

16 June 2022

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**Daily technical highlights – (GCB, SEDANIA)**

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



About the Stock:		Key Support & Resistance Levels	
<b>Name</b> : Guan Chong Bhd	<b>52 Week High/Low</b> : 3.23/2.23	<b>Last Price</b> : RM2.55	
<b>Bursa Code</b> : GCB	<b>3-m Avg. Daily Vol.</b> : 325,846	<b>Resistance</b> : RM2.83 (R1) RM2.99 (R2)	
<b>CAT Code</b> : 5102	<b>Free Float (%)</b> : 23%	<b>Stop Loss</b> : RM2.285	
<b>Market Cap</b> : RM2,702.5m	<b>Beta vs. KLCI</b> : 1.0		

**Guan Chong Bhd (Trading Buy)**

- After hitting a recent peak of RM3.05 in Feb 2021, GCB's share price has dipped to a low of RM2.23 in May 2022, down by 27%. The shares subsequently bounced off the trough following the formation of several bullish long candlesticks recently, indicating renewed buying interest in the stock.
- With the DMI Plus still trending above the DMI Minus and given the strengthening MACD momentum, the stock is expected to shift higher ahead.
- Thus, we believe that GCB's share price could climb towards our resistance thresholds of RM2.83 (R1) and RM2.99 (R2), representing upside potentials of 11% and 17%, respectively.
- Our stop loss price is set at RM2.285 (or a downside risk of 10%).
- Business-wise, GCB is involved in the manufacturing, distribution and trading of cocoa-derived food ingredients, namely cocoa mass, cocoa butter, cocoa cake and cocoa powder.
- The group recorded a strong net profit of RM56.5m (+10% QoQ, +75% YoY) in 1QFY22, driven by higher selling prices and sales volume of cocoa solids, which led to positive share price reaction post-announcement.
- Based on consensus estimates, GCB is expected to report higher net profit of RM240.0m in FY Dec 2022 and RM275.0m in FY Dec 2023, translating to forward PERs of 11.1x and 9.8x, respectively.



About the Stock:		Key Support & Resistance Levels			
<b>Name</b>	: Sedania Innovator Bhd	<b>52 Week High/Low</b>	: 1.20/0.29	<b>Last Price</b>	: RM0.415
<b>Bursa Code</b>	: SEDANIA	<b>3-m Avg. Daily Vol.</b>	: 9,144,290	<b>Resistance</b>	: RM0.50 (R1) RM0.55 (R2)
<b>CAT Code</b>	: 0178	<b>Free Float (%)</b>	: 42%	<b>Stop Loss</b>	: RM0.345
<b>Market Cap</b>	: RM144.1m	<b>Beta vs. KLCI</b>	: 0.1		

**Sedania Innovator Bhd (Trading Buy)**

- SEDANIA's share price has been in a consolidation stage with the shares hitting a resistance at the price level of RM0.51 before pulling back twice in early May and June 2022.
- Nonetheless, with the DMI Plus still hovering above the DMI Minus and the MACD indicator on the rise, we anticipate the stock could attempt to trend higher again.
- On the way up, the stock could rise to challenge our resistance level of RM0.50 (R1; 20% upside potential) initially, a breakout of which may then push the price towards RM0.55 (R2; 33% upside potential) thereafter.
- We have pegged our stop loss at RM0.345, representing a downside risk of 17%.
- Business-wise, SEDANIA is involved in the sustainable energy & healthcare, telecommunications and information technology businesses.
- In the latest 1QFY22 results, SEDANIA recorded a net profit of RM0.5m (+39% QoQ, -90% YoY) dragged mainly by lower revenue from the sustainable energy segment and higher operating costs.
- Valuation-wise, based on its most recent book value per share of RM0.11 as of end-March 2022, the stock is currently trading at Price/Book Value multiple of 3.8x.

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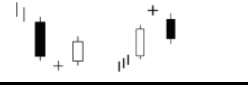

## STOCK CALL MONITOR\*

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	Status^	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM	RM		
CTOS DIGITAL BHD	18/5/2022	Trading Buy	1.38	1.50	1.26	9%	-9%	1.00x	1.47	1.26	1.29	SL Hit	14/6/2022
SIME DARBY PROPERTY BHD	18/5/2022	Trading Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.57	0.45	0.45	SL Hit	27/5/2022
JAG BHD	19/5/2022	Trading Buy	0.37	0.41	0.33	12%	-10%	1.29x	0.40	0.34	0.35	Open	
HIBISCUS PETROLEUM BHD	19/5/2022	Trading Buy	1.49	1.68	1.34	13%	-10%	1.27x	1.49	1.16	1.17	SL Hit	25/5/2022
BONIA CORP BHD	20/5/2022	Trading Buy	2.60	2.89	2.31	11%	-11%	1.00x	2.86	2.24	2.49	SL Hit	30/5/2022
POWER ROOT BHD	20/5/2022	Trading Buy	1.68	1.86	1.50	11%	-11%	1.00x	1.81	1.42	1.68	SL Hit	27/5/2022
DAYANG ENTERPRISE HLDGS BHD	24/5/2022	Trading Buy	0.96	1.07	0.87	11%	-9%	1.22x	1.05	0.95	1.00	Open	
GLOBAL ORIENTAL BHD	24/5/2022	Trading Buy	0.31	0.35	0.27	13%	-11%	1.14x	0.39	0.27	0.31	TP Hit	26/5/2022
THREE-A RESOURCES BHD	25/5/2022	Trading Buy	0.89	0.98	0.80	11%	-10%	1.12x	0.90	0.84	0.86	Open	
WESTPORTS HOLDINGS BHD	25/5/2022	Trading Buy	3.80	4.10	3.54	8%	-7%	1.15x	3.80	3.38	3.50	SL Hit	30/5/2022
ECOMATE HOLDINGS BHD	26/5/2022	Trading Buy	0.54	0.61	0.47	13%	-13%	1.00x	0.54	0.50	0.51	Open	
TAMBUN INDAH LAND BHD	26/5/2022	Trading Buy	1.00	1.12	0.88	13%	-12%	1.09x	1.01	0.82	0.87	SL Hit	27/5/2022
SIME DARBY BERHAD	27/5/2022	Trading Buy	2.17	2.36	2.00	9%	-8%	1.12x	2.31	2.12	2.13	Open	
MR DIY GROUP M BHD	27/5/2022	Trading Buy	3.42	3.75	3.16	10%	-8%	1.27x	3.44	3.02	3.03	SL Hit	9/6/2022
MALAYSIAN RESOURCES CORP BHD	31/5/2022	Trading Buy	0.35	0.40	0.30	14%	-14%	1.00x	0.40	0.35	0.36	TP Hit	2/6/2022
HSS ENGINEERS BHD	31/5/2022	Trading Buy	0.47	0.51	0.42	10%	-10%	1.00x	0.48	0.46	0.47	Open	
MALAYAN FLOUR MILLS BHD	1/6/2022	Trading Buy	0.64	0.72	0.55	13%	-13%	1.00x	0.68	0.61	0.61	Open	
NTPM HOLDINGS BHD	1/6/2022	Trading Buy	0.46	0.50	0.41	10%	-10%	1.00x	0.47	0.44	0.44	Open	
BUMI ARMADA BERHAD	2/6/2022	Trading Buy	0.46	0.51	0.41	11%	-11%	1.00x	0.46	0.41	0.42	SL Hit	13/6/2022
OPTIMAX HOLDINGS BHD	2/6/2022	Trading Buy	0.62	0.69	0.55	11%	-11%	1.00x	0.62	0.56	0.58	Open	
HARBOUR-LINK GROUP BHD	3/6/2022	Trading Buy	1.35	1.52	1.21	13%	-10%	1.21x	1.45	1.20	1.31	SL Hit	13/6/2022
HENG HUAT RESOURCES GROUP BH	3/6/2022	Trading Buy	0.36	0.41	0.32	13%	-11%	1.13x	0.37	0.30	0.32	SL Hit	13/6/2022
AEON CO (M) BHD	8/6/2022	Trading Buy	1.56	1.74	1.38	12%	-12%	1.00x	1.58	1.43	1.44	Open	
COASTAL CONTRACTS BHD	8/6/2022	Trading Buy	1.94	2.19	1.70	13%	-12%	1.04x	2.03	1.74	1.78	Open	
EMICO HOLDINGS BHD	9/6/2022	Trading Buy	0.34	0.39	0.30	13%	-13%	1.00x	0.34	0.27	0.28	SL Hit	13/6/2022
SKP RESOURCES BHD	9/6/2022	Trading Buy	1.65	1.87	1.43	13%	-13%	1.00x	1.70	1.52	1.57	Open	
MESTRON HOLDINGS BHD	10/6/2022	Trading Buy	0.35	0.39	0.31	13%	-10%	1.29x	0.35	0.33	0.34	Open	
SUNZEN BIOTECH BHD	10/6/2022	Trading Buy	0.25	0.28	0.22	12%	-12%	1.00x	0.26	0.24	0.25	Open	
DIGI.COM BHD	14/6/2022	Trading Buy	3.10	3.40	2.83	10%	-9%	1.11x	3.26	3.10	3.22	Open	
MAXIS BHD	14/6/2022	Trading Buy	3.28	3.60	2.94	10%	-10%	0.94x	3.29	3.18	3.25	Open	
JAYA TIASA HOLDINGS BHD	15/6/2022	Trading Buy	0.70	0.78	0.63	11%	-10%	1.14x	0.70	0.66	0.68	Open	
AFFIN BANK BHD	15/6/2022	Trading Buy	1.92	2.10	1.74	9%	-9%	1.00x	1.93	1.88	1.90	Open	


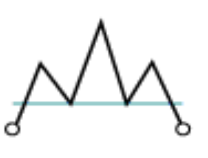
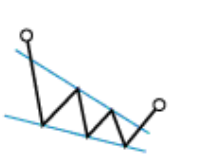
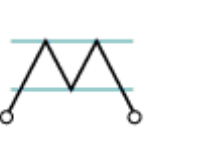



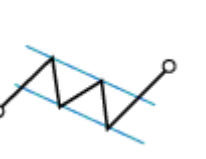

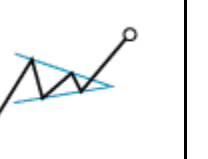
\* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

^ 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
<b>Doji</b> <b>Dragonfly Doji (Bullish)</b> <b>Gravestone Doji (Bearish)</b>		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 (Bullish)</b> <b>Shooting Star (Bearish)</b>		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 (Bullish)</b> <b>Hanging Man (Bearish)</b>		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 (Bullish)</b> <b>Evening Doji Star (Bearish)</b>		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 (Bullish)</b>	<b>Head &amp; Shoulders (Bearish)</b>	<b>Wedge Reversal (Bullish/ Bearish)</b>	<b>Double Top (Bearish)</b>	<b>Double Bottom (Bullish)</b>
					
Continuation Patterns	<b>Symmetrical Triangle (Bullish/ Bearish)</b>	<b>Ascending Triangle (Bullish)</b>	<b>Channels (Bullish/ Bearish)</b>	<b>Flags (Bullish/ Bearish)</b>	<b>Pennant (Bullish/ Bearish)</b>
					

Source: Various

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