# **Technical Focus**

Monday, 15 May, 2023



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## My E.G. Services Bhd

### Contracts extensions ensure earnings sustainability

- Regarded as a concessionaire for Malaysian Electronic-Government (E-Government) MSC flagship application.
- Recent contract extensions to handle JPJ-related services and to facilitate applications for temporary employment visit passes (PLKS) for foreign workers may ensure earnings sustainability.
- May leverage onto the Malaysian government's move to implement blockchain technology to handle certificate of origins (COO) for Malaysian exports into China.
- Technically, traders may anticipate for a potential breakout above RM0.80 to target the next resistances at RM0.855-0.915 with long term target at RM0.965.

#### **MYEG daily: Monitor for breakout**



MY E. G. SERVICES BHD		
Last Price (RM)	0.800	
5 Day Change (%)	3.2	
1 Day Range Percentile (%)	1.9	
5 Day Range Percentile (%)	-1.2	
52Week Range Percentile (%)	-7.2	
Volatility 30D	53.3	
EMA9, EMA20, EMA60 Trend	Consolidation	
Price vs. EMA20 (%)	1.0	
DMI DI+	26.7	
DMI DI-	21.8	
ADX	17.6	
Price Skew	NEUTRAL	
RSI 14D	40.9	
RSI OB/OS	Negative	
Price vs. Bollinger Band (%)	48.1	
Bloomberg		

### **Trading Catalyst**

- My E.G. Services Bhd (MYEG) is regarded as a concessionaire for Malaysian Electronic-Government (E-Government) MSC flagship application. MyEG builds, operates and owns the electronic channel to deliver services from various Government agencies to Malaysia citizens and businesses.
- Recent contract extensions with an additional 3-year contract extension to handle JPJ-related services as well as the contract to facilitate applications for temporary employment visit passes (PLKS) for foreign workers until the completion of the National Integrated Immigration System (NIISe) project could ensure earnings sustainability, going forward.
- We reckon MYEG may also leverage onto the Malaysian government's move to implement blockchain technology to handle certificate of origins (COO) for Malaysian exports into China. As of FY22, MYEG's balance sheet is relatively healthy with net gearing at 0.2x.

#### Financial snapshot

FYE Dec	FY22	FY23f	FY24f
Revenue	651.1	749.6	815.3
(RM m)			
Net profit	398.9	394.5	428.1
(RM m)			
Shares (m)	7438.0	7438.0	7438.0
EPS (sen)	5.4	5.3	5.8
DPS (sen)	1.4	2.0	2.0
P/E (x)	14.9	15.1	13.9
DY (%)	1.8	2.5	2.5
Bloomberg			

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#### **Technical Outlook**

 Technically, share price has rebounded from the sharp selldown during February 2023. Price is forming the higher high and higher low formation in recent months and is currently hovering slightly below daily SMA200. Coming closer, price has formed a hammer candle, rebounding off the daily EMA60. For now, traders may anticipate for a potential breakout above RM0.80 to target the next resistances at RM0.855-0.915 with long term target at RM0.965. Support is pegged at RM0.74 and cut loss is located at RM0.735.

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, EMA20, EMA60 Trend	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

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