

Frontken Corporation Bhd

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New plant facility to spur growth

- Regarded as one of the leading providers of (i) support services to the semiconductor industry, (ii) surface treatment and mechanical engineering solutions, serving a wide-range of industries.
- New plant facility acquisition at Taiwan that is expected to commission in 2H22 will provide a new avenue of growth for the semiconductor business segment.
- Outlook remains promising, buoyed by the global semiconductor industry upcycle with demand remains relatively solid and the favourable USD/MYR exchange rate.
- Technically, price has formed a hammer candle, suggesting for a potential rebound to target the next resistances at RM3.57-3.77 with long term target at RM4.22.

FRONTKN daily: Hammer candle



FRONTKEN CORPORATION BHD

Last Price (RM)	3.42
5 Day Change (%)	-9.3
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	28.1
52Week Range Percentile (%)	52.1
Volatility 30D	38.4
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	-9.7
DMI DI+	12.3
DMI DI-	39.6
ADX	31.0
Price Skew	DOWN
RSI 14D	30.6
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	-13.7

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Trading Catalyst

- Frontken Corporation Bhd (FRONTKN) is one of the leading providers of support services to the semiconductor industry, surface treatment and mechanical engineering solutions, serving a wide-range of industries. Its products and services mainly cater for the Malaysia, Singapore and Taiwan market.
- Moving forward, new plant facility acquisition at Taiwan that is expected to commission in 2H22 will provide new avenue of growth for the semiconductor business segment. At the same time, the recent completion of new facility at Pengerang is timely to leverage on the new orders trickling from the various umbrella contracts from the Petronas group.
- We believe that outlook remains promising, buoyed by the global semiconductor industry upcycle with demand remains relatively solid and the favourable USD/MYR exchange rate. Already in November 2021, global semiconductor industry sales rose 23.5% YoY to US\$49.70bn.

Financial snapshot

FYE Dec	FY20	FY21f	FY22f
Revenue (RM m)	368.3	457.0	538.0
Net profit (RM m)	82.0	105.8	130.6
Shares (m)	1580.0	1580.0	1580.0
EPS (sen)	5.2	6.7	8.3
DPS (sen)	4.0	3.0	3.8
P/E (x)	65.9	51.1	41.4
DY (%)	1.2	0.9	1.1

Bloomberg

Technical Outlook

- Technically, the share price has delivered a sturdy performance throughout 2021 before hitting all-time high level at the start of 2022. Price has subsequently pullback alongside with the weakness in technology peers. For now, price has formed a hammer candle, suggesting for a potential rebound to target the next resistances at RM3.57-3.77 with long term target at RM4.22. Support is pegged at RM3.20 and cut loss is located at RM3.19.

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
