

05 May 2023

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Daily technical highlights – (NCT, PWROOT)

Daily Charting – NCT (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: NCT Alliance Bhd	52 Week High/Low	: 0.45/0.30
Bursa Code	: NCT	3-m Avg. Daily Vol.	: 4,979,106
CAT Code	: 0056	Free Float (%)	: 38%
Market Cap	: RM506.5m	Beta vs. KLCI	: 0.8
		Last Price	: RM0.37
		Resistance	: RM0.42 (R1) RM0.45 (R2)
		Stop Loss	: RM0.32

NCT Alliance Bhd (Technical Buy)

- NCT’s share price has slid from a recent high of RM0.425 in February this year, down by 22% to a low of RM0.33 in March before rebounding marginally to close at RM0.37 on Wednesday.
- Chart-wise, we believe the share price will shift upward as the Stochastic indicator is in the midst of climbing out from the oversold zone while the share price has moved back above the lower Bollinger Band.
- Hence, we expect the stock to rise and test our resistance thresholds of RM0.42 (R1; 14% upside potential) and RM0.45 (R2; 22% upside potential).
- Conversely, our stop loss price has been identified at RM0.32 (representing a 14% downside risk).
- NCT is a real estate developer offering property development services for various housing projects with a geographical presence mainly in Genting Highlands and Penang.
- Earnings-wise, the group reported a net profit of RM12.8m (+14% QoQ) in 4QFY22, which took FY22 bottomline to RM43.2m (versus net profit of RM33.7m previously).
- In terms of valuation, the stock is currently trading at Price/Book Value multiple of 0.8x (or approximately at 0.5 SD below its historical mean) based on its book value per share of RM0.43 as of end-December 2022.

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Daily Charting – PWROOT (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Power Root Bhd	52 Week High/Low	: 2.36/1.40
Bursa Code	: PWROOT	3-m Avg. Daily Vol.	: 649,486
CAT Code	: 7237	Free Float (%)	: 33%
Market Cap	: RM921.8m	Beta vs. KLCI	: 0.6
		Last Price	: RM2.16
		Resistance	: RM2.40 (R1) RM2.50 (R2)
		Stop Loss	: RM1.94

Power Root Bhd (Technical Buy)

- PWROOT shares have surged 99% since March 2022 to as high as RM2.31 in December 2022 before closing at RM2.16 on Wednesday. With the share price currently hovering near the lower end of the ascending price channel, an extended upward trajectory is anticipated.
- On the chart, the share price is expected to continue its positive momentum backed by: (i) the rising Parabolic SAR trend, (ii) the DMI Plus crossing above the DMI Minus, and (iii) the 12-day moving average still hovering above the 26-day moving average following the recent MACD golden cross.
- A technical breakout could then lift the stock to challenge our resistance levels of RM2.40 (R1; 11% upside potential) and RM2.50 (R2; 16% upside potential).
- Our stop loss level is pegged at RM1.94 (representing a 10% downside risk).
- Fundamentally speaking, PWROOT is a manufacturer and distributor of beverage products specialising in staple drinks (such as coffee, tea, chocolate malt drinks and herbal energy drinks).
- Earnings-wise, the group reported a net profit of RM11.3m in 3QFY23 compared with a net profit of RM15.6m in 2QFY23 mainly due to lower revenue from the local and export markets as well as lower foreign exchange gain. This took 9MFY23 bottomline to RM42.2m (versus net loss of RM13.6m previously).
- Based on consensus forecasts, PWROOT's net earnings are projected to come in at RM55.9m in FY March 2023 and RM60.7m in FY March 2024, which translate to forward PERs of 16.5x this year and 15.2x next year, respectively.

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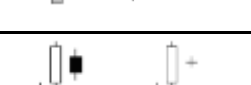
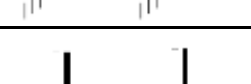
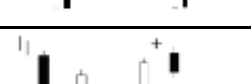

STOCK CALL MONITOR*

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			
RESERVOIR LINK ENERGY BHD	5/4/2023	Technical Buy	0.34	0.39	0.29	15%	-15%	1.00x	0.35	0.31	0.32	Open	
SAMCHEM HOLDINGS BHD	5/4/2023	Technical Buy	0.58	0.66	0.52	14%	-10%	1.33x	0.59	0.56	0.57	Open	
CAREPLUS GROUP BHD	6/4/2023	Technical Buy	0.33	0.37	0.29	14%	-12%	1.13x	0.37	0.29	0.30	TP Hit	10/4/2023
V.S. INDUSTRY BERHAD	6/4/2023	Technical Buy	0.83	0.94	0.73	13%	-12%	1.10x	0.85	0.80	0.82	Open	
ELSOFT RESEARCH BHD	7/4/2023	Technical Buy	0.63	0.69	0.56	10%	-10%	1.00x	0.65	0.57	0.57	Open	
SOLARVEST HOLDINGS BHD	7/4/2023	Technical Buy	0.90	0.99	0.81	11%	-9%	1.12x	0.96	0.86	0.91	Open	
SKP RESOURCES BHD	11/4/2023	Technical Buy	1.27	1.45	1.12	14%	-12%	1.20x	1.31	1.22	1.28	Open	
KUB MALAYSIA BHD	11/4/2023	Technical Buy	0.50	0.55	0.44	11%	-11%	1.00x	0.58	0.48	0.52	TP Hit	25/4/2023
CJ CENTURY LOGISTICS HOLDING	12/4/2023	Technical Buy	0.49	0.56	0.43	14%	-12%	1.17x	0.53	0.48	0.49	Open	
CTOS DIGITAL BHD	12/4/2023	Technical Buy	1.29	1.41	1.17	9%	-9%	1.00x	1.45	1.28	1.45	TP Hit	27/4/2023
COSMOS TECHNOLOGY INTERNATIO	13/4/2023	Technical Buy	0.51	0.58	0.45	13%	-12%	1.08x	0.53	0.46	0.48	Open	
INFOLINE TEC GROUP BHD	13/4/2023	Technical Buy	0.89	1.00	0.78	12%	-12%	1.00x	0.93	0.82	0.86	Open	
CORAZA INTEGRATED TECHNOLOGY	14/4/2023	Technical Buy	0.88	0.98	0.78	12%	-11%	1.11x	0.91	0.81	0.82	Open	
FIAMMA HOLDINGS BERHAD	14/4/2023	Technical Buy	1.05	1.18	0.94	12%	-10%	1.18x	1.09	0.96	0.97	Open	
OOCK GROUP BHD	18/4/2023	Technical Buy	0.42	0.46	0.37	11%	-11%	1.00x	0.42	0.39	0.40	Open	
SOUTHERN CABLE GROUP BHD	18/4/2023	Technical Buy	0.32	0.36	0.29	13%	-11%	1.14x	0.32	0.30	0.30	Open	
TECHBOND GROUP BHD	19/4/2023	Technical Buy	0.41	0.45	0.37	11%	-9%	1.29x	0.41	0.39	0.39	Open	
SENHENG NEW RETAIL BHD	19/4/2023	Technical Buy	0.44	0.50	0.38	15%	-13%	1.18x	0.45	0.42	0.44	Open	
YBS INTERNATIONAL BHD	20/4/2023	Technical Buy	0.67	0.75	0.59	12%	-12%	1.00x	0.68	0.59	0.60	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	0.31	0.31	Open	
CLASSIC SCENIC BHD	26/4/2023	Technical Buy	0.81	0.91	0.74	12%	-9%	1.43x	0.82	0.80	0.81	Open	
FARM FRESH BHD	26/4/2023	Technical Buy	1.50	1.65	1.37	10%	-9%	1.15x	1.55	1.49	1.53	Open	
DIALOG GROUP BHD	27/4/2023	Technical Buy	2.30	2.55	2.10	11%	-9%	1.25x	2.38	2.22	2.26	Open	
VOLCANO BHD	27/4/2023	Technical Buy	0.82	0.93	0.73	13%	-11%	1.22x	0.86	0.82	0.85	Open	
PEKAT GROUP BERHAD	28/4/2023	Technical Buy	0.41	0.45	0.36	11%	-11%	1.00x	0.42	0.40	0.41	Open	
SAMAIDEN GROUP BHD	28/4/2023	Technical Buy	0.89	0.99	0.81	11%	-9%	1.25x	0.94	0.87	0.92	Open	
GDEX BHD	3/5/2023	Technical Buy	0.20	0.25	0.15	25%	-25%	1.00x	0.21	0.20	0.20	Open	
POS MALAYSIA BERHAD	3/5/2023	Technical Buy	0.56	0.61	0.51	10%	-8%	1.22x	0.56	0.55	0.55	Open	

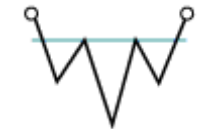
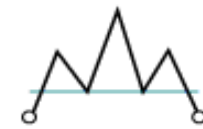
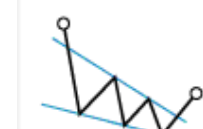


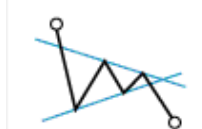




* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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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