Technical Focus

Friday, 20 Jan, 2023

Cahya Mata Sarawak Bhd

Leveraging onto Sarawak economic developments

- Regarded as a mini-conglomerate exposure across 7 business segments plus strategic investment through 18.9% stake in Kenanga Investment Bank Bhd and 20.1% stake in KKB Engineering Bhd.
- Focusing onto ramping up the production of phosphate at Samalaju Industrial Park.
- To leverage onto the economic developments at Sarawak 2023 following the approval of state budget amounting to RM10.80bn in December 2022.
- Technically, traders may anticipate for a potential flag-formation breakout above RM1.17 to target the next resistances at RM1.24-1.27 with long term target at RM1.35.



Trading Catalyst

- Chaya Mata Sarawak Bhd (CMSB) is regarded as a mini-conglomerate with business exposure across (i) cement & clinker manufacturing, (ii) construction materials & trading, (iii) construction, (iv) road maintenance, (v) property development, (vi) Samalaju development and (vii) ICT. The group also involves with strategic investment through 18.9% stake in Kenanga Investment Bank Bhd and 20.1% stake in KKB Engineering Bhd.
- While cement price has moderated to approximately RM300/tonne, price remains relatively high as compared to pre-Covid-19 levels that range around RM200/tonne. Moving forward, CMSB will be focusing onto ramping up the production of phosphate at Samalaju Industrial Park.
- We reckon that CMSB will continue to leverage onto the economic developments at Sarawak 2023 following the approval of state budget amounting to RM10.80bn in December 2022. As of 3QFY22, CMSB operates in a lean balance sheet with gearing level only at 0.1x.

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CAHYA MATA SARAWAK BHD

Last Price (RM)	1.16	
5 Day Change (%)	-1.7	
1 Day Range Percentile (%)	100.0	
5 Day Range Percentile (%)	50.0	
52Week Range Percentile (%)	72.0	
Volatility 30D	41.2	
EMA9, EMA20, EMA60 Trend	Uptrend	
Price vs. EMA20 (%)	0.7	
DMI DI+	23.8	
DMI DI-	22.5	
ADX	24.0	
Price Skew	DOWN	
RSI 14D	71.4	
RSI OB/OS	Overbought	
Price vs. Bollinger Band (%)	57.7	
Bloomberg		

Financial snapshot			
FYE Dec	FY21	FY22f	FY23f
Revenue (RM m)	801.2	1030.5	1051.8
Net profit (RM m)	204.2	228.3	193.8
Shares (m)	1074.2	1074.2	1074.2
EPS (sen)	19.0	21.3	18.0
DPS (sen)	2.0	2.4	2.6
P/E (x)	6.1	5.5	6.4
DY (%)	1.7	2.1	2.2
Bloomberg			

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Technical Outlook

• Technically, share price has staged a strong rally since early-October 2022. Following the recent pullback towards daily EMA60, price has rebounded before forming a short-term consolidation. For now, traders may anticipate for a potential flag-formation breakout above RM1.17 to target the next resistances at RM1.24-1.27 with long term target at RM1.35. Support is pegged at RM1.10 and cut loss is located at RM1.09.

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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 greater than EMA20 and the EMA20 is greater than EMA60 it will be stated as optimic. In the EMA9 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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