

31 January 2023

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**Daily technical highlights – (SDRED, LYC)**

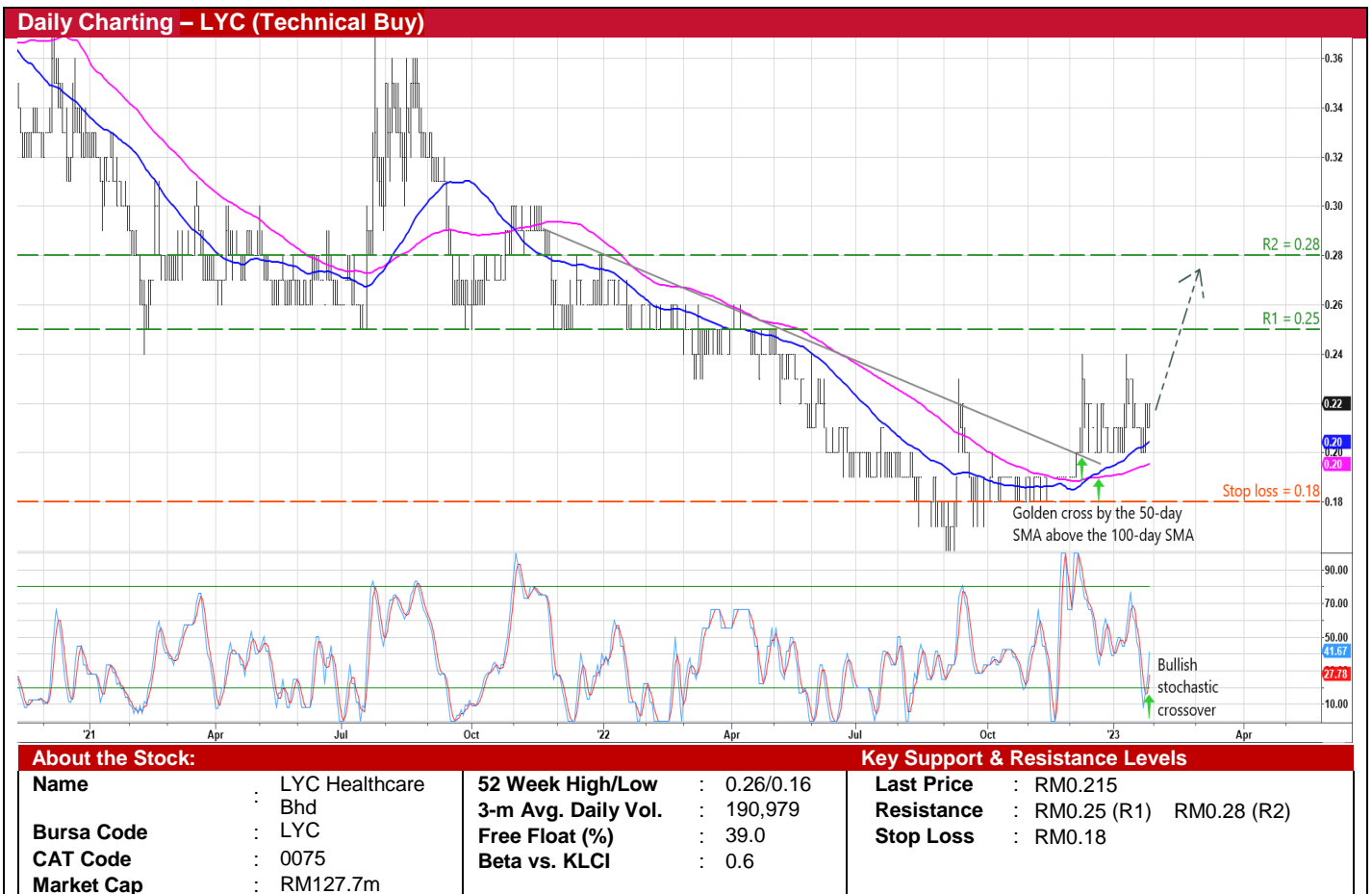
**Daily Charting – SDRED (Technical Buy)**



About the Stock:		Key Support & Resistance Levels	
<b>Name</b>	Selangor Dredging Bhd	<b>52 Week High/Low</b>	0.60/0.395
<b>Bursa Code</b>	SDRED	<b>3-m Avg. Daily Vol.</b>	33,838
<b>CAT Code</b>	2224	<b>Free Float (%)</b>	48.5
<b>Market Cap</b>	RM208.8m	<b>Beta vs. KLCI</b>	0.8
		<b>Last Price</b>	RM0.49
		<b>Resistance</b>	RM0.56 (R1) RM0.60 (R2)
		<b>Stop Loss</b>	RM0.43

**Selangor Dredging Bhd (Technical Buy)**

- Via its iron ore mining business in Terengganu held under 31%-owned Singapore-listed Fortress Minerals Ltd (FML), SDRED is a proxy to the strengthening iron ore price, which has jumped 43% from a trough of USD79/t in end-October last year to USD113/t currently (or back to where it was in end-June last year).
- Interestingly, based on FML's existing share price of SGD0.36 (up 20% since the beginning of November 2022), which translates to a current market value of SGD180m (or c.RM582m) for FML, SDRED's 31% stake in FML is now worth RM180.4m. This accounts for a significant 86% of its own entire market cap of RM208.8m.
- The group is also involved in property development activities in Malaysia and Singapore as well as the hospitality business.
- Earnings-wise, after encountering two straight quarter of losses, SDRED turned around with net profit of RM5.3m (+120% YoY) in 2QFY23, lifting 1HFY23 bottomline to RM1.2m (-88% YoY) as the iron ore (an essential ingredient for steel production) mining segment contributed pretax profit of RM11.6m (-14% YoY) in the first half period.
- In terms of valuation, the stock is presently trading at a Price/Book Value multiple of 0.25x (or at 0.5 SD below its historical mean) based on its book value per share of RM1.99 as of end-September 2022.
- On the chart, after overcoming a descending trendline that dates back to mid-October 2021, SDRED's share price is anticipated to shift higher ahead backed by the golden cross by the 50-day SMA above the 100-day SMA and an emerging Parabolic SAR uptrend.
- An extension of the price run-up could then propel the stock to advance towards our resistance targets of RM0.56 (R1; 14% upside potential) and RM0.60 (R2; 22% upside potential).
- We have pegged our stop loss price level at RM0.43 (representing a downside risk of 12%).



**LYC Healthcare Bhd (Technical Buy)**

- Following a slide from the high of RM0.68 in early August 2020 to as low as RM0.16 in early September last year, a technical rebound may be currently underway for LYC shares (which have since bounced up to close at RM0.215 yesterday).
- From a charting standpoint, after breaching a negative sloping trendline in December last year, the share price is expected to continue its upward shift as the 50-day SMA has staged a golden cross above the 100-day SMA while the stochastic indicator is in the midst of moving out from the oversold territory.
- With that said, the stock could climb further to challenge our resistance targets of RM0.25 (R1; 16% upside potential) and RM0.28 (R2; 30% upside potential).
- Our stop loss price level is set at RM0.18 (or a 16% downside risk).
- A niche player in the healthcare industry, LYC is a provider of mother and child care related services such as postnatal & postpartum care and post-delivery confinement care. It is also involved in other healthcare segments (such as senior living homes, family clinic, childcare services, cosmetic & aesthetic and fertility services) as well as the operation of medical centres in Singapore.
- Earnings-wise, the group made net loss of RM4.4m (-48% YoY) in 2QFY23, bringing 1HFY23 cumulative net loss to RM8.9m (-48% YoY).
- Based on its latest book value per share of RM0.07 as of end-September 2022, the stock is presently trading at a Price/Book Value multiple of 3.07x (or slightly below the minus 1SD level from its historical mean).
- In terms of recent corporate development, LYC is currently considering a listing plan for its healthcare business on the Catalist board of the Singapore Stock Exchange.

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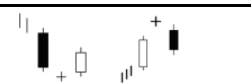

## STOCK CALL MONITOR\*

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 <sup>^</sup>	Date Status Fulfilled
			RM	RM	RM	%	%		RM	RM			
MALAYAN CEMENT BHD	04/01/2023	Technical Buy	2.11	2.32	1.92	10%	-9%	1.11x	2.38	2.04	2.34	TP Hit	20/01/2023
MEDIA CHINESE INTERNATIONAL	04/01/2023	Technical Buy	0.17	0.20	0.13	21%	-21%	1.00x	0.18	0.17	0.17	Open	
JHM CONSOLIDATION BHD	05/01/2023	Technical Buy	0.72	0.79	0.65	10%	-10%	1.07x	0.97	0.72	0.87	TP Hit	09/01/2023
TALIWORKS CORP BHD	05/01/2023	Technical Buy	0.86	0.95	0.78	11%	-9%	1.19x	0.88	0.85	0.86	Open	
ANCOM NYLEX BHD	06/01/2023	Technical Buy	1.07	1.20	0.95	12%	-11%	1.08x	1.22	1.03	1.19	TP Hit	13/01/2023
CNERGENZ BHD	06/01/2023	Technical Buy	0.82	0.92	0.73	12%	-11%	1.11x	0.98	0.81	0.95	TP Hit	25/01/2023
PEKAT GROUP BERHAD	10/01/2023	Technical Buy	0.47	0.52	0.41	12%	-12%	1.00x	0.56	0.46	0.55	TP Hit	17/01/2023
SCOPE INDUSTRIES BHD	10/01/2023	Technical Buy	0.21	0.25	0.17	22%	-17%	1.29x	0.26	0.19	0.22	TP Hit	25/01/2023
SOLARVEST HOLDINGS BHD	11/01/2023	Technical Buy	0.86	0.95	0.76	11%	-11%	1.00x	1.17	0.86	1.06	TP Hit	17/01/2023
AWANBIRU TECHNOLOGY BHD	11/01/2023	Technical Buy	0.41	0.46	0.36	14%	-11%	1.22x	0.43	0.38	0.40	Open	
RESERVOIR LINK ENERGY BHD	12/01/2023	Technical Buy	0.36	0.40	0.32	11%	-11%	1.00x	0.40	0.35	0.37	TP Hit	27/01/2023
MY EG SERVICES BHD	12/01/2023	Technical Buy	0.89	0.99	0.79	11%	-11%	1.00x	0.94	0.88	0.92	Open	
REVENUE GROUP BHD	13/01/2023	Technical Buy	0.47	0.51	0.42	10%	-10%	1.00x	0.76	0.46	0.58	TP Hit	16/01/2023
RGT BHD	13/01/2023	Technical Buy	0.38	0.42	0.35	11%	-9%	1.14x	0.40	0.37	0.38	Open	
BAHVEST RESOURCES BHD	17/01/2023	Technical Buy	0.32	0.35	0.29	9%	-9%	1.00x	0.34	0.31	0.32	Open	
ASTRO MALAYSIA HOLDINGS BHD	17/01/2023	Technical Buy	0.62	0.69	0.56	11%	-10%	1.17x	0.63	0.61	0.63	Open	
DUFU TECHNOLOGY CORP BHD	18/01/2023	Technical Buy	1.79	1.98	1.62	11%	-9%	1.12x	2.32	1.79	2.25	TP Hit	19/01/2023
JF TECHNOLOGY BHD	18/01/2023	Technical Buy	0.84	0.95	0.75	13%	-11%	1.22x	0.97	0.82	0.93	TP Hit	26/01/2023
BONIA CORP BHD	19/01/2023	Technical Buy	2.56	2.83	2.31	11%	-10%	1.08x	2.65	2.50	2.63	Open	
SIGNATURE INTERNATIONAL BHD	19/01/2023	Technical Buy	2.36	2.60	2.13	10%	-10%	1.04x	2.49	2.34	2.44	Open	
HARTALEGA HOLDINGS BHD	20/01/2023	Technical Buy	1.61	1.78	1.45	11%	-10%	1.06x	1.70	1.57	1.64	Open	
MI TECHNOVATION BHD	20/01/2023	Technical Buy	1.42	1.57	1.27	11%	-11%	1.00x	1.53	1.41	1.47	Open	
AGMO HOLDINGS BHD	26/01/2023	Technical Buy	0.74	0.83	0.66	12%	-11%	1.13x	0.77	0.73	0.74	Open	
RESINTECH BHD	26/01/2023	Technical Buy	0.56	0.62	0.50	11%	-11%	1.00x	0.61	0.53	0.53	Open	
CENGILD MEDICAL BHD	27/01/2023	Technical Buy	0.49	0.55	0.43	12%	-11%	1.09x	0.52	0.49	0.50	Open	
JIANKUN INTERNATIONAL BHD	27/01/2023	Technical Buy	0.22	0.24	0.19	12%	-12%	1.00x	0.23	0.22	0.23	Open	

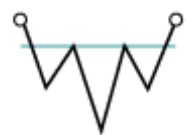

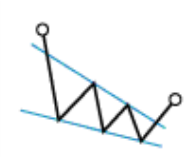

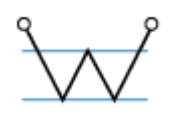
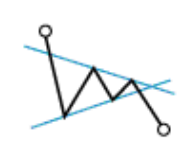

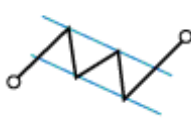


\* Tracks our stock recommendations on a one-month rolling basis from issue date. Stock names will drop out from the list after one month from issue date regardless of their status.

<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.

## 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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