

28 December 2022

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Daily technical highlights – (INSAS, SDS)

Daily Charting – INSAS (Technical Buy)



| About the Stock: | | Key Support & Resistance Levels | |
|---------------------|-----------|---------------------------------|-------------------------|
| Name : | Insas Bhd | 52 Week High/Low : | 1.01/0.75 |
| Bursa Code : | INSAS | 3-m Avg. Daily Vol. : | 319,187 |
| CAT Code : | 3379 | Free Float (%) : | 22% |
| Market Cap : | RM556.9m | Beta vs. KLCI : | 0.5 |
| | | Last Price : | RM0.84 |
| | | Resistance : | RM0.93 (R1) RM1.00 (R2) |
| | | Stop Loss : | RM0.75 |

Insas Bhd (Technical Buy)

- INSAS slid from a peak of RM1.22 in November 2021 to as low as RM0.75 in October this year before rebounding since then to close at RM0.84 yesterday. Following that, the formation of a double-bottom pattern has set the stage for further recovery.
- From a technical perspective, a continuation of the rising momentum may be on the horizon backed by the Stochastic indicator which is set to climb out from the oversold area and 12-day moving average still hovering above the 26-day moving average following the MACD golden-cross in late October.
- With that, we expect the stock to rise and test our resistance thresholds of RM0.93 (R1; 11% upside potential) and RM1.00 (R2; 19% upside potential).
- Conversely, our stop-loss price has been identified at RM0.75 (representing a 11% downside risk).
- Fundamentally, INSAS is an investment holding company which owns stock-broking company M&A Securities and 12.1%-owned semiconductor service provider Inari Amertron with other businesses in investment holding, trading, car rental, and property investment & development.
- Earnings-wise, the group reported a net profit of RM16.6m in 1QFY23 compared with a net profit of RM26.7m in 1QFY22 mainly due to higher unrealised loss on fair value changes of financial assets at fair value.
- In terms of valuation, the stock is currently trading at Price/Book Value multiple of 0.25x (or approximately at 1.0SD below its historical mean) based on its book value per share of RM3.35 as of end-September 2022.

Daily Charting – SDS (Technical Buy)



| About the Stock: | | Key Support & Resistance Levels | |
|---------------------|---------------|---------------------------------|-------------------------|
| Name : | SDS Group Bhd | 52 Week High/Low : | 0.82/0.27 |
| Bursa Code : | SDS | 3-m Avg. Daily Vol. : | 3,066,154 |
| CAT Code : | 0212 | Free Float (%) : | 25% |
| Market Cap : | RM292.9m | Beta vs. KLCI : | 0.9 |
| | | Last Price : | RM0.715 |
| | | Resistance : | RM0.80 (R1) RM0.85 (R2) |
| | | Stop Loss : | RM0.64 |

SDS Group Bhd (Technical Buy)

- SDS has surged 208% since late December to as high as RM0.82 and closed at RM0.715 yesterday. With the share price currently hovering near the lower end of the price channel, a continuous upward trajectory is expected.
- The share price is expected to continue its upward momentum backed by: (i) the Stochastic indicator climbing out from the oversold zone, and (ii) the stock price being on the verge of bouncing from the lower Bollinger Band.
- A technical breakout could then lift the stock to challenge our resistance levels of RM0.80 (R1; 12% upside potential) and RM0.85 (R2; 19% upside potential).
- Our stop-loss level is pegged at RM0.64 (representing a 11% downside risk).
- Fundamentally-speaking, SDS is involved in the manufacturing and distribution of bakery products (such as Top Baker and Daily's) through its retail and wholesale networks.
- Earnings-wise, the group reported a net profit of RM8.7m in 2QFY23 (compared with a net profit of RM0.6m in 2QFY22) mainly driven by the sale of Mid-Autumn Festive products and expansion of customer base and delivery fleet in wholesale segment. This took 1HFY23 earnings to RM13.2m (versus net profit of RM0.1m previously).
- Based on consensus forecasts, SDS's net earnings are projected to come in at RM28.1m in FY March 2023 and RM35.7m in FY March 2024, which translate to forward PERs of 10.4x and 8.2x, respectively.

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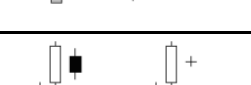
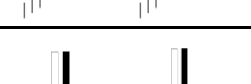


STOCK CALL MONITOR*

| 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 | | | |
| ECO WORLD DEVELOPMENT GROUP | 30/11/2022 | Technical Buy | 0.66 | 0.75 | 0.58 | 14% | -12% | 1.13x | 0.71 | 0.64 | 0.67 | Open | |
| SIME DARBY BERHAD | 30/11/2022 | Technical Buy | 2.20 | 2.41 | 2.00 | 10% | -9% | 1.05x | 2.28 | 2.13 | 2.22 | Open | |
| HIBISCUS PETROLEUM BHD | 1/12/2022 | Technical Buy | 1.11 | 1.23 | 1.00 | 11% | -10% | 1.09x | 1.16 | 1.00 | 1.11 | SL Hit | 8/12/2022 |
| RAMSSOL GROUP BHD | 1/12/2022 | Technical Buy | 0.39 | 0.43 | 0.35 | 10% | -10% | 1.00x | 0.48 | 0.38 | 0.43 | TP Hit | 2/12/2022 |
| SWIFT HAULAGE BHD | 2/12/2022 | Technical Buy | 0.47 | 0.52 | 0.42 | 11% | -11% | 1.00x | 0.53 | 0.47 | 0.47 | TP Hit | 12/12/2022 |
| JHM CONSOLIDATION BHD | 2/12/2022 | Technical Buy | 0.72 | 0.80 | 0.65 | 11% | -10% | 1.07x | 0.86 | 0.72 | 0.73 | TP Hit | 5/12/2022 |
| MALAYSIA SMELTING CORP BHD | 6/12/2022 | Technical Buy | 1.69 | 1.86 | 1.52 | 10% | -10% | 1.00x | 1.72 | 1.44 | 1.52 | SL Hit | 16/12/2022 |
| RGT BHD | 6/12/2022 | Technical Buy | 0.42 | 0.46 | 0.37 | 11% | -11% | 1.00x | 0.45 | 0.38 | 0.38 | Open | |
| PEKAT GROUP BERHAD | 7/12/2022 | Technical Buy | 0.48 | 0.53 | 0.43 | 10% | -10% | 1.00x | 0.51 | 0.45 | 0.47 | Open | |
| CUSCAPI BHD | 7/12/2022 | Technical Buy | 0.25 | 0.28 | 0.22 | 12% | -12% | 1.00x | 0.26 | 0.22 | 0.23 | SL Hit | 20/12/2022 |
| KIM TECK CHEONG CONSOLIDATED | 8/12/2022 | Technical Buy | 0.22 | 0.25 | 0.20 | 14% | -11% | 1.20x | 0.23 | 0.20 | 0.21 | Open | |
| MYNEWS HOLDINGS BHD | 8/12/2022 | Technical Buy | 0.61 | 0.68 | 0.55 | 11% | -10% | 1.17x | 0.68 | 0.59 | 0.64 | TP Hit | 21/12/2022 |
| ORIENTAL FOOD INDUST HLDGS | 9/12/2022 | Technical Buy | 1.17 | 1.29 | 1.05 | 10% | -10% | 1.00x | 1.34 | 1.16 | 1.31 | TP Hit | 22/12/2022 |
| PGF CAPITAL BHD | 9/12/2022 | Technical Buy | 1.16 | 1.29 | 1.04 | 11% | -10% | 1.08x | 1.24 | 1.12 | 1.22 | Open | |
| KIM HIN JOO BHD | 13/12/2022 | Technical Buy | 0.23 | 0.26 | 0.19 | 16% | -16% | 1.00x | 0.26 | 0.23 | 0.23 | TP Hit | 21/12/2022 |
| SOUTHERN CABLE GROUP BHD | 13/12/2022 | Technical Buy | 0.29 | 0.34 | 0.25 | 17% | -14% | 1.25x | 0.31 | 0.29 | 0.29 | Open | |
| LGMS BHD | 14/12/2022 | Technical Buy | 1.24 | 1.40 | 1.10 | 13% | -11% | 1.14x | 1.31 | 1.12 | 1.12 | Open | |
| TEXCHEM RESOURCES BERHAD | 14/12/2022 | Technical Buy | 2.28 | 2.60 | 2.02 | 14% | -11% | 1.23x | 2.32 | 2.00 | 2.08 | SL Hit | 27/12/2022 |
| LION INDUSTRIES CORP BHD | 15/12/2022 | Technical Buy | 0.35 | 0.39 | 0.32 | 11% | -10% | 1.14x | 0.41 | 0.34 | 0.39 | TP Hit | 27/12/2022 |
| AEMULUS HOLDINGS BHD | 15/12/2022 | Technical Buy | 0.51 | 0.56 | 0.45 | 11% | -11% | 1.00x | 0.54 | 0.48 | 0.48 | Open | |
| OPTIMAX HOLDINGS BHD | 16/12/2022 | Technical Buy | 0.81 | 0.90 | 0.72 | 11% | -11% | 1.00x | 0.85 | 0.76 | 0.77 | Open | |
| INNATURE BHD | 16/12/2022 | Technical Buy | 0.61 | 0.68 | 0.54 | 11% | -11% | 1.00x | 0.63 | 0.57 | 0.59 | Open | |
| SP SETIA BHD | 20/12/2022 | Technical Buy | 0.63 | 0.70 | 0.57 | 11% | -10% | 1.17x | 0.66 | 0.61 | 0.62 | Open | |
| GENTING MALAYSIA BHD | 20/12/2022 | Technical Buy | 2.63 | 2.90 | 2.39 | 10% | -9% | 1.13x | 2.71 | 2.62 | 2.68 | Open | |
| DIALOG GROUP BHD | 21/12/2022 | Technical Buy | 2.29 | 2.55 | 2.05 | 11% | -10% | 1.08x | 2.42 | 2.27 | 2.41 | Open | |
| SAM ENGINEERING & EQUIPMENT | 21/12/2022 | Technical Buy | 4.86 | 5.45 | 4.26 | 12% | -12% | 0.98x | 4.92 | 4.78 | 4.80 | Open | |
| AFFIN BANK BHD | 22/12/2022 | Technical Buy | 2.07 | 2.28 | 1.86 | 10% | -10% | 1.00x | 2.08 | 2.02 | 2.04 | Open | |
| SENHENG NEW RETAIL BHD | 22/12/2022 | Technical Buy | 0.63 | 0.70 | 0.56 | 12% | -10% | 1.15x | 0.64 | 0.61 | 0.62 | Open | |
| ECOMATE HOLDINGS BHD | 23/12/2022 | Technical Buy | 0.72 | 0.80 | 0.64 | 11% | -11% | 1.00x | 0.73 | 0.70 | 0.72 | Open | |
| POWER ROOT BHD | 23/12/2022 | Technical Buy | 2.11 | 2.34 | 1.90 | 11% | -10% | 1.10x | 2.12 | 2.02 | 2.08 | Open | |

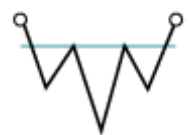

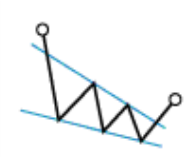

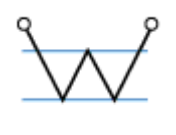
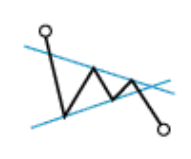

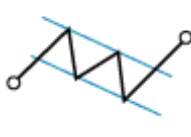


* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

[^] 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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