

20 September 2022

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Daily technical highlights – (GCB, MRDIY)

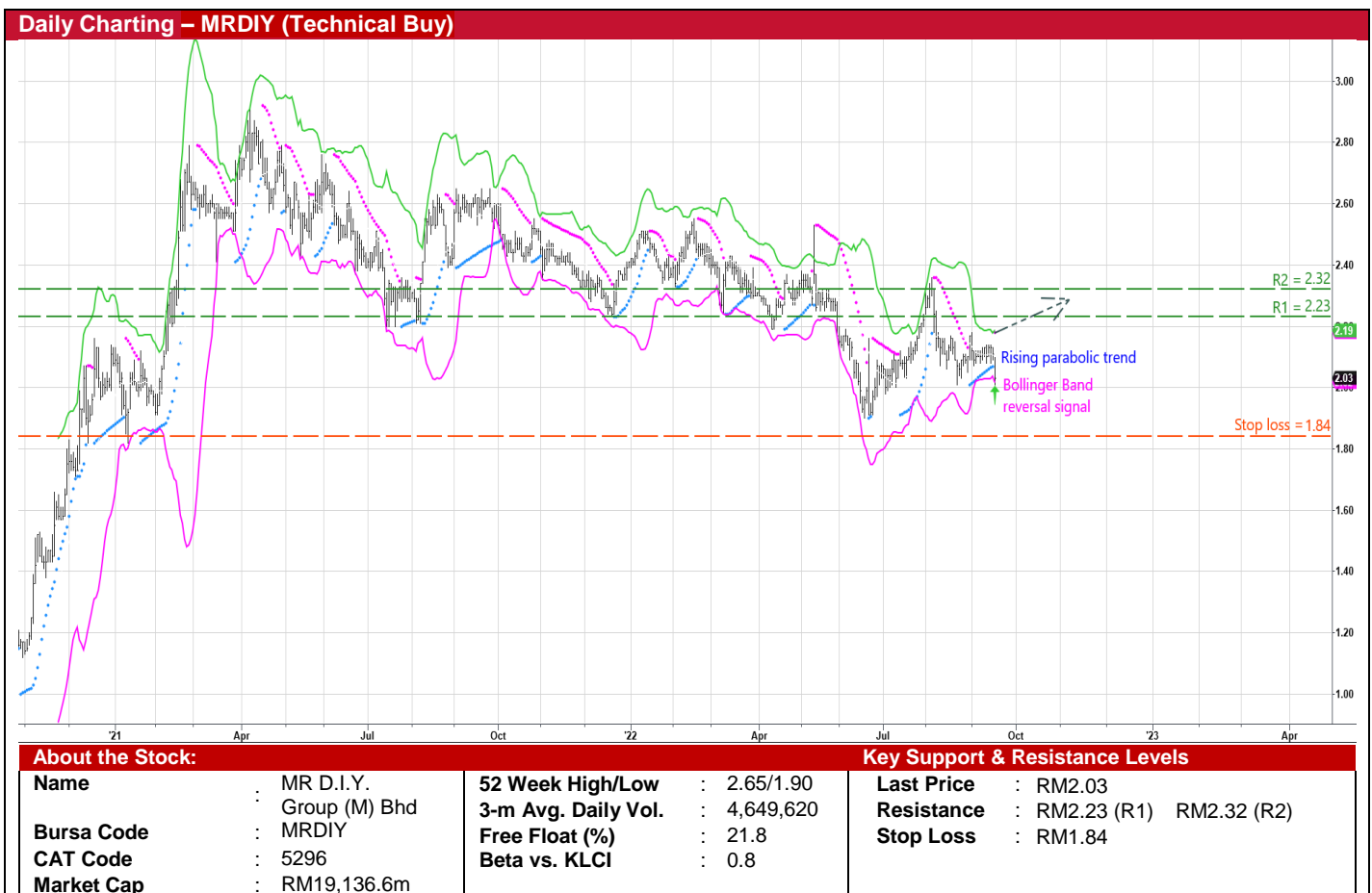
Daily Charting – GCB (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Guan Chong Bhd	52 Week High/Low	: 3.23/2.17
Bursa Code	: GCB	3-m Avg. Daily Vol.	: 281,661
CAT Code	: 5102	Free Float (%)	: 22.4
Market Cap	: RM2,581.0m	Beta vs. KLCI	: 1.0
		Last Price	: RM2.30
		Resistance	: RM2.52 (R1) RM2.62 (R2)
		Stop Loss	: RM2.09

Guan Chong Bhd (Technical Buy)

- After retracing from a recent high of RM2.52 in mid-August to close at RM2.30 yesterday, GCB shares could bounce off from a positive sloping trendline that stretches back to mid-July this year.
- With the stochastic indicator showing the %K line cutting above the %D line in the oversold zone and the appearance of a bullish dragonfly doji candlestick recently, an upward shift in the share price is anticipated.
- Riding on the technical strength, the stock is expected to advance towards our resistance thresholds of RM2.52 (R1; 10% upside potential) and RM2.62 (R2; 14% upside potential).
- We have placed our stop loss price level at RM2.09 (representing a downside risk of 9%).
- A manufacturer of cocoa-derived food ingredients (namely cocoa mass, cocoa butter, cocoa cake and cocoa powder), GCB saw a jump in net profit to RM44.6m (+23% YoY) in 2QFY22, bringing 1HFY22 bottomline to RM97.9m (+39% YoY).
- Moving forward, consensus is forecasting GCB would make net earnings of RM215.7m for FY December 2022 and RM259.7m for FY December 2023. This translates to forward PERs of 12.0x this year and 9.9x next year, respectively with its 1-year forward rolling PER presently hovering slightly above the minus 1SD level from its historical mean.



MR D.I.Y. Group (M) Bhd (Technical Buy)

- Yesterday's 3.8% decline in MRDIY's share price may present a timely opportunity for investors to position for an ensuing technical rebound.
- On the chart, continuing the price reversal from a recent low of RM1.91 in late June this year, MRDIY – which ended at RM2.03 yesterday – could extend the positive trajectory ahead.
- The upward shift will likely be backed by bullish technical signals arising from the share price crossing back above the lower Bollinger Band and the prevailing uptrend of the Parabolic SAR indicator.
- Hence, the stock is expected to make its way towards our resistance targets of RM2.23 (R1; 10% upside potential) and RM2.32 (R2; 14% upside potential).
- Our stop loss price level is set at RM1.84 (or a 9% downside risk).
- A home improvement retailer with 993 stores spread across Malaysia and Brunei, MRDIY reported net profit of RM135.2m (+65% YoY) in 2QFY22, taking its first half performance to RM235.7m (+14% YoY).
- According to consensus expectations, the group is projected to log net earnings of RM521.4m for FY December 2022 and RM630.6m for FY December 2023.
- In terms of valuation, this translates to forward PERs of 36.7x this year and 30.3x next year, respectively with its 1-year forward rolling PER currently trading at 1SD below its historical mean.

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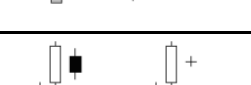
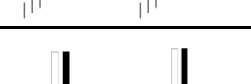


STOCK CALL MONITOR*

Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Resistance Price (R1) 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
UZMA BHD	23/08/2022	Technical Buy	0.35	0.41	0.30	17%	-14%	1.20x	0.44	0.35	0.40	TP Hit	24/08/2022
HAP SENG PLANTATIONS HLDGS	23/08/2022	Technical Buy	2.27	2.54	2.01	12%	-11%	1.04x	2.36	2.17	2.35	Open	
JAYA TIASA HOLDINGS BHD	24/08/2022	Technical Buy	0.61	0.68	0.54	12%	-11%	1.15x	0.62	0.58	0.59	Open	
HEVEABOARD BHD	24/08/2022	Technical Buy	0.45	0.50	0.40	11%	-11%	1.00x	0.45	0.43	0.44	Open	
GHL SYSTEMS BERHAD	25/08/2022	Technical Buy	1.18	1.30	1.06	10%	-10%	1.00x	1.29	0.91	0.92	SL Hit	01/09/2022
INARI AMERTRON BHD	25/08/2022	Technical Buy	2.66	2.92	2.40	10%	-10%	1.00x	2.82	2.63	2.68	Open	
ANCOM NYLEX BHD	26/08/2022	Technical Buy	0.96	1.06	0.87	10%	-9%	1.11x	1.01	0.90	0.98	Open	
VISDYNAMICS HOLDINGS BHD	26/08/2022	Technical Buy	0.78	0.85	0.70	10%	-10%	1.00x	0.82	0.70	0.72	SL Hit	02/09/2022
BANK ISLAM MALAYSIA BHD	30/08/2022	Technical Buy	2.61	2.92	2.31	12%	-11%	1.03x	2.68	2.53	2.62	Open	
ASTRO MALAYSIA HOLDINGS BHD	30/08/2022	Technical Buy	0.85	0.92	0.77	9%	-9%	1.00x	0.88	0.84	0.84	Open	
EONMETALL GROUP BHD	01/09/2022	Technical Buy	0.58	0.64	0.52	10%	-10%	1.00x	0.74	0.57	0.65	TP Hit	05/09/2022
SDS GROUP BHD	01/09/2022	Technical Buy	0.53	0.59	0.47	12%	-10%	1.18x	0.64	0.52	0.55	TP Hit	09/09/2022
ANN JOO RESOURCES BHD	02/09/2022	Technical Buy	1.03	1.20	0.89	17%	-14%	1.21x	1.10	1.01	1.01	Open	
DAGANG NEXCHANGE BHD	02/09/2022	Technical Buy	0.82	0.94	0.72	15%	-12%	1.20x	0.85	0.79	0.81	Open	
PROLEXUS BHD	06/09/2022	Technical Buy	0.40	0.45	0.35	14%	-11%	1.22x	0.43	0.40	0.40	Open	
SAMCHEM HOLDINGS BHD	06/09/2022	Technical Buy	0.77	0.86	0.67	12%	-12%	1.00x	0.80	0.76	0.77	Open	
MALAYSIA MARINE AND HEAVY EN	07/09/2022	Technical Buy	0.41	0.46	0.36	12%	-12%	1.00x	0.43	0.39	0.41	Open	
COASTAL CONTRACTS BHD	07/09/2022	Technical Buy	1.91	2.18	1.64	14%	-14%	1.00x	2.05	1.87	2.04	Open	
CORAZA INTEGRATED TECHNOLOGY	08/09/2022	Technical Buy	0.75	0.84	0.65	13%	-13%	1.00x	0.90	0.75	0.78	TP Hit	12/09/2022
TSH RESOURCES BHD	08/09/2022	Technical Buy	1.05	1.17	0.94	11%	-10%	1.09x	1.05	0.98	0.99	Open	
PESTECH INTERNATIONAL BHD	09/09/2022	Technical Buy	0.29	0.32	0.25	12%	-12%	1.00x	0.31	0.28	0.29	Open	
UNISEM (M) BERHAD	09/09/2022	Technical Buy	2.59	2.86	2.32	10%	-10%	1.00x	2.88	2.59	2.61	TP Hit	14/09/2022
SEDANIA INNOVATOR BHD	13/09/2022	Technical Buy	0.36	0.42	0.30	17%	-17%	1.00x	0.37	0.31	0.32	Open	
EVERGREEN FIBREBOARD BHD	13/09/2022	Technical Buy	0.50	0.55	0.44	11%	-11%	1.00x	0.52	0.46	0.47	Open	
HSS ENGINEERS BHD	14/09/2022	Technical Buy	0.38	0.44	0.33	16%	-13%	1.20x	0.41	0.38	0.40	Open	
ECONPILE HOLDINGS BHD	14/09/2022	Technical Buy	0.18	0.20	0.15	14%	-14%	1.00x	0.18	0.17	0.17	Open	
AEMULUS HOLDINGS BHD	15/09/2022	Technical Buy	0.48	0.55	0.43	14%	-10%	1.30x	0.49	0.44	0.44	Open	
V.S. INDUSTRY BERHAD	15/09/2022	Technical Buy	1.03	1.16	0.92	13%	-11%	1.18x	1.03	0.97	0.98	Open	

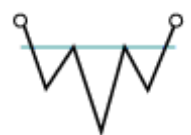
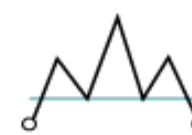


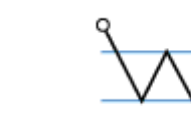
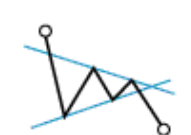




* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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
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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