

SDS Group Bhd

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Expansions are well on track

- Engages in production and distribution of bakery products that are marketed under the trademarked brands of “Top Baker” and “Daily’s”.
- Plans to introduce more stock-keeping units, adding 3-5 retail cafe and bakeries and additions of 25 trucks to its existing fleet of 281.
- Completion of transfer of listing status into the main market of Bursa Malaysia will enhance the reputation as well as enabling it to achieve greater recognition and acceptance from institutional investors.
- Technically, traders may anticipate for a potential short-term consolidation breakout above RM0.665 to target the next resistances at RM0.705-0.735 with long term target set at RM0.795.

SDS daily: Monitor for breakout



M+ Wiz

Trading Catalyst

- SDS Group Bhd (SDS) is primarily involved in production and distribution of bakery products, which include bread, buns, rolls, and cakes, alongside with operating of F&B outlets. The products are marketed under its trademarked brands of “Top Baker” and “Daily’s”.
- While SDS plans to introduce more stock-keeping units (SKUs), their retail expansion plans remain on track as the group plans to add 3-5 retail cafe and bakeries in FY24. Meanwhile, the wholesale channel aims to strengthen the distribution network by additions of 25 trucks to its existing fleet of 281.
- Meanwhile, we reckon that the completion of transfer of listing status into the main market of Bursa Malaysia will enhance the reputation as well as enabling it to achieve greater recognition and acceptance from institutional investors. As of FY23, SDS is equipped with a net cash position of RM11.1m, translating to net cash per share of 2.7 sen (c.4.1% of share price).

SDS GROUP BHD

Last Price (RM)	0.655
5 Day Change (%)	4.0
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	63.6
52Week Range Percentile (%)	48.3
Volatility 30D	58.1
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	3.3
DMI DI+	26.8
DMI DI-	14.2
ADX	29.9
Price Skew	DOWN
RSI 14D	61.2
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	69.9
Bloomberg	

Financial snapshot

FYE Mar	FY21	FY22	FY23
Revenue (RM m)	173.8	198.3	283.7
Net profit (RM m)	7.3	10.6	24.5
Shares (m)	409.6	409.6	409.6
EPS (sen)	1.8	2.6	6.0
DPS (sen)	-	-	-
P/E (x)	36.9	25.3	10.9
DY (%)	-	-	-
Bloomberg			

Technical Outlook

- Technically, price has staged a pullback since mid-February 2023. After multi-months long of correction, price has found stability before climbing to re-test SMA200. With the recent mild pullback, price has formed a short-term consolidation pattern. For now, traders may anticipate for a potential consolidation breakout above RM0.665 to target the next resistances at RM0.705-0.735 with long term target set at RM0.795. Support is pegged at RM0.62 and cut loss is located at RM0.615.

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As of **Wednesday, 26 Jul, 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