

16 May 2023

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Daily technical highlights – (HHGROUP, UMC)

Daily Charting – HHGROUP (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Heng Huat Resources Group Bhd	<b>52 Week High/Low</b>	: 0.58/0.30
<b>Bursa Code</b>	: HHGROUP	<b>3-m Avg. Daily Vol.</b>	: 1,463,246
<b>CAT Code</b>	: 0175	<b>Free Float (%)</b>	: 9%
<b>Market Cap</b>	: RM274.0m	<b>Beta vs. KLCI</b>	: 0.4
		<b>Last Price</b>	: RM0.32
		<b>Resistance</b>	: RM0.36 (R1) RM0.40 (R2)
		<b>Stop Loss</b>	: RM0.28

**Heng Huat Resources Bhd (Technical Buy)**

- Following a retracement of 48% from the peak of RM0.58 in late-February 2023 to as low as RM0.30 on 5 May 2023, HHGROUP might have found an intermediate support before it rose to challenge the descending immediate resistance of RM0.32 yesterday.
- A breakout could be on the cards, backed by the bullish technical indicators of the stochastic indicator that has climbed out from oversold territory and further supported by the share price bouncing up to cross back above the lower Keltner Channel.
- Ergo, the stock could rise to challenge our resistance thresholds of RM0.36 (R1; 13% upside potential) and RM0.40 (R2; 25% upside potential).
- On the other hand, we have pegged our stop loss price at RM0.28 (representing a 13% downside risk from the closing price of RM0.32 yesterday).
- HHGROUP – which is involved in the manufacturing and trading of biomass materials (i.e. coconut fibre and oil palm empty fruit bunch fibre), mattress and other related products – reported a net profit of RM9.5m (+70% QoQ) in 3QFY23, which lifted its 9MFY23 cumulative net earnings to RM17.4m (+149% YoY).
- Valuation-wise, the stock is currently trading at Price/Book Value multiple of 1.6x, based on its book value per share of RM0.20 as of end-December 2022.

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Daily Charting – UMC (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Umedic Group Bhd	<b>52 Week High/Low</b>	: 0.91/0.43
<b>Bursa Code</b>	: UMC	<b>3-m Avg. Daily Vol.</b>	: 3,015,858
<b>CAT Code</b>	: 0256	<b>Free Float (%)</b>	: 26%
<b>Market Cap</b>	: RM284.2m	<b>Beta vs. KLCI</b>	: N.A.
		<b>Last Price</b>	: RM0.76
		<b>Resistance</b>	: RM0.855 (R1) RM0.94 (R2)
		<b>Stop Loss</b>	: RM0.67

Umedic Group Bhd (Technical Buy)

- UMC’s share price has been trading sideways, forming higher lows and higher highs since 21 November 2022 before it retraced back to lower range of the upward channel to close at RM0.76 yesterday.
- Chart-wise, a technical rebound could be on the horizon in view of: (i) the 21-day EMA crossing above the 21-day MA, and (ii) the stock price crossing back above the lower Bollinger Band.
- An upward shift could then propel the stock to advance towards our resistance targets of RM0.855 (R1; 13% upside potential) and RM0.94 (R2; 24% upside potential).
- Our stop loss level is pegged at RM0.665 (representing a 12% downside risk).
- Business-wise, UMC is a healthcare and medical devices manufacturer and distributor serving a wide scope of healthcare facilities in Malaysia and overseas.
- The group reported a net profit of RM2.9m (+45% QoQ) in 2QFY23 and cumulative 1HFY23 earnings of RM4.9m (+7% YoY).
- Based on consensus estimates, UMC is expected to deliver higher net profit of RM9.9m in FY July 2023 and RM13.3m in FY July 2024, which translate to forward PERs of 28.7x and 21.4x, respectively.

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## STOCK CALL MONITOR\*





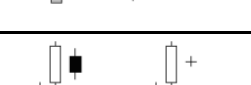
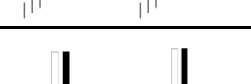


Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Resistance Price (R1) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status <sup>^</sup>	Date Status Fulfilled
OOCK GROUP BHD	18/4/2023	Technical Buy	0.42	0.46	0.37	11%	-11%	1.00x	0.42	0.38	0.38	Open	
SOUTHERN CABLE GROUP BHD	18/4/2023	Technical Buy	0.32	0.36	0.29	13%	-11%	1.14x	0.32	0.29	0.30	Open	
TECHBOND GROUP BHD	19/4/2023	Technical Buy	0.41	0.45	0.37	11%	-9%	1.29x	0.41	0.38	0.40	Open	
SENHENG NEW RETAIL BHD	19/4/2023	Technical Buy	0.44	0.50	0.38	15%	-13%	1.18x	0.45	0.42	0.43	Open	
YBS INTERNATIONAL BHD	20/4/2023	Technical Buy	0.67	0.75	0.59	12%	-12%	1.00x	0.68	0.54	0.56	SL Hit	3/5/2023
YEW LEE PACIFIC GROUP BHD	20/4/2023	Technical Buy	0.34	0.38	0.30	12%	-12%	1.00x	0.35	0.30	0.31	Open	
CLASSIC SCENIC BHD #	26/4/2023	Technical Buy	0.54	0.61	0.49	13%	-9%	1.40x	0.65	0.53	0.55	TP Hit	11/5/2023
FARM FRESH BHD	26/4/2023	Technical Buy	1.50	1.65	1.37	10%	-9%	1.15x	1.56	1.49	1.54	Open	
DIALOG GROUP BHD	27/4/2023	Technical Buy	2.30	2.55	2.10	11%	-9%	1.25x	2.38	2.18	2.19	Open	
VOLCANO BHD	27/4/2023	Technical Buy	0.82	0.93	0.73	13%	-11%	1.22x	0.86	0.82	0.83	Open	
PEKAT GROUP BERHAD	28/4/2023	Technical Buy	0.41	0.45	0.36	11%	-11%	1.00x	0.42	0.40	0.39	Open	
SAMAIDEN GROUP BHD	28/4/2023	Technical Buy	0.89	0.99	0.81	11%	-9%	1.25x	0.97	0.87	0.94	Open	
GDEX BHD	3/5/2023	Technical Buy	0.20	0.25	0.15	25%	-25%	1.00x	0.21	0.19	0.19	Open	
POS MALAYSIA BERHAD	3/5/2023	Technical Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.56	0.54	0.54	Open	
NCT ALLIANCE BHD	5/5/2023	Technical Buy	0.37	0.42	0.32	14%	-14%	1.00x	0.37	0.35	0.36	Open	
POWER ROOT BHD	5/5/2023	Technical Buy	2.16	2.40	1.94	11%	-10%	1.09x	2.26	2.12	2.11	Open	
ECONPILE HOLDINGS BHD	9/5/2023	Technical Buy	0.22	0.25	0.18	16%	-16%	1.00x	0.22	0.21	0.21	Open	
ALLIANCE BANK MALAYSIA BHD	9/5/2023	Technical Buy	3.39	3.75	3.06	11%	-10%	1.09x	3.39	3.30	3.33	Open	
JHM CONSOLIDATION BHD	10/5/2023	Technical Buy	0.76	0.85	0.67	13%	-11%	1.12x	0.80	0.76	0.79	Open	
PERAK TRANSIT BHD	10/5/2023	Technical Buy	1.01	1.14	0.90	13%	-11%	1.18x	1.14	1.01	1.11	TP Hit	11/5/2023
MY EG SERVICES BHD	11/5/2023	Technical Buy	0.79	0.89	0.69	13%	-12%	1.05x	0.81	0.78	0.79	Open	
RAMSSOL GROUP BHD	11/5/2023	Technical Buy	0.38	0.43	0.34	12%	-12%	1.00x	0.40	0.37	0.38	Open	
ANCOM NYLEX BHD	12/5/2023	Technical Buy	1.00	1.10	0.90	10%	-10%	1.00x	1.01	1.00	1.01	Open	
SOLARVEST HOLDINGS BHD	12/5/2023	Technical Buy	0.87	0.96	0.78	11%	-10%	1.12x	0.88	0.86	0.94	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.






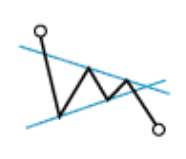

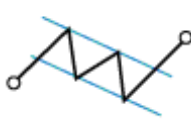


<sup>^</sup> Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

# Share price data for CSCENIC has been adjusted for a 1-for-2 bonus issue (following its ex-entitlement date on 10 May 2023).

**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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