

22 June 2022

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Daily technical highlights – (MCEMENT, MPHBCAP)

Daily Charting – MCEMENT (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	Malayan Cement Bhd	52 Week High/Low	: 3.20/1.97
Bursa Code	: MCEMENT	3-m Avg. Daily Vol.	: 417,553
CAT Code	: 3794	Free Float (%)	: 12.6
Market Cap	: RM2,882.4m	Beta vs. KLCI	: 1.0
		Last Price	: RM2.20
		Resistance	: RM2.47 (R1) RM2.70 (R2)
		Stop Loss	: RM1.96

Malayan Cement Bhd (Trading Buy)

- A retracement from its recent high of RM2.95 in the second half of April this year has brought MCEMENT shares to close at RM2.20 yesterday, nearing a double-bottom reversal formation that was seen in late January 2021 and late February 2022 (when the stock had previously bounced off from a trough of RM1.97).
- With the appearance of a bullish hammer candlestick recently, as well as an ongoing unwinding from the oversold zone by both the stochastic and RSI indicators, the share price will probably show an upward bias ahead.
- On the way up, the stock could advance towards our resistance thresholds of RM2.47 (R1) and RM2.70 (R2), which represent upside potentials of 12% and 23%, respectively.
- Our stop loss price level is pegged at RM1.96 (or an 11% downside risk).
- Business-wise, as the largest cement manufacturer in Malaysia, MCEMENT offers exposure to the prevailing elevated cement selling prices, which have risen further by 12.2% YoY in May this year according to a report just released by the Department of Statistics Malaysia.
- On the back of its improved fundamentals, the group reported net profit of RM18.2m in 3QFY22 (up 402% YoY), taking 9MFY22's bottomline to RM49.4m (compared with net loss of RM2.6m in 9MFY21).
- The strengthening financial performance is expected to continue with consensus forecasting MCEMENT to make net earnings of RM68.2m in FY June 2022 before soaring to RM129.6m in FY June 2023.
- In terms of valuation, based on its book value per share of RM4.38 as of end-March 2022, the stock is presently trading at a compelling Price/Book Value multiple of 0.50x (or near the minus 2SD level from its historical mean).

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Daily Charting – MPHBCAP (Trading Buy)



About the Stock:		Key Support & Resistance Levels			
Name	: MPHBCAP Bhd	52 Week High/Low	: 1.73/1.24	Last Price	: RM1.48
Bursa Code	: MPHBCAP	3-m Avg. Daily Vol.	: 190,092	Resistance	: RM1.63 (R1) RM1.71 (R2)
CAT Code	: 5237	Free Float (%)	: 43.7	Stop Loss	: RM1.33
Market Cap	: RM1,058.2m	Beta vs. KLCI	: 0.9		

MPHB Capital Bhd (Trading Buy)

- After bouncing off from a recent trough of RM1.24 in end-January this year, the uptrend pattern is expected to persist as MPHBCAP's share price remains above: (i) a positive sloping trendline that stretches back to late April 2020, (ii) the 50-day SMA support line, and (iii) a saucer reversal pattern.
- On the back of the emergence of a bullish hammer candlestick and with the MACD indicator also showing strengthening momentum, the upward trajectory could continue as the stock is on track to climb towards our resistance targets of RM1.63 (R1; 10% upside potential) and RM1.71 (R2; 16% upside potential).
- We have set our stop loss price level at RM1.33 (representing a downside risk of 10% from its last traded price of RM1.48).
- On the fundamental front, MPHBCAP – which is involved in the underwriting of general insurance business, provision of general loan financing services and property investment & management – saw its net loss narrowing to RM0.3m in 1QFY22 (from 1QFY21's net loss of RM20.9m).
- Valuation-wise, based on its book value per share of RM2.60 as of end-March 2022, the shares are presently trading at Price/Book Value multiple of 0.57x (or marginally below the +1SD level from its historical mean).
- In terms of recent corporate development, MPHBCAP is in the midst of disposing of its entire general insurance business (held under MPI Generali) for RM508.2m cash. Post completion of the divestment exercise (which is expected to be in 3Q2022), MPHBCAP intends to reward its shareholders with a distribution of RM321.8m or 45.0 sen per share (via a capital reduction and repayment of RM286.0m and a dividend payment of RM35.8m).

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STOCK CALL MONITOR*







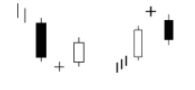

Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Target Price (TP) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status [^]	Date Status Fulfilled
DAYANG ENTERPRISE HLDGS BHD	24/5/2022	Trading Buy	0.96	1.07	0.87	11%	-9%	1.22x	1.05	0.91	0.97	Open	
GLOBAL ORIENTAL BHD	24/5/2022	Trading Buy	0.31	0.35	0.27	13%	-11%	1.14x	0.39	0.26	0.28	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	3.58	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	0.53	Open	
TAMBUN INDAH LAND BHD	26/5/2022	Trading Buy	1.00	1.12	0.88	13%	-12%	1.09x	1.01	0.82	0.84	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	2.11	2.16	Open	
MR DIY GROUP M BHD#	27/5/2022	Trading Buy	2.28	2.50	2.11	10%	-8%	1.29x	2.30	1.90	2.98	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	0.35	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	0.45	0.47	Open	
MALAYAN FLOUR MILLS BHD	1/6/2022	Trading Buy	0.64	0.72	0.55	13%	-13%	1.00x	0.68	0.60	0.62	Open	
NTPM HOLDINGS BHD	1/6/2022	Trading Buy	0.46	0.50	0.41	10%	-10%	1.00x	0.47	0.43	0.43	Open	
BUMI ARMADA BERHAD	2/6/2022	Trading Buy	0.46	0.51	0.41	11%	-11%	1.00x	0.46	0.39	0.40	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	0.57	Open	
HARBOUR-LINK GROUP BHD	3/6/2022	Trading Buy	1.35	1.52	1.21	13%	-10%	1.21x	1.45	1.20	1.32	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	1.36	1.40	SL Hit	20/6/2022
COASTAL CONTRACTS BHD	8/6/2022	Trading Buy	1.94	2.19	1.70	13%	-12%	1.04x	2.03	1.65	1.70	SL Hit	16/6/2022
EMICO HOLDINGS BHD	9/6/2022	Trading Buy	0.34	0.39	0.30	13%	-13%	1.00x	0.34	0.27	0.30	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	1.63	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	0.26	Open	
DIGI.COM BHD	14/6/2022	Trading Buy	3.10	3.40	2.83	10%	-9%	1.11x	3.26	3.10	3.25	Open	
MAXIS BHD	14/6/2022	Trading Buy	3.28	3.60	2.94	10%	-10%	0.94x	3.31	3.16	3.29	Open	
JAYA TIASA HOLDINGS BHD	15/6/2022	Trading Buy	0.70	0.78	0.63	11%	-10%	1.14x	0.70	0.65	0.67	Open	
AFFIN BANK BHD	15/6/2022	Trading Buy	1.92	2.10	1.74	9%	-9%	1.00x	1.97	1.84	1.88	Open	
GUAN CHONG BHD	16/6/2022	Trading Buy	2.55	2.83	2.29	11%	-10%	1.06x	2.53	2.40	2.50	Open	
SEDANIA INNOVATOR BHD	16/6/2022	Trading Buy	0.42	0.50	0.35	20%	-17%	1.21x	0.45	0.38	0.44	Open	
AEMULUS HOLDINGS BHD	17/6/2022	Trading Buy	0.60	0.71	0.51	18%	-15%	1.17x	0.63	0.59	0.63	Open	
QES GROUP BHD	17/6/2022	Trading Buy	0.50	0.57	0.43	14%	-14%	1.00x	0.53	0.49	0.52	Open	
INNATURE BHD	21/6/2022	Trading Buy	0.49	0.55	0.44	12%	-10%	1.20x	0.50	0.49	0.50	Open	
SYARIKAT TAKAFUL MALAYSIA KE	21/6/2022	Trading Buy	3.33	3.66	2.99	10%	-10%	0.97x	3.34	3.32	3.33	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.

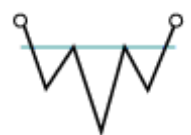

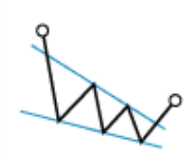




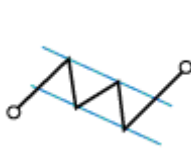


[^] Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

Adjusted for a 1-for-2 bonus issue exercise as the shares traded ex-entitlement on 22 June 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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