Technical Focus

M+Online
Malacca Securities Sdn Bhd
mplusonline.com/research-reports

Kenneth Leong
kennethleong@msec.com.my
(603) 2201 2100

Crowdstrike Holdings Inc

Rising demand for cybersecurity services

- A global cybersecurity leader with an advanced cloud-native platform for protecting endpoints, cloud workloads, identities and data.
- Nearing a deal to acquire Bionic.AI for USD200.0-300.0m which provides security posture management platform for cloud services and boast notable clients include Chipotle, Freddie Mac and Transamerica.
- Demand for cybersecurity services may continue to rise following the increasingly interconnected and digitised world.
- Technically, traders may anticipate for a breakout above USD151.00 to target the next resistances at USD162.00-167.00 with long term target set at USD180.00.

CRWD daily: Resistance breakout

TradingView

CROWDSTRIKE HOLDINGS INC	
Last Price (USD)	148.22
5 Day Change (%)	-1.5
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	58.2
52Week Range Percentile (%)	50.2
Volatility 30D	44.8
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	-1.8
DMI DI+	20.7
DMI DI-	22.7
ADX	10.0
Price Skew	UP
RSI 14D	52.7
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	27.6
Bloomberg	

Trading Catalyst

- Crowdstrike Holdings Inc (CRWD) is known as a global cybersecurity leader with an advanced cloud-native platform for protecting endpoints, cloud workloads, identities and data. Over the years, the group has established itself as a prominent player within the cybersecurity realm due to its innovative technology solutions designed to counter evolving cyber threats.

- Going forward, CRWD is nearing a deal to acquire Bionic.AI for USD200.0-300.0m which provides security posture management platform for cloud services and boast notable clients include Chipotle, Freddie Mac and Transamerica. Meanwhile CRWD has also embraced AI as a tool for identifying cybersecurity threats.

- We reckon that demand for cybersecurity services may continue to rise following the increasingly interconnected and digitised world. Based on Bloomberg consensus estimates, CRWD has 85.7% Buy rating with an average 12-month target price of USD177.32 (potential 19.6% upside from current share price) from 49 research houses.

Financial snapshot

FYE Dec	FY22	FY23f	FY24f
Revenue (USD m)	1451.6	3026.6	3893.7
Net profit (USD m)	-234.8	579.7	761.2
Shares (m)	224.1	224.1	224.1
EPS (cent)	-104.8	258.6	339.6
DPS (cent)	-	-	-
P/E (x)	-	57.3	43.6
DY (%)	-	-	-
Bloomberg			

Technical Outlook

- Technically, price has been trending higher since the start of the year. Price continues to demonstrate the higher high and higher low formation before hitting the recent peak in early August 2023. Following the mild retracement in recent week, traders may anticipate for a breakout above USD151.00 to target the next resistances at USD162.00-167.00 with long term target set at USD180.00. Support is pegged at USD142.00 and cut loss is located at USD139.00.

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.
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