0.26	0.21	0.21	SL Hit	6/5/2022
CSC STEEL HOLDINGS BHD	5/5/2022	Trading Buy	1.73	1.93	1.55	12%	-10%	1.11x	1.76	1.63	1.64	Open	
WELLCALL HOLDINGS BHD	5/5/2022	Trading Buy	1.27	1.40	1.15	10%	-9%	1.08x	1.27	1.19	1.22	Open	
PERAK TRANSIT BHD	6/5/2022	Trading Buy	0.67	0.76	0.58	13%	-13%	1.00x	0.68	0.66	0.67	Open	
YTL HOSPITALITY REIT	6/5/2022	Trading Buy	0.97	1.09	0.84	13%	-13%	1.00x	0.97	0.94	0.94	Open	
UZMA BHD	10/5/2022	Trading Buy	0.48	0.54	0.41	14%	-14%	1.00x	0.48	0.46	0.48	Open	
RESERVOIR LINK ENERGY BHD	10/5/2022	Trading Buy	0.44	0.51	0.38	16%	-14%	1.17x	0.44	0.43	0.43	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.






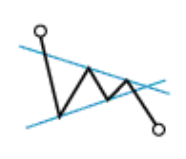

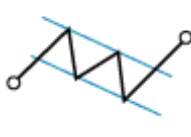


[^] Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

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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