

15 March 2022

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### Daily technical highlights – (GTRONIC, CTOS)

#### Daily Charting – GTRONIC (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: Globetronics Technology Bhd	<b>52 Week High/Low</b>	: 2.79/1.19
<b>Bursa Code</b>	: GTRONIC	<b>3-m Avg. Daily Vol.</b>	: 1,697,191
<b>CAT Code</b>	: 7022	<b>Free Float (%)</b>	: 52.6
<b>Market Cap</b>	: RM903.8m	<b>Beta vs. KLCI</b>	: 0.6
		<b>Last Price</b>	: RM1.35
		<b>Resistance</b>	: RM1.52 (R1) RM1.68 (R2)
		<b>Stop Loss</b>	: RM1.18

#### Globetronics Technology Bhd (Trading Buy)

- A price reversal could be underway for GTRONIC shares following a recent bounce from a trough of RM1.19 on 8 March, which mirrored its previous low of RM1.20 during the Covid-19-triggered sell-off in March 2020.
- Following which, the formation of a double-bottom reversal pattern appears to be on the cards as the share price is expected to shift higher based on the positive technical signals generated by: (i) the existence of a bullish MACD divergence (after rising in the oversold zone while the price was dropping), and (ii) the unwinding of the stochastic indicator from an oversold position.
- On the chart, the stock could be making its way towards our resistance thresholds of RM1.52 (R1; 13% upside potential) and RM1.68 (R2; 24% upside potential).
- Our stop loss price level has been placed at RM1.18 (or a 13% downside risk from the last traded price of RM1.35).
- In the business of manufacturing, assembly and testing of semiconductor components such as integrated circuits and sensors, GTRONIC saw its latest quarterly net profit rising to RM17.9m in 4QFY21 (+6% YoY / +10% QoQ), bringing the full-year's bottomline to RM52.9m (+4% YoY). The company has also declared total DPS of 7.5 sen in FY21.
- Going forward, consensus is projecting the group to show an increase in net earnings to RM55.5m in FY December 2022 and RM62.9m in FY December 2023. This translates to forward PERs of 16.3x this year and 14.4x next year respectively, which stand at approximately 0.5 – 1.0 SD below its historical mean.
- An added appeal is GTRONIC's prospective dividend yields of 5.2% - 5.9% based on consensus DPS estimates of 7.0 sen for FY22 and 7.9 sen for FY23, which are backed by a debt-free balance sheet with cash holdings of RM195.1m (or 29.1 sen per share) as of end-December last year.

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About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	: CTOS Digital Bhd	<b>52 Week High/Low</b>	: 2.09/1.09
<b>Bursa Code</b>	: CTOS	<b>3-m Avg. Daily Vol.</b>	: 6,555,168
<b>CAT Code</b>	: 5301	<b>Free Float (%)</b>	: 55.1
<b>Market Cap</b>	: RM3,441.9m	<b>Beta vs. KLCI</b>	: N.A.
		<b>Last Price</b>	: RM1.49
		<b>Resistance</b>	: RM1.66 (R1) RM1.76 (R2)
		<b>Stop Loss</b>	: RM1.35

**CTOS Digital Bhd (Trading Buy)**

- The recent price weakness of CTOS shares – down from a high of RM2.09 in early October last year to as low as RM1.33 last Tuesday – offers a buying opportunity. The stock has since rebounded with the formation of a bullish belt hold (as illustrated by a long white candlestick) last Wednesday before finishing at RM1.49 yesterday.
- With the Parabolic SAR currently showing an uptrend, the positive technical signals triggered by the stochastic indicator (which saw its %K line crossing over the %D line) and the MACD indicator (which has overcome the signal line) in their oversold zones are also pointing to an upward price bias ahead.
- That said, the stock could climb to challenge our resistance targets of RM1.66 (R1; 11% upside potential) and RM1.76 (R2; 18% upside potential).
- We have pegged our stop loss price at RM1.35, representing a 9% downside risk from the last traded price of RM1.49. The stock is currently hovering below the closing price of RM1.62 on the first day of its Main Market listing on 19 July last year (versus an IPO offer price of RM1.10).
- A provider of credit information and analytics digital solutions on companies and consumers, CTOS reported net profit of RM43.0m (+10% YoY) in FY21.
- Going forward, based on consensus forecasts, the group is expected to post net profit of RM81.6m in FY December 2022 and RM95.1m in FY December 2023, translating to forward PERs of 42.2x this year and 36.2x next year, respectively.
- This is broadly in-line with CTOS management’s guidance for an internal net profit target of circa RM75m - RM80m for FY December 2022.
- In terms of recent corporate development, CTOS has announced a placement exercise involving 110.0m new shares at an issue price of RM1.58 per share to raise RM173.8m to partially fund its RM205.8m acquisition of a 49% stake in fintech specialist Juris Technologies, which is expected to contribute positively to the group’s immediate earnings.

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## STOCK CALL MONITOR\*





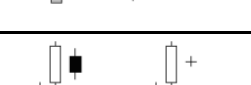
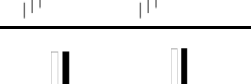


Stock Name	Issue Date (ID)	Rating	Price @ ID RM	Target Price (TP) RM	Stop Loss Price (SL) RM	Upside Potential @ ID %	Downside Risk @ ID %	Risk to Reward Ratio	Highest Price since ID RM	Lowest Price since ID RM	Last Price RM	Status <sup>^</sup>	Date Status Fulfilled
SIME DARBY BERHAD	15/2/2022	Trading Buy	2.28	2.51	2.07	10%	-9%	1.10x	2.35	2.21	2.27	Open	
UMW HOLDINGS BHD	15/2/2022	Trading Buy	3.03	3.36	2.76	11%	-9%	1.22x	3.18	2.92	3.07	Open	
MKH BHD	16/2/2022	Trading Buy	1.33	1.50	1.18	13%	-11%	1.13x	1.50	1.28	1.29	TP Hit	24/2/2022
TDM BHD	16/2/2022	Trading Buy	0.28	0.33	0.23	20%	-18%	1.10x	0.33	0.27	0.27	TP Hit	4/3/2022
DAGANG NEXCHANGE BHD	17/2/2022	Trading Buy	1.27	1.42	1.13	12%	-11%	1.07x	1.33	0.87	0.98	SL Hit	22/2/2022
OPTIMAX HOLDINGS BHD	17/2/2022	Trading Buy	1.27	1.43	1.15	13%	-9%	1.33x	1.27	1.00	1.13	SL Hit	4/3/2022
MALAYSIA BUILDING SOCIETY	18/2/2022	Trading Buy	0.62	0.69	0.55	12%	-11%	1.07x	0.62	0.54	0.58	SL Hit	7/3/2022
UNITED U-LI CORP BHD	18/2/2022	Trading Buy	1.41	1.59	1.28	13%	-9%	1.38x	1.47	1.18	1.36	SL Hit	7/3/2022
IOI PROPERTIES GROUP BHD	22/2/2022	Trading Buy	1.13	1.28	0.99	13%	-12%	1.07x	1.12	0.97	0.99	SL Hit	7/3/2022
KERJAYA PROSPEK PROPERTY BHD	22/2/2022	Trading Buy	0.67	0.77	0.59	15%	-12%	1.25x	0.77	0.57	0.61	TP Hit	22/2/2022
BAHVEST RESOURCES BHD	23/2/2022	Trading Buy	0.40	0.45	0.35	14%	-11%	1.22x	0.43	0.32	0.36	SL Hit	2/3/2022
CARIMIN PETROLEUM BHD	23/2/2022	Trading Buy	0.83	0.95	0.72	14%	-13%	1.09x	0.89	0.60	0.60	SL Hit	7/3/2022
SUPERCOMNET TECHNOLOGIES BHD	24/2/2022	Trading Buy	1.53	1.71	1.39	12%	-9%	1.29x	1.53	1.09	1.19	SL Hit	3/3/2022
DRB-HICOM BHD	24/2/2022	Trading Buy	1.48	1.61	1.36	9%	-8%	1.08x	1.49	1.35	1.40	SL Hit	7/3/2022
MEDIA PRIMA BHD	25/2/2022	Trading Buy	0.54	0.60	0.49	12%	-9%	1.30x	0.61	0.48	0.54	TP Hit	2/3/2022
TALIWORKS CORP BHD	25/2/2022	Trading Buy	0.92	1.03	0.84	12%	-9%	1.41x	0.97	0.91	0.92	Open	
LOTTE CHEMICAL TITAN HOLDING	1/3/2022	Trading Buy	2.18	2.39	1.99	10%	-9%	1.11x	2.42	2.09	2.36	TP Hit	4/3/2022
ASTRO MALAYSIA HOLDINGS BHD	1/3/2022	Trading Buy	0.99	1.10	0.89	11%	-10%	1.10x	1.03	0.98	1.01	Open	
JAYA TIASA HOLDINGS BHD	2/3/2022	Trading Sell	1.11	0.98	1.23	12%	-11%	1.08x	1.23	0.96	0.98	SL Hit	3/3/2022
TH PLANTATIONS BHD	2/3/2022	Trading Sell	1.06	0.94	1.18	11%	-11%	1.00x	1.17	0.87	0.89	TP Hit	8/3/2022
AFFIN BANK BHD	3/3/2022	Trading Buy	1.86	2.04	1.67	10%	-10%	0.95x	1.92	1.78	1.81	Open	
MBM RESOURCES BERHAD#	3/3/2022	Trading Buy	3.09	3.60	2.91	16%	-6%	2.75x	3.21	3.00	3.15	Open	
GREENYIELD BHD	4/3/2022	Trading Buy	0.30	0.33	0.27	12%	-10%	1.17x	0.32	0.28	0.29	Open	
LB ALUMINIUM BHD	4/3/2022	Trading Buy	0.60	0.67	0.53	12%	-12%	1.00x	0.63	0.51	0.51	SL Hit	8/3/2022
BERJAYA SPORTS TOTO BHD	8/3/2022	Trading Buy	1.80	1.95	1.68	8%	-7%	1.25x	1.84	1.79	1.81	Open	
MAGNUM BHD	8/3/2022	Trading Buy	1.79	1.94	1.67	9%	-6%	1.35x	1.84	1.75	1.77	Open	
BERMAZ AUTO BHD	9/3/2022	Trading Buy	1.64	1.83	1.45	12%	-12%	1.00x	1.77	1.61	1.75	Open	
POWER ROOT BHD	9/3/2022	Trading Buy	1.25	1.36	1.16	9%	-7%	1.22x	1.30	1.23	1.27	Open	
FLEXIDYNAMIC HOLDINGS BERHAD	10/3/2022	Trading Buy	0.46	0.51	0.42	11%	-10%	1.11x	0.48	0.46	0.47	Open	
POH KONG HOLDINGS BHD	10/3/2022	Trading Buy	0.93	1.04	0.84	12%	-9%	1.35x	0.88	0.82	0.82	SL Hit	10/3/2022
APB RESOURCES BHD	11/3/2022	Trading Buy	0.83	0.94	0.74	13%	-11%	1.22x	0.84	0.83	0.83	Open	
KPJ HEALTHCARE BERHAD	11/3/2022	Trading Buy	0.99	1.11	0.91	12%	-8%	1.50x	1.00	0.98	0.99	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.



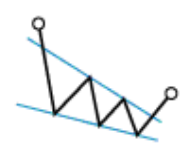


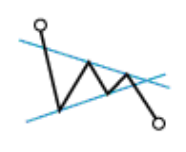

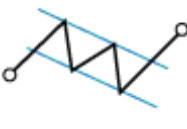


<sup>^</sup> Status will be categorised as either: (i) "TP hit" when stock reaches target price first OR (ii) "SL hit" when stock touches stop loss first OR (iii) "Open" when neither TP nor SL has been hit.

# Share price data has been adjusted following its ex-entitlement date (for DPS of 15 sen) on 11 March 2022.

**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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