

Sunny Optical Technology (Group) Co Ltd

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Leveraging onto rapid technological advancement

- Founded in 1984 and has grown into one of the leading manufacturers of integrated optical components and products manufacturer in the world.
- Riding onto the rapid advancement in autonomous driving and the upgrade in specifications of smartphone camera.
- Technological advancement will continue to drive growth and we gather that the shipment volume of handset lens sets increased 25.8% YoY to 91.0m units.
- Technically, traders may anticipate for a potential breakout above HKD83.00 to target the next resistances at HKD90.00-97.00 with long term target set at HKD115.00.

SUNNY OPTICAL daily: Monitor for breakout



Bloomberg

Trading Catalyst

- Sunny Optical Technology (Group) Company Ltd (Sunny Optical) was founded in 1984 and has grown into one of the leading manufacturers of integrated optical components and products manufacturer in the world. The group products were used in mobile phones, automobile, cctv, robot, industrial inspection, VR/AR, microscopic instrument and medical inspection.
- Going forward, Sunny Optical will be riding onto the rapid advancement in autonomous driving and the upgrade in specifications of smartphone camera. The group is planning to invest approximately USD2.50bn in Vietnam to develop an optical production complex as well as USD300.0m to set up a production facility in India for Apple Inc that will see progressive roll out of different phases till 2026.
- Technological advancement will continue to drive growth and we gather that the group's shipment volume of handset lens sets increased 25.8% YoY to 91.0m units. Based on Bloomberg consensus estimates, Sunny Optical has a 53.2% Buy rating with an average 12-month target price of HKD110.16 (potential 40.0% upside from current share price) from 47 analysts.

SUNNY OPTICAL TECHNOLOGY (GROUP) CO LTD

Last Price (HKD)	78.70
5 Day Change (%)	6.1
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	64.5
52Week Range Percentile (%)	22.6
Volatility 30D	43.6
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	1.5
DMI DI+	25.5
DMI DI-	22.2
ADX	13.5
Price Skew	DOWN
RSI 14D	51.8
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	60.7

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Financial snapshot

FYE Dec	FY22	FY23f	FY24f
Revenue (HKD m)	33196.9	16224.2	40870.3
Net profit (HKD m)	2407.8	1164.9	3906.5
Shares (m)	1096.9	1096.9	1096.9
EPS (cent)	219.5	106.2	356.2
DPS (cent)	50.0	64.2	73.9
P/E (x)	35.9	74.1	22.1
DY (%)	0.6	0.8	0.9

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Technical Outlook

- Technically, price retraced since peaking at end-January 2023. With price finding stability in early June 2023, price has since recovered to re-test SMA50 in recent days. For now, traders may anticipate for a potential breakout above HKD83.00 to target the next resistances at HKD90.00-97.00 with long term target set at HKD115.00. Support is pegged at HKD71.00 and cut loss is located at HKD70.00.

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As of **Monday, 17 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. 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.
EMA9, EMA20, EMA60 Trend	Position of the price away from the EMA20 level
Price vs. EMA20 (%)	Positive directional movement.
DMI DI+	Negative directional movement.
DMI DI-	ADX is a moving average of the directional movement index.
ADX	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up.
Price Skew	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.
Price vs. Bollinger Band (%)	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.
	Position of the price compare to the Bollinger band in percentage