

29 July 2022

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Daily technical highlights – (PWROOT, SKPRES)

Daily Charting – PWROOT (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Power Root Bhd	52 Week High/Low	: 1.85/1.24
Bursa Code	: PWROOT	3-m Avg. Daily Vol.	: 1,069,380
CAT Code	: 7237	Free Float (%)	: 34%
Market Cap	: RM749.2m	Beta vs. KLCI	: 0.6
		Last Price	: RM1.80
		Resistance	: RM2.02 (R1) RM2.14 (R2)
		Stop Loss	: RM1.59

Power Root Bhd (Trading Buy)

- PWROOT's share price has tumbled to a low of RM1.24 in March 2022 before subsequently bounced off from the trough to plot an ascending price channel.
- Continuing the uptrend pattern, the share price will likely break out from an intermediate sideways pattern to be driven by: (i) the rising Parabolic SAR, and (ii) the DMI Plus hovering above the DMI Minus.
- Thus, we believe that PWROOT's share price could climb towards our resistance thresholds of RM2.02 (R1) and RM2.14 (R2), representing upside potentials of 12% and 19%, respectively.
- Our stop loss price is set at RM1.59 (or a downside risk of 12%).
- Fundamental-wise, PWROOT is involved in the manufacturing and distribution of beverage products.
- The group reported net profit of RM12.6m (+110% QoQ) in 4QFY22, which took full-year FY March 2022 bottomline to RM26.3m (-8% YoY) mainly on the back of favourable product sales mix and lower advertising expenses.
- Going forward, consensus is predicting PWROOT to report higher net profit of RM38.1m in FY March 2023 and RM44.3m in FY March 2024, which translate to forward PERs of 19.7x and 17x, respectively.

Daily Chating – SKPRES (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name :	SKP Resources Bhd	52 Week High/Low :	2.34/1.17
Bursa Code :	SKPRES	3-m Avg. Daily Vol. :	970,132
CAT Code :	7155	Free Float (%) :	59%
Market Cap :	RM2,546.6m	Beta vs. KLCI :	0.5
		Last Price :	RM1.63
		Resistance :	RM1.84 (R1) RM2.03 (R2)
		Stop Loss :	RM1.42

SKP Resources Bhd (Trading Buy)

- After falling from a peak of RM2.34 in Nov 2021 to a low of RM1.17 in March 2022, SKPRES shares staged a subsequent rebound with a sequence of higher highs and higher lows.
- On the chart, the recent appearance of several bullish candlesticks has indicated the return of buying interest in SKPRES.
- With the Parabolic SAR indicator showing an uptrend and the DMI Plus crossing above the DMI Minus, we believe that the stock will likely strengthen further to challenge our resistance levels of RM1.84 (R1; 13% upside potential) and RM2.03 (R2; 25% upside potential).
- On the downside, our stop loss has been set at RM1.42, which translates to a downside risk of 13%.
- Business-wise, SKPRES is predominately engaged in the manufacturing of plastic products and moulds at its plant in Malaysia.
- The group reported a net profit of RM51.2m in 4QFY22 (+11% QoQ), which brought full-year FY March 2022 net profit to RM169.8m (+27% YoY).
- Going forward, consensus is forecasting SKPRES to report higher net profit of RM184.4m in FY March 2023 and RM210.3m in FY March 2024, which translate to forward PERs of 13.8x and 12.1x, respectively.

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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			
SWIFT HAULAGE BHD	29/6/2022	Trading Buy	0.51	0.56	0.45	11%	-11%	1.00x	0.52	0.43	0.49	SL Hit	6/7/2022
PIE INDUSTRIAL BHD	29/6/2022	Trading Buy	3.16	3.54	2.82	12%	-11%	1.12x	3.52	2.68	3.50	SL Hit	4/7/2022
FIAMMA HOLDINGS BERHAD	30/6/2022	Trading Buy	0.84	0.96	0.72	14%	-14%	1.00x	0.95	0.80	0.92	Open	
DUOPHARMA BIOTECH BHD	30/6/2022	Trading Buy	1.17	1.35	1.02	15%	-13%	1.20x	1.49	1.12	1.48	TP Hit	20/7/2022
FRONTKEN CORP BHD	1/7/2022	Trading Buy	2.29	2.60	2.06	14%	-10%	1.35x	2.76	2.08	2.72	TP Hit	27/7/2022
SOLARVEST HOLDINGS BHD	1/7/2022	Trading Buy	0.66	0.78	0.59	18%	-11%	1.71x	0.75	0.63	0.75	Open	
ELK-DESA RESOURCES	5/7/2022	Trading Buy	1.28	1.41	1.16	10%	-9%	1.08x	1.30	1.27	1.28	Open	
KUMPULAN PERANGSANG SELANGOR	5/7/2022	Trading Buy	0.69	0.76	0.63	10%	-9%	1.17x	0.75	0.68	0.71	Open	
SAM ENGINEERING & EQUIPMENT	6/7/2022	Trading Buy	3.02	3.35	2.73	11%	-10%	1.14x	3.52	2.76	3.50	TP Hit	28/7/2022
DIALOG GROUP BHD	6/7/2022	Trading Buy	2.07	2.27	1.88	10%	-9%	1.05x	2.26	1.97	2.25	Open	
AURELIUS TECHNOLOGIES BHD	7/7/2022	Trading Buy	1.36	1.55	1.20	14%	-12%	1.19x	1.53	1.36	1.52	Open	
AXIATA GROUP BERHAD	7/7/2022	Trading Buy	2.65	2.97	2.38	12%	-10%	1.19x	2.87	2.61	2.85	Open	
TSH RESOURCES BHD	8/7/2022	Trading Buy	0.97	1.07	0.87	10%	-10%	1.00x	1.04	0.92	1.02	Open	
MR DIY GROUP M BHD	8/7/2022	Trading Buy	2.06	2.25	1.87	9%	-9%	1.00x	2.21	2.00	2.21	Open	
KPJ HEALTHCARE BERHAD	13/7/2022	Trading Buy	0.82	0.90	0.73	10%	-10%	1.00x	0.87	0.82	0.86	Open	
UEM EDGENTA BHD	13/7/2022	Trading Buy	1.28	1.39	1.18	9%	-8%	1.10x	1.31	1.26	1.30	Open	
KOBAY TECHNOLOGY BHD	14/7/2022	Trading Buy	2.50	2.90	2.18	16%	-13%	1.25x	2.88	2.44	2.80	Open	
MY EG SERVICES BHD	14/7/2022	Trading Buy	0.80	0.93	0.69	16%	-14%	1.14x	0.82	0.73	0.77	Open	
HEXTAR GLOBAL BHD	15/7/2022	Trading Buy	1.70	1.95	1.45	15%	-15%	1.00x	1.78	1.65	1.73	Open	
FGV HOLDINGS BHD	15/7/2022	Trading Buy	1.53	1.79	1.27	17%	-17%	1.00x	1.56	1.49	1.51	Open	
AEON CO (M) BHD	19/7/2022	Trading Buy	1.36	1.53	1.19	13%	-13%	1.00x	1.44	1.33	1.42	Open	
GHL SYSTEMS BERHAD	19/7/2022	Trading Buy	1.20	1.36	1.07	13%	-11%	1.23x	1.25	1.14	1.15	Open	
MALAYSIA BUILDING SOCIETY	20/7/2022	Trading Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.59	0.56	0.59	Open	
EP MANUFACTURING BERHAD	20/7/2022	Trading Buy	0.97	1.08	0.86	11%	-11%	1.00x	0.99	0.88	0.92	Open	
INARI AMERTRON BHD	21/7/2022	Trading Buy	2.67	2.94	2.40	10%	-10%	1.00x	2.87	2.66	2.87	Open	
MAGNI-TECH INDUSTRIES BHD	21/7/2022	Trading Buy	1.85	2.03	1.67	10%	-10%	1.00x	1.92	1.85	1.89	Open	
ANN JOO RESOURCES BHD	22/7/2022	Trading Buy	1.05	1.22	0.92	16%	-12%	1.31x	1.09	1.02	1.08	Open	
SEDANIA INNOVATOR BHD	22/7/2022	Trading Buy	0.43	0.50	0.38	16%	-12%	1.40x	0.44	0.41	0.42	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.

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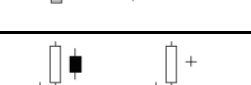
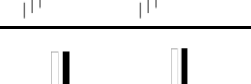


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TUNE PROTECT GROUP BHD	26/7/2022	Trading Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.36	0.35	0.36	Open	
LYC HEALTHCARE BHD	26/7/2022	Trading Buy	0.20	0.23	0.17	18%	-13%	1.40x	0.20	0.19	0.20	Open	
MUDAJAYA GROUP BHD	27/7/2022	Trading Buy	0.18	0.21	0.16	17%	-14%	1.20x	0.19	0.18	0.19	Open	
GFM SERVICES BHD	27/7/2022	Trading Buy	0.18	0.21	0.16	17%	-14%	1.20x	0.19	0.18	0.18	Open	
BONIA CORP BHD	28/7/2022	Trading Buy	2.22	2.60	1.84	17%	-17%	1.00x	2.28	2.21	2.26	Open	
ONLY WORLD GROUP HOLDINGS BH	28/7/2022	Trading Buy	0.52	0.58	0.47	12%	-11%	1.09x	0.54	0.52	0.54	Open	

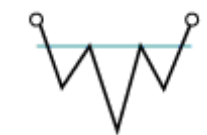



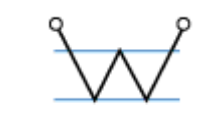
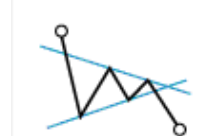

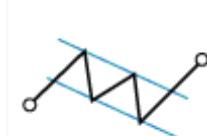


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Technical Terms:

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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