

CTOS Digital Bhd

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Leveraging onto rising BNPL transactions

- Solutions and services are widely used by various industries as well as consumers for self-checking credit scores.
- Will be leveraging onto the rising adoption of Buy Now Pay later (BNPL) activities and the introduction of digital banks.
- Inclusion into the FTSE4Good Bursa and FTSE4Good Bursa Syariah (F4GBMS) indexes since end-December 2022 may attract larger pool of institutional investors.
- Technically, traders may monitor for a potential breakout above RM1.46 to target next resistances at RM1.52-1.57 with long term target set at RM1.66.

CTOS daily: Monitor for breakout



M+ Wiz

CTOS DIGITAL BHD	
Last Price (RM)	1.44
5 Day Change (%)	2.9
1 Day Range Percentile (%)	3.6
5 Day Range Percentile (%)	2.2
52Week Range Percentile (%)	-9.4
Volatility 30D	29.3
EMA9, EMA20, EMA60 Trend	NEUTRAL
Price vs. EMA20 (%)	-0.1
DMI DI+	20.2
DMI DI-	20.2
ADX	18.2
Price Skew	NEUTRAL
RSI 14D	43.6
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	47.4
Bloomberg	

Trading Catalyst

- CTOS Digital Bhd (CTOS) engaged in the business of credit reporting, digital software related services, software development, outsourcing and training services. Their solutions and services are widely used by Malaysia's banking and financial institutions, insurance and telecommunication companies, large corporations, SMEs as well as consumers for self-checking credit scores.
- Moving forward, CTOS will be leveraging onto the rising adoption of buy now pay later or Buy Now Pay later (BNPL) activities and introduction of digital banks. After a year of M&A spree, the group remains active to look out for opportunities that will complement existing business.
- Meanwhile, the inclusion into the FTSE4Good Bursa and FTSE4Good Bursa Syariah (F4GBMS) indexes since end-December 2022 is a testament on their efforts of operating in a sustainable and ethical manner. Also, this will attract larger pool of institutional investors.

Financial snapshot

FYE Dec	FY21	FY22f	FY23f
Revenue (RM m)	194.8	242.7	282.1
Net profit (RM m)	71.5	104.9	122.8
Shares (m)	2310.0	2310.0	2310.0
EPS (sen)	3.1	4.5	5.3
DPS (sen)	2.0	3.0	3.0
P/E (x)	35.2	24.0	20.5
DY (%)	1.8	2.8	2.8
Bloomberg			

Technical Outlook

- Technically, share price is still on the downtrend formation with signs of stabilising in recent months. Price has built a base, forming a short-term double bottom formation in recent months, before staging a mild recovery stance to climb above daily EMA20. For now, traders may monitor for a potential breakout above RM1.46 to target next resistances at RM1.52-1.57 with long term target set at RM1.66. Support is pegged at RM1.38 and cut loss is located at RM1.37.

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.
EMA9, EMA20, EMA60 Trend	If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the 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	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. If RSI 14 days is greater or equal to 70, it will be stated Overbought.
RSI OB/OS	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