

Supercomnet Technologies Bhd

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

New products rollout to drive revenue growth

- Established track record, backed by long-term clientele such as New York Stock Exchange-listed Edwards Lifesciences Corp and Denmark-based Ambu whom have business dealings for more than 10 years on average.
- To rollout new products such as the mass production of nano-medicine therapy device sometime towards end-2023/early-2024.
- Securities Commission has given the greenlight for SCOMNET to transfer its shares and warrants from the ACE Market of Bursa Malaysia to the Main Market.
- Technically, traders may anticipate for a potential short-term resistance breakout above RM1.39 to target the next resistances at RM1.48-1.55 with long term target set at RM1.65.

SCOMNET daily: Monitor for breakout



M+ Wiz

Trading Catalyst

- Supercomnet Technologies Bhd (SCOMNET) engages in the production of wires and cables for medical devices, electrical appliances, consumer electronics and automotive components. Scomnet counts New York Stock Exchange-listed Edwards Lifesciences Corp and Denmark-based Ambu as its two main customers, both whom have business dealings for more than 10 years on average.
- Moving forward, SCOMNET will continue to rollout new products such as the mass production of nano-medicine therapy device sometime towards end-2023/early-2024 in bid to sustain revenue growth. Meanwhile, the factory expansion to cater for new medical products is expected to see commissioning in 4Q23.
- Meanwhile, the Securities Commission has given the greenlight for SCOMNET to transfer its shares and warrants from the ACE Market of Bursa Malaysia to the Main Market. The move is a testament to the group's financial track record and allow greater participations from institutional players.

SUPERCOMNET TECHNOLOGIES BHD

Last Price (RM)	1.37
5 Day Change (%)	3.0
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	71.4
52Week Range Percentile (%)	32.4
Volatility 30D	24.3
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	3.7
DMI DI+	28.2
DMI DI-	9.2
ADX	31.4
Price Skew	DOWN
RSI 14D	66.7
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	92.1

Bloomberg

Financial snapshot

FYE Mar	FY22	FY23f	FY24f
Revenue (RM m)	158.3	195.0	241.0
Net profit (RM m)	32.9	39.5	49.6
Shares (m)	788.2	788.2	788.2
EPS (sen)	4.2	5.0	6.3
DPS (sen)	1.5	2.1	2.6
P/E (x)	32.8	27.3	21.8
DY (%)	1.1	1.5	1.9

Bloomberg

Technical Outlook

- Technically, price has staged a downturn since end-2022 before finding stability in June 2023. After multi-months of correction, price has demonstrated signs of recovery in recent weeks to close above daily EMA120. For now, traders may anticipate for a potential short-term resistance breakout above RM1.39 to target the next resistances at RM1.48-1.55 with long term target set at RM1.65. Support is pegged at RM1.29 and cut loss is located at RM1.28.

Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.

As of **Wednesday, 02 Aug, 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.
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