

10 July 2023

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Daily technical highlights – (HUPSENG, PWROOT)

Daily Charting – HUPSENG (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Hup Seng Industries Bhd	52 Week High/Low	: 0.81/0.60
Bursa Code	: HUPSENG	3-m Avg. Daily Vol.	: 308,549
CAT Code	: 5024	Free Float (%)	: 35%
Market Cap	: RM524.0m	Beta vs. KLCI	: 0.7
		Last Price	: RM0.655
		Resistance	: RM0.72 (R1) RM0.80 (R2)
		Stop Loss	: RM0.59

Hup Seng Industries Bhd (Technical Buy)

- HUPSENG has slid from the high of RM0.78 in mid-February this year to as low as RM0.625 in the late June and closed at RM0.655 last Friday. With the share price likely to find a key support at the 52-week low, further downside risk may be cushioned by the short-term support line at RM0.60.
- Chart-wise, we believe the share price will shift upward as: (i) Parabolic SAR remains in an uptrend, and (ii) the 12-day moving average is still hovering above the 26-day moving average following the recent MACD golden cross.
- Hence, we believe HUPSENG’s share price will rise to challenge our resistance thresholds of RM0.72 (R1; 10% upside potential) and RM0.80 (R2; 22% upside potential).
- Conversely, our stop-loss price has been identified at RM0.59 (representing a 10% downside risk).
- HUPSENG is an investment holding company involved in the production and sale of biscuits and confectionery food items as well as beverages.
- Earnings-wise, the group reported a net profit of RM9.7m in 1QFY23 compared with a net profit of RM6.8m in 1QFY22, mainly due to better sales in domestic and repricing of products.
- Based on consensus forecasts, HUPSENG’s net earnings are projected to come in at RM31.9m for FY December 2023 and RM38.5m for FY December 2024, which translate to forward PERs of 16.4x and 13.6x, respectively.

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Daily Charting – PWROOT (Technical Buy)



About the Stock:		Key Support & Resistance Levels	
Name :	Power Root Bhd	52 Week High/Low :	2.36/1.58
Bursa Code :	PWROOT	3-m Avg. Daily Vol. :	516,985
CAT Code :	7237	Free Float (%) :	33%
Market Cap :	RM936.0m	Beta vs. KLCI :	0.6
		Last Price :	RM2.04
		Resistance :	RM2.26 (R1) RM2.40 (R2)
		Stop Loss :	RM1.84

Power Root Bhd (Technical Buy)

- From a low of RM1.14 in March 2022, PWROOT has surged 99% to a peak of RM2.27 in early December last year before moving sideways to close at RM2.04 last Friday. With the share price currently hovering near the lower end of the channel, a continuous upward trajectory is expected.
- On the chart, a rebound is expected, backed by: (i) the share price hovering near the lower Bollinger Band (ii) the Stochastic indicator climbing out from the oversold zone.
- An upward shift could then propel the stock towards our resistance targets of RM2.26 (R1; 11% upside potential) and RM2.40 (R2; 18% upside potential).
- Our stop-loss level is pegged at RM1.84 (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 RM17.2m in 4QFY23 compared with a net profit of RM12.6m in 4QFY22. This took FY23 bottomline to RM59.4m (versus net profit of RM26.2m previously).
- Based on consensus forecasts, PWROOT’s net earnings are projected to come in at RM63.1m for FY March 2024 and RM67.2m for FY March 2025, which translate to forward PERs of 14.8x and 13.9x, respectively.

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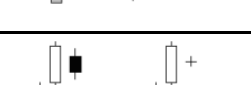
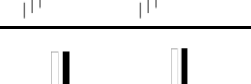


STOCK CALL MONITOR*

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 [^]	Date Status Fulfilled
AXIATA GROUP BERHAD	13/6/2023	Technical Buy	2.67	2.98	2.37	12%	-11%	1.03x	2.72	2.57	2.57	Open	
GUAN CHONG BHD	13/6/2023	Technical Buy	2.46	2.80	2.16	14%	-12%	1.13x	2.50	2.19	2.19	Open	
MYNEWS HOLDINGS BHD	14/6/2023	Technical Buy	0.47	0.53	0.42	13%	-11%	1.20x	0.49	0.41	0.43	SL Hit	28/6/2023
AFFIN BANK BHD	14/6/2023	Technical Buy	1.81	2.01	1.63	11%	-10%	1.11x	1.89	1.81	1.85	Open	
BERJAYA FOOD BHD	15/6/2023	Technical Buy	0.57	0.63	0.51	11%	-11%	1.00x	0.66	0.57	0.65	TP Hit	3/7/2023
L&P GLOBAL BHD	15/6/2023	Technical Buy	0.48	0.53	0.43	10%	-10%	1.00x	0.51	0.44	0.46	Open	
DAGANG NEXCHANGE BHD	16/6/2023	Technical Buy	0.52	0.60	0.45	15%	-13%	1.14x	0.53	0.46	0.46	Open	
MAG HOLDINGS BHD	16/6/2023	Technical Buy	0.23	0.26	0.20	13%	-11%	1.20x	0.23	0.20	0.21	SL Hit	3/7/2023
HIBISCUS PETROLEUM BHD	19/6/2023	Technical Buy	0.90	1.00	0.80	11%	-11%	1.00x	0.91	0.85	0.87	Open	
SAMAIDEN GROUP BHD	19/6/2023	Technical Buy	0.91	1.00	0.83	10%	-9%	1.13x	1.18	0.90	1.15	TP Hit	27/6/2023
ECO WORLD INTERNATIONAL BHD	26/6/2023	Technical Buy	0.59	0.65	0.52	11%	-11%	1.00x	0.63	0.58	0.62	Open	
MALAKOFF CORP BHD	26/6/2023	Technical Buy	0.58	0.64	0.52	11%	-10%	1.18x	0.61	0.57	0.61	Open	
BUMI ARMADA BERHAD	3/7/2023	Technical Buy	0.47	0.52	0.42	11%	-11%	1.00x	0.51	0.47	0.49	Open	
ASTRO MALAYSIA HOLDINGS BHD	3/7/2023	Technical Buy	0.60	0.66	0.55	10%	-8%	1.20x	0.60	0.50	0.51	SL Hit	6/7/2023






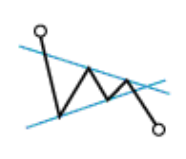

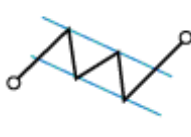


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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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