# **Technical Focus**

Wednesday, 13 Apr, 2022

## **Ajiya Bhd**

## Firm building materials demand to drive growth

- Engaged in the production of metal roll forming and production of high valueadded safety glass products with established network of 18 factories or warehouses with offices throughout Malaysia and Thailand.
- Impending acquisition of 2 plots of lands measuring 15.8-ac in total will centralise its metal roll forming and safety glass manufacturing operations.
- Equipped with a healthy balance sheet with a net cash position of RM144.7m, translating to net cash per share of 47.5 sen (c.40.3% of share price).
- Technically, price has formed a flag-formation breakout above RM1.17, targeting the next resistances at RM1.25-1.30 with long term target set at RM1.40.



## **Trading Catalyst**

- Ajiya Bhd (AJIYA) started as a metal roll forming company in 1990 and subsequently diversified into production of high value-added safety glass products in 1996. To date, Ajiya has a network of 18 factories or warehouses with offices throughout Malaysia and Thailand.
- Moving forward, impending acquisition of 2 plots of lands measuring 15.8-ac in total will enable AJIYA to centralise its metal roll forming and safety glass manufacturing operations, which are currently located in Shah Alam and Puchong. We expect the move of property players skewing towards affordable houses to drive more job flow for Ajiya Green Integrated Building System (AGiBS), which is their own Industrialised Building System (IBS) solution.
- The emergence of Chin Hin Group Bhd (CHGB) as the largest shareholder with 24.7% stake since last month will create a synergy in the building materials industry. As of FY22, AJIYA is equipped with a healthy balance sheet with a net cash position of RM144.7m, translating to net cash per share of 47.5 sen (c.39.6% of share price).

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AJIYA BHD		
Last Price (RM)	1.20	
5 Day Change (%)	1.7	
1 Day Range Percentile (%)	100.0	
5 Day Range Percentile (%)	87.5	
52Week Range Percentile (%)	92.1	
Volatility 30D	71.7	
EMA9, EMA20, EMA60 Trend	Uptrend	
Price vs. EMA20 (%)	4.6	
DMI DI+	20.7	
DMI DI-	17.3	
ADX	12.0	
Price Skew	DOWN	
RSI 14D	68.0	
RSI OB/OS	Positive	
Price vs. Bollinger Band (%)	87.5	
Bloomberg		

Financial snapshot			
FYE Nov	FY19	FY20	FY21
Revenue (RM m)	325.3	254.9	268.5
Net profit (RM m)	5.1	1.2	17.5
Shares (m)	304.6	304.6	304.6
EPS (sen)	1.7	0.4	5.7
DPS (sen)	-	-	-
P/E (x)	72.0	305.9	20.9
DY (%)	-	-	-
Bloomberg			

### AJIYA daily: Flag-formation breakout

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### **Technical Outlook**

• Technically, share price is on the strong uptrend formation after the rally took off in November 2021. We gather that has formed a swift rebound from the pullback during early-March 2022 as price recovered above daily EMA9. Price has formed a flag-formation breakout above RM1.17 and traders may anticipate for further upside towards the next resistances at RM1.25-1.30 with long term target set at RM1.40. Support is pegged at RM1.09 and cut loss is located at RM1.08.

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Glossary	
Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the
EMA9, EMA20, EMA60 Trend	EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as optiond, in the emassion of the the temas and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI OB/OS	If RSI 14 days is greater or equal to 70, it will be stated Overbought. If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage

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