

Redtone Digital Bhd

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

Integrated network service provider

- Evolved from a voice provider to an entity that offers extensive range of services such as telecommunication services, managed telecommunication network services and industrial digital services.
- Remains committed to rollout on the remaining 250 towers under the JENDELA project (Jalanan Digital Negara).
- Transfer of listing status from the ACE Market to the Main Market may draw greater interests from institutional players.
- Technically, traders may anticipate for a potential breakout above RM0.525 to target the next resistances at RM0.55-0.58 with long term target set at RM0.625.

REDTONE daily: Monitor for breakout



M+ Wiz

REDTONE DIGITAL BHD	
Last Price (RM)	0.515
5 Day Change (%)	1.0
1 Day Range Percentile (%)	-2.8
5 Day Range Percentile (%)	1.0
52Week Range Percentile (%)	66.7
Volatility 30D	57.1
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	-0.4
DMI DI+	23.6
DMI DI-	16.2
ADX	17.2
Price Skew	NEUTRAL
RSI 14D	42.9
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	21.9
Bloomberg	

Trading Catalyst

- Founded in 1996, Redtone Digital Bhd (REDTONE) has evolved from a voice provider to an entity that offers extensive range of services such as telecommunication services, managed telecommunication network services and industrial digital services. To-date, REDTONE has served more than 15,000 corporate customers across various industries.
- Moving forward, REDTONE remains committed to rollout the remaining 250 towers under the JENDELA project (Jalanan Digital Negara) after having successfully rolling out 350 telco towers in the recent years. The partnership with EOS Data Analytics (EOSDA) strengthens the group capabilities within the AI-powered technology which will modernise the Malaysian agriculture sector through smart farming solutions.
- Following the recent approval from Bursa Malaysia over their transfer of listing status from the ACE Market to the Main Market, we reckon that this may draw greater interests from institutional players. Meanwhile, a potential introduction of a

Financial snapshot

FYE Jun	FY21	FY22	FY23f
Revenue (RM m)	174.7	158.0	174.8
Net profit (RM m)	26.3	41.5	57.8
Shares (m)	782.5	782.5	782.5
EPS (sen)	3.4	5.3	7.4
DPS (sen)	1.8	1.8	1.8
P/E (x)	15.3	9.7	7.0
DY (%)	3.5	3.5	3.5

Bloomberg

*FY23f based on trailing-12-months figures

second 5G network is a boon, which could boost price competitiveness and improve quality of services offered.

Technical Outlook

- Technically, price advanced steadily since July 2022 before peaking in end-February 2023. Price has staged a mild pullback towards daily EMA120. Following more than a month long of consolidation, traders may anticipate for a potential breakout above RM0.525 to target the next resistances at RM0.55-0.58 with long term target set at RM0.625. Support is pegged at RM0.50 and cut loss is located at RM0.495.

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