

23 May 2023

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**Daily technical highlights – (LTKM, PMBTECH)**

**Daily Charting – LTKM (Technical Buy)**



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: LTKM Bhd	<b>52 Week High/Low</b>	: 1.55/1.15
<b>Bursa Code</b>	: LTKM	<b>3-m Avg. Daily Vol.</b>	: 159,475
<b>CAT Code</b>	: 7085	<b>Free Float (%)</b>	: 18.5
<b>Market Cap</b>	: RM204.7m	<b>Beta vs. KLCI</b>	: 0.2
		<b>Last Price</b>	: RM1.43
		<b>Resistance</b>	: RM1.62 (R1) RM1.70 (R2)
		<b>Stop Loss</b>	: RM1.28

**LTKM Bhd (Technical Buy)**

- After rising from a trough of RM0.85 in January 2021 to plot a sequence of higher lows along the way, LTKM's share price is poised to extend its uptrend pattern ahead.
- With the shares trading near the ascending trendline, a resumption of the upward trajectory may be forthcoming following the golden cross by the 50-day SMA above the 100-day SMA as the stochastic indicator is in the midst of climbing out from the oversold position.
- Riding on the positive momentum, the stock could advance towards our resistance thresholds of RM1.62 (R1; 13% upside potential) and RM1.70 (R2; 19% upside potential).
- We have pegged our stop loss price level at RM1.28 (or a downside risk of 10% from its last traded price of RM1.43).
- In terms of corporate developments, LTKM has announced multiple proposals to: (i) dispose of its existing poultry business for RM222.0m cash, (ii) undertake a proposed special dividend cum capital repayment of RM0.90 per share, (iii) consolidate 2 LTKM shares to 1 new consolidated LTKM share, (iv) acquire a new business (of providing electronic manufacturing services) for RM336.0m (to be satisfied by RM100.0m in cash and the issuance of 181.5m new LTKM Shares at an issue price of RM1.30 each) which comes with a profit guarantee amounting to a combined net profit of not less than RM50.0m over FY December 2023 and 2024, and (v) undertake a restricted issue of 63.3m new LTKM shares.
- Meanwhile, LTKM registered net earnings of RM2.2m (-7% YoY) in 3QFY23, bringing its 9MFY23's bottomline to RM11.3m (a turnaround from net loss of RM6.9m previously).
- Valuation-wise, the stock is currently trading at Price/Book Value multiple of 0.91x based on its book value per share of RM1.58 as of end-December 2022.

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Daily Charting – PMBTECH (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: PMB Technology Bhd	<b>52 Week High/Low</b>	: 5.27/2.41
<b>Bursa Code</b>	: PMBTECH	<b>3-m Avg. Daily Vol.</b>	: 231,287
<b>CAT Code</b>	: 7172	<b>Free Float (%)</b>	: 9.9
<b>Market Cap</b>	: RM4,944.1m	<b>Beta vs. KLCI</b>	: 1.2
		<b>Last Price</b>	: RM3.89
		<b>Resistance</b>	: RM4.30 (R1) RM4.68 (R2)
		<b>Stop Loss</b>	: RM3.51

PMB Technology Bhd (Technical Buy)

- Following a pullback from its high of RM5.27 in mid-March this year, PMBTECH's share price – which ended at RM3.89 yesterday or back to where it was in mid-October 2022 – will probably find support at the 50% Fibonacci retracement level.
- Backed by strengthening technical signals arising from the reversal from the oversold territory by both the stochastic and RSI indicators, an upward shift in the shares is anticipated.
- On the way up, the stock is expected to challenge our resistance targets of RM4.30 (R1) and RM4.68 (R2), offering upside potentials of 11% and 20%, respectively.
- Our stop loss price level is set at RM3.51 (translating to a downside risk of 10%).
- Business-wise, PMBTECH (a 21.5%-owned associate of listed Press Metal Aluminium Holdings) is involved in two segments: (i) the manufacturing and/or distribution of metallic silicon products, access equipment and other aluminium related products and distribution of related building materials, and (ii) the design, fabricate and installation of aluminium curtain wall, cladding, skylight, façade works and the fabrication and installation of aluminium system formworks.
- Via its metallic silicon products which are used in the production of polycrystalline silicon (polysilicon) as a base material for solar cells (and semiconductor chips), PMBTECH is an indirect proxy to the fast-growing renewable solar energy industry.
- The group made net profit of RM10.1m (-91% YoY) in 4QFY22, which took full-year's bottomline to RM118.2m (-23% YoY) in FY December 2022.
- Based on its book value per share of RM0.78 as of end-December 2022, the stock is presently trading at Price/Book Value multiple of 5.0x.

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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
CLASSIC SCENIC BHD #	26/4/2023	Technical Buy	0.54	0.61	0.49	13%	-9%	1.40x	0.65	0.51	0.53	TP Hit	11/5/2023
FARM FRESH BHD	26/4/2023	Technical Buy	1.50	1.65	1.37	10%	-9%	1.15x	1.58	1.49	1.58	Open	
DIALOG GROUP BHD	27/4/2023	Technical Buy	2.30	2.55	2.10	11%	-9%	1.25x	2.38	2.09	2.12	SL Hit	22/5/2023
VOLCANO BHD	27/4/2023	Technical Buy	0.82	0.93	0.73	13%	-11%	1.22x	0.99	0.82	0.96	TP Hit	17/5/2023
PEKAT GROUP BERHAD	28/4/2023	Technical Buy	0.41	0.45	0.36	11%	-11%	1.00x	0.42	0.38	0.40	Open	
SAMAIDEN GROUP BHD	28/4/2023	Technical Buy	0.89	0.99	0.81	11%	-9%	1.25x	0.97	0.87	0.93	Open	
GDEX BHD	3/5/2023	Technical Buy	0.20	0.25	0.15	25%	-25%	1.00x	0.21	0.18	0.19	Open	
POS MALAYSIA BERHAD	3/5/2023	Technical Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.56	0.53	0.54	Open	
NCT ALLIANCE BHD	5/5/2023	Technical Buy	0.37	0.42	0.32	14%	-14%	1.00x	0.38	0.35	0.37	Open	
POWER ROOT BHD	5/5/2023	Technical Buy	2.16	2.40	1.94	11%	-10%	1.09x	2.26	2.01	2.01	Open	
ECONPILE HOLDINGS BHD	9/5/2023	Technical Buy	0.22	0.25	0.18	16%	-16%	1.00x	0.22	0.21	0.22	Open	
ALLIANCE BANK MALAYSIA BHD	9/5/2023	Technical Buy	3.39	3.75	3.06	11%	-10%	1.09x	3.39	3.30	3.36	Open	
JHM CONSOLIDATION BHD	10/5/2023	Technical Buy	0.76	0.85	0.67	13%	-11%	1.12x	0.80	0.76	0.76	Open	
PERAK TRANSIT BHD	10/5/2023	Technical Buy	1.01	1.14	0.90	13%	-11%	1.18x	1.14	1.01	1.08	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	0.35	0.35	Open	
ANCOM NYLEX BHD	12/5/2023	Technical Buy	1.00	1.10	0.90	10%	-10%	1.00x	1.02	1.00	1.01	Open	
SOLARVEST HOLDINGS BHD	12/5/2023	Technical Buy	0.87	0.96	0.78	11%	-10%	1.12x	1.01	0.86	0.97	TP Hit	18/5/223
HENG HUAT RESOURCES GROUP BH	16/5/2023	Technical Buy	0.32	0.36	0.28	13%	-13%	1.00x	0.34	0.32	0.34	Open	
UMEDIC GROUP BHD	16/5/2023	Technical Buy	0.76	0.86	0.67	13%	-13%	1.00x	0.78	0.72	0.73	Open	
MALAKOFF CORP BHD	17/5/2023	Technical Buy	0.67	0.74	0.61	10%	-9%	1.17x	0.69	0.67	0.68	Open	
CYPARK RESOURCES BHD	17/5/2023	Technical Buy	0.73	0.82	0.63	13%	-13%	1.00x	0.75	0.71	0.72	Open	
CORAZA INTEGRATED TECHNOLOGY	18/5/2023	Technical Buy	0.82	0.90	0.73	10%	-10%	1.00x	0.83	0.77	0.78	Open	
KIM TECK CHEONG CONSOLIDATED	18/5/2023	Technical Buy	0.24	0.27	0.21	13%	-13%	1.00x	0.25	0.23	0.24	Open	
AJIYA BHD	19/5/2023	Technical Buy	1.53	1.71	1.36	12%	-11%	1.06x	1.54	1.52	1.52	Open	
QES GROUP BHD	19/5/2023	Technical Buy	0.54	0.60	0.48	11%	-11%	1.00x	0.56	0.53	0.55	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.






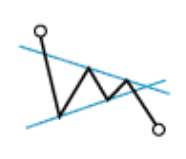

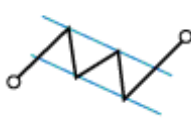


<sup>^</sup> Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

# 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
<b>Doji</b> <b>Dragonfly Doji</b> (Bullish) <b>Gravestone Doji</b> (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.
<b>Engulfing Pattern</b>		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.
<b>Hammer</b> (Bullish) <b>Shooting Star</b> (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.
<b>Inverted Hammer</b> (Bullish) <b>Hanging Man</b> (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.
<b>Harami</b> <b>Harami Cross</b>		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.
<b>Marubozu</b>		A Marubozu candlestick has no shadow extending from the body at either the open, the close or at both.
<b>Morning Doji Star</b> (Bullish) <b>Evening Doji Star</b> (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.
<b>Spinning Top</b>		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	<b>Inverted Head &amp; Shoulders</b> (Bullish)	<b>Head &amp; Shoulders</b> (Bearish)	<b>Wedge Reversal</b> (Bullish/ Bearish)	<b>Double Top</b> (Bearish)	<b>Double Bottom</b> (Bullish)
					
Continuation Patterns	<b>Symmetrical Triangle</b> (Bullish/ Bearish)	<b>Ascending Triangle</b> (Bullish)	<b>Channels</b> (Bullish/ Bearish)	<b>Flags</b> (Bullish/ Bearish)	<b>Pennant</b> (Bullish/ Bearish)
					

Source: Various

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