Technical Focus

Monday, 14 Mar, 2022



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Coastal Contracts Bhd

Leveraging onto elevated crude oil prices

- History traces back to 1976 and has now evolved into a global integrated marine oil & gas services and solutions provider.
- Focusing on jack-up gas compression service unit (JUGCSU) contracts which are now the key contributor to the group's vessel chartering business segment.
- Equipped with a lean balance sheet with a net cash position of RM202.4m, translating to net cash per share of RM0.37 (c.21.2% of share price).
- Technically, traders may anticipate for a potential breakout above RM1.79 to target the next resistances at RM1.86-2.00 with long term target at RM2.09.

COASTAL daily: Monitor for breakout



COASTAL CONTRACTS BHD		
Last Price (RM)	1.78	
5 Day Change (%)	2.3	
1 Day Range Percentile (%)	100.0	
5 Day Range Percentile (%)	96.3	
52Week Range Percentile (%)	77.6	
Volatility 30D	66.5	
EMA9, EMA20, EMA60 Trend	Consolidation	
Price vs. EMA20 (%)	0.0	
DMI DI+	20.9	
DMI DI-	26.7	
ADX	31.0	
Price Skew	DOWN	
RSI 14D	43.2	
RSI OB/OS	Negative	
Price vs. Bollinger Band (%)	38.4	
Bloomberg		

Trading Catalyst

- · Coastal Contracts Bhd's (COASTAL) history traced back to 1976 and has now evolved into a global integrated marine oil & gas services and solutions provider. Since incorporation, COASTAL its related companies have delivered over 400 vessels to both local and international oil & gas players.
- We are sanguine on COASTAL after its 50.0%-owned joint-venture (JV) firm Coastoil Dynamic SA de CV, that has secured a RM4.50bn contract for its second onshore gas conditioning plant construction project in Mexico in December 2021. Moving forward, COASTAL will be focusing onto jack-up gas compression service unit (JUGCSU) contracts which are now the key contributor to the group's vessel chartering business segment.
- We noticed that COASTAL has returned to the black for 4 consecutive quarters. As of 1QFY22, COASTAL is also equipped with a lean balance sheet with a net cash position of RM202.4m, translating to net cash per share of RM0.37 (c.21.2% of share price).

Financial snapshot

FYE Dec	FY21	FY22f	FY23f
Revenue	161.6	239.0	260.0
(RM m)			
Net profit	32.4	103.0	106.0
(RM m)			
Shares (m)	536.7	536.7	536.7
EPS (sen)	6.0	19.2	19.7
DPS (sen)	1.0	1.0	2.0
P/E (x)	29.5	9.3	9.0
DY (%)	0.6	0.6	1.1
Bloomberg			

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Technical Outlook

 Technically, share price is on the uptrend since 4Q21 and has been riding onto the higher crude oil prices in the recent months. Share price has staged a pullback towards the daily EMA 60 level and formed a double bottom formation before recovering back above the daily EMA 9 level. For now, traders may anticipate for a potential breakout above RM1.79 to target the next resistances at RM1.86-2.00 with long term target at RM2.09. Support is pegged at RM1.59 and cut loss is located at RM1.58.

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 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	\overline{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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