

20 April 2022

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Daily technical highlights – (SDRED, OKA)

Daily Charting – SDRED (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: Selangor Dredging	52 Week High/Low	: 1.04/0.50
Bursa Code	: SDRED	3-m Avg. Daily Vol.	: 45,412
CAT Code	: 2224	Free Float (%)	: 49.2
Market Cap	: RM230.1m	Beta vs. KLCI	: 0.4
		Last Price	: RM0.54
		Resistance	: RM0.61 (R1) RM0.68 (R2)
		Stop Loss	: RM0.48

Selangor Dredging Bhd (Trading Buy)

- SDRED is a proxy to climbing iron ore price, which has rebounded by 79% from a trough of USD80/t in mid-November last year to USD143/t currently (after previously falling from as high as USD239/t on 10 May 2021) as global output has been disrupted by the ongoing conflict between Ukraine and Russia, two key iron ore producers in the world.
- While the group's main business focus is on property development activities in Malaysia and Singapore, it is also involved in the mining of iron ore (an essential ingredient for steel production) in Terengganu via 31%-owned Singapore-listed Fortress Minerals Ltd (FML) and the hospitality business (which owns the Maya Hotel in Kuala Lumpur).
- Interestingly, FML's existing share price of SGD0.50 – which jumped 7.5% amid high trading interest yesterday to lift its cumulative gain to 33% since mid-November last year – implies a current market value of SGD250m (or c.RM780m) for FML. This means SDRED's 31% stake in FML is now worth RM242m, which is more than its own entire market cap of RM230m.
- Earnings-wise, SDRED made net profit of RM9.8m in 9MFY22 (versus 9MFY21's net loss of RM5.5m), driven mainly by earnings contributions from property sales in Singapore (RM19.0m) and the iron ore mining segment (RM17.2m). Prior to this, FML contributed RM23.7m in net profit in FY March 2021 amid the high iron ore prices during the period.
- In terms of valuation, based on its book value per share of RM2.01 as of end-December 2021, the shares are presently trading at a Price/Book Value multiple of 0.27x (or at 0.5 SD below its historical mean).
- From a technical perspective, following a price pullback from a peak of RM1.04 in May last year to RM0.54 on Monday, SDRED shares could swing higher ahead in view of a bullish stochastic divergence (which plotted rising bottoms while the share price was drifting listlessly) and the accelerating Parabolic SAR trend.
- An uptrend reversal will be forthcoming when the 50-day SMA crosses above the 100-day SMA, which in turn will probably lead the stock to reach our resistance targets of RM0.61 (R1; 13% upside potential) and RM0.68 (R2; 26% upside potential).
- We have pegged our stop loss price level at RM0.48 (representing an 11% downside risk).

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Daily Charting – OKA (Trading Buy)



About the Stock:		Key Support & Resistance Levels	
Name	: OKA Corporation Bhd	52 Week High/Low	: 0.93/0.68
Bursa Code	: OKA	3-m Avg. Daily Vol.	: 88,899
CAT Code	: 7140	Free Float (%)	: 31.1
Market Cap	: RM206.1m	Beta vs. KLCI	: 0.8
		Last Price	: RM0.84
		Resistance	: RM0.95 (R1) RM1.03 (R2)
		Stop Loss	: RM0.73

OKA Corporation Bhd (Trading Buy)

- OKA's share price has been climbing since end-March 2020, charting higher lows along the way to plot an ascending trendline.
- The upward trajectory will likely extend based on the positive technical signals arising from: (i) a recent golden crossover by the 50-day SMA above the 100-day SMA, (ii) the accelerating trend in the Parabolic SAR, and (iii) the strengthening MACD signal.
- With that, the stock could advance towards our resistance thresholds of RM0.95 (R1; 13% upside potential) and RM1.03 (R2; 23% upside potential).
- Our stop loss price level is set at RM0.73 (or a 13% downside risk from Monday's close of RM0.84).
- Fundamental-wise, OKA is involved in the manufacturing and sale of pre-cast concrete products and trading of ready-mixed concrete.
- For the quarter ended December 2021, the group made net profit of RM3.7m (-10% YoY), bringing 9MFY22's bottomline to RM11.1m (+5% YoY) as its underlying performance was lifted mainly by lower operating expenses incurred.
- Financially sound, OKA's debt-free balance sheet is backed by cash holdings of RM49.0m (translating to 20.0 sen per share or nearly a quarter of its current share price) as of end-December 2021.

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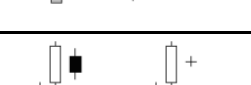
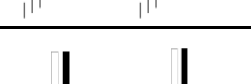


STOCK CALL MONITOR*

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 [^]	Date Status Fulfilled
GHL SYSTEMS BERHAD	22/3/2022	Trading Buy	1.38	1.55	1.23	12%	-11%	1.13x	1.71	1.38	1.51	TP Hit	24/3/2022
RHONE MA HOLDINGS BHD	22/3/2022	Trading Buy	0.75	0.83	0.67	11%	-10%	1.13x	0.78	0.72	0.74	Open	
PESTECH INTERNATIONAL BHD	23/3/2022	Trading Buy	0.62	0.68	0.56	10%	-10%	1.00x	0.66	0.58	0.58	Open	
KELINGTON GROUP BHD	23/3/2022	Trading Buy	1.31	1.43	1.19	9%	-9%	1.00x	1.44	1.28	1.33	TP Hit	5/4/2022
DOMINANT ENTERPRISE BERHAD	24/3/2022	Trading Buy	1.00	1.13	0.88	14%	-12%	1.17x	1.28	0.97	1.01	TP Hit	6/4/2022
MIECO CHIPBOARD BERHAD	24/3/2022	Trading Buy	0.67	0.76	0.60	13%	-10%	1.29x	0.79	0.59	0.77	SL Hit	29/3/2022
AEON CO (M) BHD	25/3/2022	Trading Buy	1.55	1.74	1.37	12%	-12%	1.06x	1.66	1.46	1.62	Open	
BOUSTEAD HOLDINGS BHD	25/3/2022	Trading Buy	0.64	0.70	0.57	10%	-10%	1.00x	0.79	0.63	0.75	TP Hit	4/4/2022
DIALOG GROUP BHD	29/3/2022	Trading Buy	2.77	3.07	2.54	11%	-8%	1.30x	2.77	2.55	2.59	Open	
ONLY WORLD GROUP HOLDINGS BH	29/3/2022	Trading Buy	0.59	0.67	0.53	13%	-10%	1.25x	0.67	0.57	0.61	TP Hit	8/4/2022
HEXTAR INDUSTRIES BHD	30/3/2022	Trading Buy	0.32	0.36	0.29	13%	-9%	1.33x	0.39	0.31	0.38	TP Hit	4/4/2022
SCANWOLF CORP BHD	30/3/2022	Trading Buy	0.63	0.69	0.57	10%	-9%	1.18x	1.01	0.63	0.93	TP Hit	1/4/2022
GREATECH TECHNOLOGY BHD	31/3/2022	Trading Buy	4.82	5.30	4.46	10%	-7%	1.33x	4.85	3.77	3.79	SL Hit	6/4/2022
CAPITAL A BHD	31/3/2022	Trading Buy	0.75	0.82	0.69	9%	-9%	1.00x	0.77	0.68	0.71	SL Hit	12/4/2022
BONIA CORP BHD	1/4/2022	Trading Buy	2.03	2.15	1.93	6%	-5%	1.20x	2.33	1.99	2.09	TP Hit	1/4/2022
RESINTECH BHD	1/4/2022	Trading Buy	1.15	1.33	1.00	16%	-13%	1.20x	1.22	1.02	1.07	Open	
MALAYAN CEMENT BHD	5/4/2022	Trading Buy	2.45	2.82	2.11	15%	-14%	1.09x	2.93	2.50	2.79	TP Hit	7/4/2022
HUME CEMENT INDUSTRIES BHD	5/4/2022	Trading Buy	1.12	1.28	0.98	14%	-13%	1.14x	1.24	1.16	1.20	Open	
OPENSYS M BHD	6/4/2022	Trading Buy	0.37	0.42	0.32	14%	-14%	1.00x	0.40	0.37	0.38	Open	
XIN HWA HOLDINGS BHD	6/4/2022	Trading Buy	0.28	0.32	0.24	14%	-14%	1.00x	0.32	0.28	0.31	TP Hit	7/4/2022
EVERGREEN FIBREBOARD BHD	7/4/2022	Trading Buy	0.67	0.74	0.61	10%	-9%	1.17x	0.74	0.67	0.72	TP Hit	11/4/2022
ORIENTAL FOOD INDUST HLDGS	7/4/2022	Trading Buy	1.03	1.14	0.94	11%	-9%	1.22x	1.09	1.01	1.02	Open	
ACME HOLDINGS BHD	8/4/2022	Trading Buy	0.26	0.29	0.23	12%	-10%	1.20x	0.27	0.23	0.27	SL Hit	11/4/2022
HPP HOLDINGS BHD	8/4/2022	Trading Buy	0.51	0.58	0.46	13%	-10%	1.30x	0.54	0.49	0.49	Open	
LION INDUSTRIES CORP BHD	12/4/2022	Trading Buy	0.61	0.71	0.52	16%	-15%	1.11x	0.67	0.61	0.62	Open	
MALAYSIA STEEL WORKS KL BHD	12/4/2022	Trading Buy	0.34	0.40	0.29	18%	-15%	1.20x	0.40	0.34	0.40	TP Hit	18/4/2022
ANN JOO RESOURCES BHD	13/4/2022	Trading Buy	1.82	2.09	1.56	15%	-14%	1.04x	1.87	1.79	1.85	Open	
MELEWAR INDUSTRIAL GROUP BHD	13/4/2022	Trading Buy	0.43	0.50	0.36	16%	-16%	1.00x	0.46	0.42	0.45	Open	
HEVEABOARD BHD	14/4/2022	Trading Buy	0.56	0.62	0.49	12%	-12%	1.00x	0.57	0.54	0.55	Open	
TASCO BHD	14/4/2022	Trading Buy	1.21	1.35	1.07	12%	-12%	1.00x	1.22	1.13	1.14	Open	
CB INDUSTRIAL PRODUCT HLDG	15/4/2022	Trading Buy	1.73	1.96	1.53	13%	-12%	1.15x	1.75	1.63	1.66	Open	
SDS GROUP BHD	15/4/2022	Trading Buy	0.38	0.43	0.34	13%	-11%	1.25x	0.38	0.35	0.35	Open	

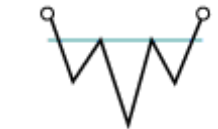

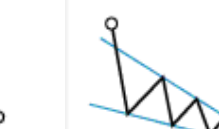

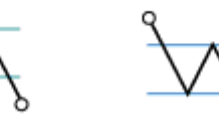
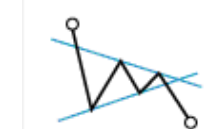




* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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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