

Kronologi Asia Bhd

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Leveraging onto digital transformation

- Engages in the provisions of business consulting for information technology software and data solution related businesses with key clientele include Jollibee Food Corporation, Toshiba Information Equipment (Philippines), Ocean Park (Hong Kong) and NCS Internal Video & Surveillance Smart City (Singapore).
- Leveraging on the global digital transformation as business entities embarks into automation and digitalisation process to shore up production efficiency.
- Re-opening of China borders bodes well for KRONO's subsidiary, Quantum China Limited which engages with several parties to boost their customer base.
- Technically, price has formed a consolidation breakout above RM0.56, targeting the resistances of RM0.595-0.63, with long term target at RM0.655.

KRONO daily: Consolidation breakout



M+ Wiz

KRONOLOGI ASIA BHD

Last Price (RM)	0.565
5 Day Change (%)	7.6
1 Day Range Percentile (%)	1.1
5 Day Range Percentile (%)	1.1
52Week Range Percentile (%)	75.9
Volatility 30D	32.2
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	4.2
DMI DI+	28.9
DMI DI-	13.6
ADX	15.5
Price Skew	UP
RSI 14D	52.6
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	112.5

Bloomberg

Trading Catalyst

- Kronologi Asia Bhd (KRONO) engages in the provisions of business consulting, designing of solutions and research and development for information technology software and data solution related businesses. Some of KRONO key clientele include multinational corporations such as Jollibee Food Corporation, Toshiba Information Equipment (Philippines), Ocean Park (Hong Kong) and NCS Internal Video & Surveillance Smart City (Singapore).
- Moving forward, KRONO will continue to leverage onto the global digital transformation as business entities embarks into automation and digitalisation process to shore up production efficiency. Already, 4QFY23 delivered record high bottom line in a single quarter at RM12.4m (+91.7% YoY).
- We reckon that the re-opening of China borders bodes well for KRONO's subsidiary, Quantum China Limited which are engages with several parties to boost their customer base. As at FY23, KRONO is operating with a healthy balance sheet with a net cash position of RM54.4m, translating to net cash per share of 7.4 sen (c.13.0% of share price).

Financial snapshot

FYE Mar	FY23	FY24f	FY25f
Revenue (RM m)	314.2	290.0	329.0
Net profit (RM m)	24.5	23.0	27.8
Shares (m)	740.3	740.3	740.3
EPS (sen)	3.3	3.1	3.8
DPS (sen)	-	-	-
P/E (x)	17.1	18.2	15.0
DY (%)	-	-	-

Bloomberg

Technical Outlook

- Technically, the uptrend intact formation was established since end-January 2023. Price continues to gain traction in recent months, before hitting some resistance in late April 2023. Price has since pullback towards the daily EMA120 before marching higher. Coming closer, price has formed a bullish candle and subsequently formed a consolidation breakout above RM0.56 accompanied by improved volumes which may lead to further upside, targeting the resistances of RM0.595-0.63, with long term target at RM0.655. Support is pegged at around RM0.52, while cut loss is set at RM0.515.

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As of **Monday, 12 Jun, 2023**, the analyst(s), **Kenneth Leong**, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

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 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
EMA9, EMA20, EMA60 Trend	Position of the price away from the EMA20 level
Price vs. EMA20 (%)	Positive directional movement.
DMI DI+	Negative directional movement.
DMI DI-	ADX is a moving average of the directional movement index.
ADX	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up.
Price Skew	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