

31 March 2023

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Daily technical highlights – (DSONIC, NATGATE)

Daily Charting – DSONIC (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Datasonic Group Bhd	52 Week High/Low	: 0.60/0.41
Bursa Code	: DSONIC	3-m Avg. Daily Vol.	: 5,584,337
CAT Code	: 5216	Free Float (%)	: 47%
Market Cap	: RM1,189.1m	Beta vs. KLCI	: 0.7
		Last Price	: RM0.42
		Resistance	: RM0.46 (R1) RM0.50 (R2)
		Stop Loss	: RM0.38

Datasonic Group Bhd (Technical Buy)

- DSONIC's share price has fallen 47% since May 2020 from its peak of RM0.79 to close at RM0.42 yesterday. With the share price likely to find support near its 52-week low of RM0.41, a technical rebound could be anticipated.
- On the chart, the share price is expected to bounce up backed by the following positive technical signals: (i) both the Stochastic and RSI indicators are set to climb out from the oversold zone, and (ii) the stock price has crossed back above the lower Bollinger Band.
- Hence, we expect the stock to rise and test our resistance thresholds of RM0.46 (R1; 10% upside potential) and RM0.50 (R2; 19% upside potential).
- Conversely, our stop loss price has been identified at RM0.38 (representing a 10% downside risk).
- Fundamental-wise, DSONIC provides ICT solutions that include smart card personalization such as secure ID or chip-based credit/debit bank cards.
- Earnings-wise, the group reported a net profit jump to RM16.7m in 3QFY23 compared with a net profit of RM1.5m in 3QFY22. This took 9MFY23 bottomline to RM53.7m (versus net loss of RM3.1m previously).
- Based on consensus forecasts, DSONIC's net earnings are projected to come in at RM75.3m in FY March 2023 and RM93.6m in FY March 2024, which translate to forward PERs of 15.8x this year and 12.7x next year, respectively.

Daily Charting – NATGATE (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name : Natiogate Holdings Bhd	52 Week High/Low : 1.50/0.81	Last Price : RM1.21	
Bursa Code : NATGATE	3-m Avg. Daily Vol. : N.A.	Resistance : RM1.34 (R1) RM1.45 (R2)	
CAT Code : 0270	Free Float (%) : 34%	Stop Loss : RM1.09	
Market Cap : RM2,509.5m	Beta vs. KLCI : N.A.		

Natiogate Holdings Bhd (Technical Buy)

- Listed back in January this year, the share price of NATGATE reached its peak of RM1.50 in early March before pulling back subsequently to close at RM1.21 yesterday.
- Chart-wise, we believe the share price will likely resume its rising momentum as both the Stochastic and RSI indicators are anticipated to climb out from the oversold zone.
- An upward shift could then lift the stock to challenge our resistance levels of RM1.34 (R1; 11% upside potential) and RM1.45 (R2; 20% upside potential).
- Our stop loss level is pegged at RM1.09 (representing a 10% downside risk).
- Fundamentally speaking, NATGATE is principally involved in the electronics manufacturing services (EMS) business, focussing on the assembly and testing of electronic components and products to produce completed printed circuit board (PCB), semi-finished sub-assemblies, fully assembled electronic products as well as semiconductor devices.
- Earnings-wise, the group reported a net profit of RM22.2m in 4QFY22. This took FY22 bottomline to RM85.3m (versus net profit of RM59.5m previously).
- Based on consensus forecasts, NATGATE’s net earnings are projected to increase to RM123.0m in FY December 2023 and RM153.0m in FY December 2024, which translate to forward PERs of 20.4x this year and 16.4x next year, respectively.

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STOCK CALL MONITOR*

Stock Name	Issue Date (ID)	Rating	Price @ ID	Resistance Price (R1)	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			
KELINGTON GROUP BHD	1/3/2023	Technical Buy	1.51	1.70	1.34	13%	-11%	1.12x	1.56	1.39	1.45	Open	
SWIFT HAULAGE BHD	1/3/2023	Technical Buy	0.47	0.52	0.43	11%	-9%	1.25x	0.49	0.46	0.48	Open	
MTAG GROUP BHD	2/3/2023	Technical Buy	0.44	0.50	0.39	14%	-11%	1.20x	0.51	0.42	0.44	TP Hit	6/3/2023
KOBAY TECHNOLOGY BHD	2/3/2023	Technical Buy	2.58	2.90	2.30	12%	-11%	1.14x	2.66	2.45	2.51	Open	
JHM CONSOLIDATION BHD	3/3/2023	Technical Buy	0.79	0.88	0.70	12%	-11%	1.12x	0.86	0.76	0.85	Open	
SOLARVEST HOLDINGS BHD	3/3/2023	Technical Buy	0.92	1.02	0.82	11%	-11%	1.00x	0.97	0.84	0.85	Open	
GHL SYSTEMS BERHAD	7/3/2023	Technical Buy	0.94	1.05	0.83	12%	-11%	1.10x	0.94	0.85	0.86	Open	
JF TECHNOLOGY BHD	7/3/2023	Technical Buy	0.84	0.93	0.75	11%	-11%	1.00x	0.85	0.76	0.80	Open	
BETAMEK BHD	8/3/2023	Technical Buy	0.53	0.60	0.47	13%	-11%	1.17x	0.54	0.43	0.45	SL Hit	21/3/2023
UEM EDGENTA BHD	8/3/2023	Technical Buy	0.98	1.09	0.88	12%	-10%	1.21x	1.03	0.95	1.01	Open	
PEKAT GROUP BERHAD	9/3/2023	Technical Buy	0.46	0.52	0.41	13%	-11%	1.20x	0.46	0.40	0.43	SL Hit	14/3/2023
RESOURCES HOLDINGS BHD PT	9/3/2023	Technical Buy	0.51	0.58	0.46	14%	-11%	1.27x	0.55	0.43	0.47	SL Hit	14/3/2023
DIALOG GROUP BHD	10/3/2023	Technical Buy	2.42	2.70	2.18	12%	-10%	1.17x	2.44	2.25	2.35	Open	
NOTION VTEC BHD	10/3/2023	Technical Buy	0.36	0.39	0.32	10%	-10%	1.00x	0.37	0.33	0.36	Open	
BAHVEST RESOURCES BHD	14/3/2023	Technical Buy	0.28	0.32	0.24	16%	-13%	1.29x	0.32	0.28	0.30	TP Hit	21/3/2023
YTL CORP BHD	14/3/2023	Technical Buy	0.57	0.63	0.51	12%	-10%	1.18x	0.61	0.56	0.60	Open	
MALAKOFF CORP BHD	15/3/2023	Technical Buy	0.68	0.75	0.61	11%	-10%	1.15x	0.71	0.66	0.70	Open	
DRB-HICOM BHD	15/3/2023	Technical Buy	1.39	1.58	1.22	14%	-12%	1.12x	1.43	1.33	1.40	Open	
RAMSSOL GROUP BHD	16/3/2023	Technical Buy	0.32	0.36	0.29	13%	-11%	1.14x	0.36	0.32	0.34	TP Hit	17/3/2023
HENG HUAT RESOURCES GROUP BH	16/3/2023	Technical Buy	0.48	0.54	0.42	14%	-12%	1.18x	0.48	0.38	0.42	SL Hit	28/3/2023
NCT ALLIANCE BHD	17/3/2023	Technical Buy	0.35	0.38	0.31	10%	-10%	1.00x	0.40	0.34	0.37	TP Hit	22/3/2023
SAMAIDEN GROUP BHD	17/3/2023	Technical Buy	0.90	1.00	0.81	11%	-10%	1.11x	0.97	0.87	0.96	Open	
ATA IMS BHD	21/3/2023	Technical Buy	0.29	0.33	0.26	14%	-10%	1.33x	0.33	0.28	0.29	TP Hit	22/3/2023
PJBUMI BHD	21/3/2023	Technical Buy	0.80	0.90	0.70	13%	-12%	1.11x	0.80	0.68	0.70	SL Hit	27/3/2023
HIBISCUS PETROLEUM BHD	22/3/2023	Technical Buy	0.92	1.02	0.82	11%	-10%	1.11x	1.00	0.94	0.99	Open	
INARI AMERTRON BHD	22/3/2023	Technical Buy	2.36	2.60	2.14	10%	-9%	1.09x	2.45	2.35	2.44	Open	
GENTING MALAYSIA BHD	23/3/2023	Technical Buy	2.56	2.82	2.30	10%	-10%	1.00x	2.66	2.55	2.63	Open	
POWER ROOT BHD	23/3/2023	Technical Buy	2.11	2.32	1.90	10%	-10%	1.00x	2.11	2.07	2.09	Open	
ASTRO MALAYSIA HOLDINGS BHD	24/3/2023	Technical Buy	0.71	0.80	0.62	13%	-12%	1.12x	0.73	0.62	0.70	SL Hit	28/3/2023
UZMA BHD	24/3/2023	Technical Buy	0.63	0.70	0.56	12%	-10%	1.15x	0.64	0.56	0.62	SL Hit	27/3/2023

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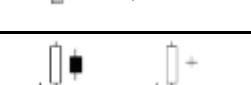
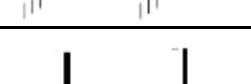
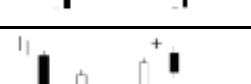

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UEM SUNRISE BHD	28/3/2023	Technical Buy	0.25	0.30	0.21	20%	-16%	1.25x	0.27	0.25	0.27	Open	
PLS PLANTATIONS BHD	28/3/2023	Technical Buy	0.94	1.05	0.83	12%	-11%	1.10x	0.95	0.92	0.95	Open	
CCK CONSOLIDATED HOLDINGS BHD	29/3/2023	Technical Buy	0.70	0.77	0.63	11%	-9%	1.15x	0.70	0.68	0.70	Open	
EASTERN & ORIENTAL BHD	29/3/2023	Technical Buy	0.31	0.36	0.27	16%	-13%	1.25x	0.33	0.31	0.32	Open	
CNERGENZ BHD	30/3/2023	Technical Buy	0.84	0.96	0.74	14%	-12%	1.20x	0.87	0.84	0.87	Open	
TEXCHEM RESOURCES BERHAD	30/3/2023	Technical Buy	1.60	1.80	1.42	13%	-11%	1.11x	1.63	1.60	1.63	Open	






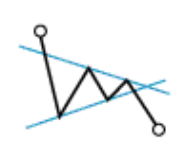

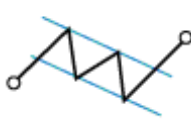


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Technical Terms:

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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