Technical Focus

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MI Technovation Berhad

In anticipation of better results in November

- **MI design, develops and manufactures wafer level chip scale packaging sorting machines and related parts for the semiconductor industry.**
- **Unlike most of the technology stocks, MI had shown an improvement QoQ on its earnings, hence we expect the recovery is on track.**
- **Meanwhile, the management expect improvement of the SMBU segment as solder ball sales may improve in 2H.**
- **Technically, MI has breakout above the resistance of RM1.75, may head towards RM1.91-2.00 zone. Support is located around RM1.66-1.68, with a cut loss set at RM1.63.**

Company profile

Mi Technovation Berhad operates as a holding company. The Company, through its subsidiaries, designs, develops and manufactures wafer level chip scale packaging sorting machines and related spare parts for the semiconductor industry. Mi Technovation serves customers in Asia and the United States.

MI daily: Sideways consolidation breakout

Bloomberg

MI TECHNOVATION BHD	
Last Price (RM)	1.81
5 Day Change (%)	5.2
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	92.9
52Week Range Percentile (%)	70.9
Volatility 30D	29.1
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	5.8
DMI DI+	31.5
DMI DI-	16.2
ADX	19.9
RSI 14D	64.6
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	122.6

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Trading Catalyst

- **In anticipation of earnings recovery.** The 2Q core results after adjusting for the FX gains improved by 39% QoQ, indicating that the worst may be over for the semiconductor industry.

- **Possible client's inventory depletion**. For Semiconductor Material Business Unit (SMBU), management expects significant improvement for its solder ball sales in the 2H compared to the 1H as most of its key customers will be launching their new products.

Financial snapshot

FYE Dec	FY21	FY22	FY23f
Revenue (RM m)	375.5	389.5	427.5
Net profit (RM m)	61.8	68.9	60.6
Shares (m)	893.5	893.5	893.5
EPS (sen)	6.9	7.7	6.8
DPS (sen)	5.0	2.0	4.0
P/E (x)	26.1	23.5	26.7
DY (%)	2.8	1.1	2.2

Bloomberg

Technical Outlook

- Following the breakout in mid-Sep above RM1.67, it has consolidated sideways before another consolidation breakout last Friday. With the improving RSI and MACD indicators, we expect next target to be envisaged around RM1.91-2.00, while long term target is pegged along RM2.05. Support is located around RM1.65-1.68, with the cut loss set around RM1.63.

Disclaimer

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