

23 November 2022

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Daily technical highlights – (HSPLANT, AXIATA)

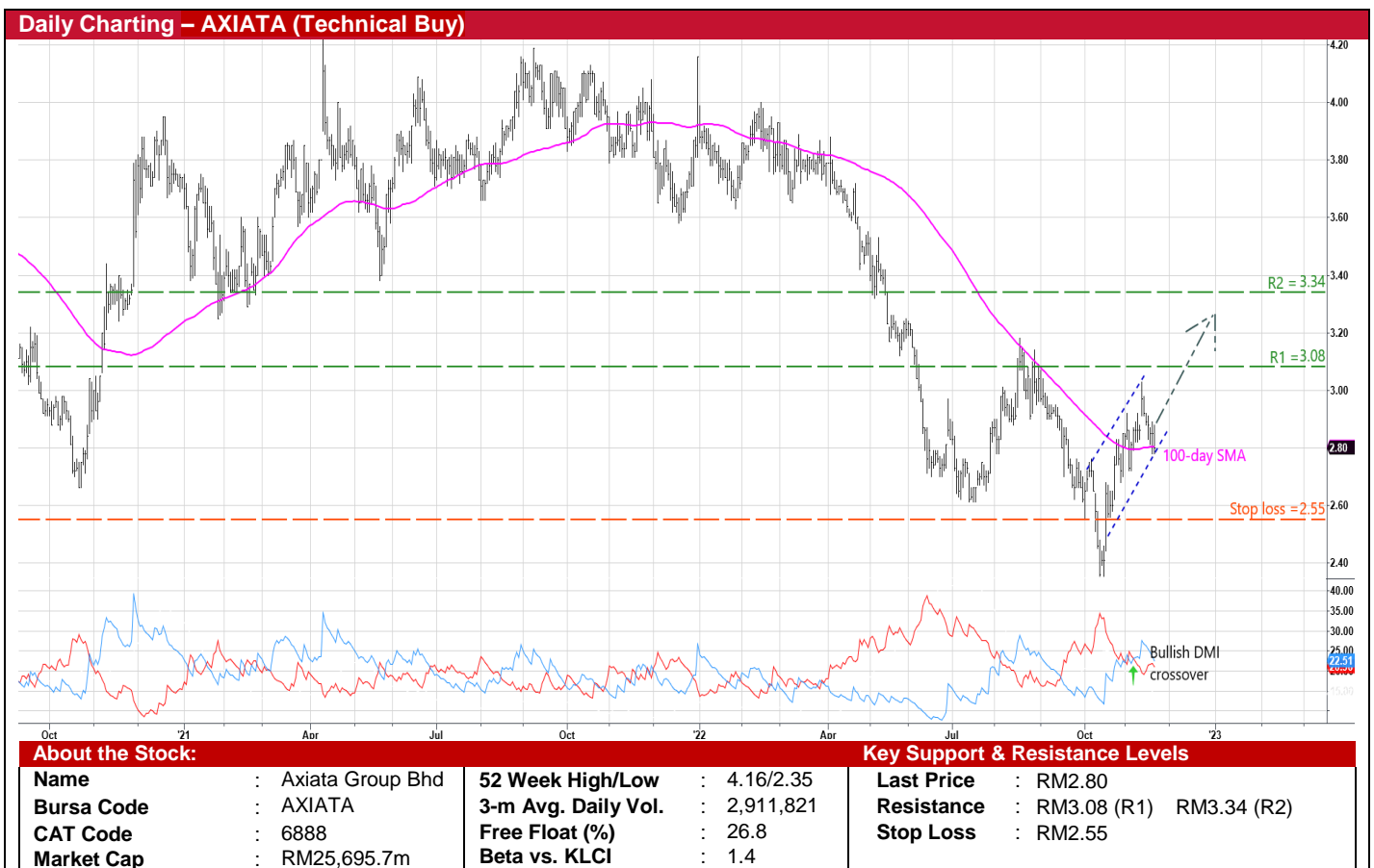
Daily Charting – HSPLANT (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	Hap Seng Plantations Holdings Bhd	52 Week High/Low	: 3.50/1.81
Bursa Code	: HSPLANT	Last Price	: RM2.02
CAT Code	: 5138	Resistance	: RM2.24 (R1) RM2.45 (R2)
Market Cap	: RM1,615.4m	Stop Loss	: RM1.81
		3-m Avg. Daily Vol.	: 260,829
		Free Float (%)	: 24.5
		Beta vs. KLCI	: 0.8

Hap Seng Plantations Holdings Bhd (Technical Buy)

- After retracing from a high of RM3.50 in late April this year to as low as RM1.92 in end-September that was followed by a subsequent rebound, HSPLANT's share price has traded sideways since then.
- An upward shift may be on the horizon following the emergence of a bullish RSI divergence pattern (as the RSI indicator has been rising when the price was drifting listlessly) with both the Parabolic SAR and MACD indicators showing positive momentum.
- A technical breakout from the consolidation mode could then push the stock towards our resistance thresholds of RM2.24 (R1; 11% upside potential) and RM2.45 (R2; 21% upside potential).
- We have pegged our stop loss price level at RM1.81 (which represents a 10% downside risk from yesterday's close of RM2.02).
- In the oil palm plantation business, HSPLANT reported net profit of RM66.9m (+41% YoY) in 2QFY22, bringing 1HFY22 bottomline to RM168.6m (+120% YoY) as its overall performance was lifted by higher average selling prices for oil palm products.
- Going forward, consensus is forecasting the group to make net earnings of RM245.0m in FY December 2022 and RM156.5m in FY December 2023, translating to forward PERs of 6.6x this year and 10.3x next year, respectively (with its 1-year rolling forward PER currently hovering at marginally below the minus 1SD line from its historical mean).
- Moreover, based on consensus DPS projections of 18.8 sen in FY22 and 12.9 sen in FY23, the stock offers dividend yields of 9.3% and 6.4%, respectively.



Axiata Group Bhd (Technical Buy)

- AXIATA’s share price is still on an upward trajectory despite encountering a pullback from its recent high of RM3.03 on 11 November to close at RM2.80 yesterday.
- On the chart, following its earlier reversal from a trough of RM2.35 in mid-October that saw the subsequent formation of an ascending price channel, the stock will likely resume its climb after bouncing up from the 100-day SMA as the DMI Plus crossed above the DMI Minus.
- With that said, the share price could advance towards our resistance thresholds of RM3.08 (R1) and RM3.34 (R2), which offer upside potentials of 10% and 19%, respectively.
- Our stop loss price level is set at RM2.55 (or a 9% downside risk).
- A diversified telecommunications and digital conglomerate focusing on digital telcos, digital businesses and infrastructure in ASEAN and South Asia, AXIATA reported net loss of RM106.4m in 2QFY22 (versus net profit of RM277.8m), taking 1HFY22 bottomline to RM149.4m (from 1HFY21’s net profit of 353.3m) as its underlying performance was hit mainly by significant foreign exchange losses (amounting to RM788.1m) arising from its mobile operations in Sri Lanka.
- According to consensus expectations, the group is projected to make net earnings of RM1.26b for FY December 2022 and RM1.48b for FY December 2023, which translate to forward PERs of 20.4x this year and 17.4x next year, respectively (with its 1-year rolling forward PER presently hovering at almost 2SD below its historical mean).
- Meanwhile, the stock is offering dividend yields of 3.7% and 4.5% based on consensus DPS estimates of 10.3 sen in FY22 and 12.5 sen in FY23, respectively.
- In terms of recent corporate development, its shareholders have just approved the proposed merger of the telecommunication operations of Celcom Axiata and Digi.com.

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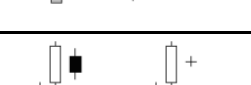
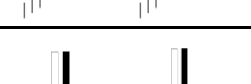


STOCK CALL MONITOR*

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
TELEKOM MALAYSIA BHD	26/10/2022	Technical Buy	5.44	5.96	4.93	10%	-9%	1.02x	5.67	5.27	5.45	Open	
MAGNI-TECH INDUSTRIES BHD	26/10/2022	Technical Buy	1.70	1.90	1.51	12%	-11%	1.05x	1.78	1.70	1.76	Open	
CORAZA INTEGRATED TECHNOLOGY	27/10/2022	Technical Buy	0.68	0.77	0.60	13%	-12%	1.13x	0.70	0.61	0.63	Open	
SDS GROUP BHD	27/10/2022	Technical Buy	0.65	0.73	0.57	13%	-12%	1.13x	0.72	0.64	0.68	Open	
BONIA CORP BHD	28/10/2022	Technical Buy	1.79	1.97	1.61	10%	-10%	1.00x	2.09	1.75	1.98	TP Hit	14/11/2022
KIM TECK CHEONG CONSOLIDATED	28/10/2022	Technical Buy	0.23	0.26	0.20	13%	-13%	1.00x	0.26	0.21	0.24	TP Hit	1/11/2022
JHM CONSOLIDATION BHD	1/11/2022	Technical Buy	0.87	0.97	0.77	12%	-11%	1.11x	0.89	0.70	0.72	SL Hit	9/11/2022
KPJ HEALTHCARE BERHAD	1/11/2022	Technical Buy	0.82	0.90	0.75	10%	-9%	1.14x	0.88	0.82	0.86	Open	
MR DIY GROUP M BHD	2/11/2022	Technical Buy	2.00	2.22	1.78	11%	-11%	1.00x	2.06	1.90	1.95	Open	
PECCA GROUP BHD	2/11/2022	Technical Buy	0.88	0.98	0.78	11%	-11%	1.00x	0.88	0.81	0.84	Open	
HEVEABOARD BHD	3/11/2022	Technical Buy	0.38	0.42	0.33	12%	-12%	1.00x	0.38	0.34	0.35	Open	
VISDYNAMICS HOLDINGS BHD	3/11/2022	Technical Buy	0.57	0.63	0.50	12%	-12%	1.00x	0.57	0.49	0.51	SL Hit	10/11/2022
KELINGTON GROUP BHD	4/11/2022	Technical Buy	1.30	1.44	1.17	11%	-10%	1.08x	1.38	1.27	1.37	Open	
MYNEWS HOLDINGS BHD	4/11/2022	Technical Buy	0.52	0.58	0.46	12%	-12%	1.00x	0.59	0.51	0.58	TP Hit	16/11/2022
INNATURE BHD	8/11/2022	Technical Buy	0.53	0.60	0.46	13%	-13%	1.00x	0.56	0.51	0.53	Open	
YTL CORP BHD	8/11/2022	Technical Buy	0.57	0.63	0.52	11%	-9%	1.20x	0.59	0.53	0.54	Open	
FM GLOBAL LOGISTICS HOLDINGS	9/11/2022	Technical Buy	0.54	0.60	0.48	12%	-10%	1.18x	0.56	0.53	0.53	Open	
YTL POWER INTERNATIONAL BHD	9/11/2022	Technical Buy	0.70	0.77	0.62	11%	-11%	1.00x	0.70	0.66	0.66	Open	
DUFU TECHNOLOGY CORP BHD	10/11/2022	Technical Buy	1.59	1.76	1.44	11%	-9%	1.13x	1.77	1.53	1.63	TP Hit	11/11/2022
UEM SUNRISE BHD	10/11/2022	Technical Buy	0.21	0.24	0.18	14%	-14%	1.00x	0.23	0.20	0.20	Open	
BSL CORP BHD	11/11/2022	Technical Buy	0.13	0.16	0.10	23%	-23%	1.00x	0.14	0.11	0.13	Open	
HARTELEGA HOLDINGS BHD	11/11/2022	Technical Buy	2.06	2.28	1.84	11%	-11%	1.00x	2.17	1.70	1.80	SL Hit	17/11/2022
D&O GREEN TECHNOLOGIES BHD	15/11/2022	Technical Buy	3.85	4.25	3.45	10%	-10%	1.00x	3.87	3.70	3.82	Open	
OPCOM HOLDINGS BHD	15/11/2022	Technical Buy	0.87	0.99	0.76	14%	-13%	1.09x	0.88	0.77	0.78	Open	
EP MANUFACTURING BERHAD	16/11/2022	Technical Buy	1.04	1.18	0.93	13%	-11%	1.27x	1.05	1.00	1.01	Open	
CARIMIN PETROLEUM BHD	16/11/2022	Technical Buy	0.53	0.60	0.47	13%	-11%	1.17x	0.56	0.52	0.55	Open	
PIE INDUSTRIAL BHD	17/11/2022	Technical Buy	2.59	2.85	2.33	10%	-10%	1.00x	2.57	2.48	2.52	Open	
SP SETIA BHD	17/11/2022	Technical Buy	0.53	0.59	0.47	11%	-10%	1.09x	0.56	0.52	0.55	Open	
PROLEXUS BHD	22/11/2022	Technical Buy	0.41	0.46	0.36	14%	-11%	1.22x	0.41	0.41	0.41	Open	
DIGI.COM BHD	22/11/2022	Technical Buy	3.78	4.16	3.43	10%	-9%	1.09x	3.81	3.67	3.79	Open	






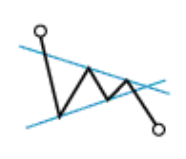

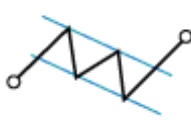


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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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