

## QES Group Bhd

**Kenneth Leong**  
[kennethleong@msec.com.my](mailto:kennethleong@msec.com.my)  
(603) 2201 2100

### Doubling the manufacturing capacity

- Involves in the distribution and manufacturing of automated test equipment (ATE) with offices in Malaysia, Singapore, Thailand, Indonesia, Philippines and Vietnam.
- Manufacturing segment growth will be driven by new manufacturing facility in January 2021 that boosts capacity from 60 machines to 120 machines per annum.
- Future prospects supported by robust demand from the semiconductor industry with the rising adoption of Internet of Things (IoT), 5G and smart manufacturing. Technically, price has formed a hammer candle, signalling potential rebound towards the resistances at RM0.785-0.835 with long term target set at RM0.945.

#### QES daily: Hammer candle



M+ Wiz

### Trading Catalyst

- QES Group Bhd (QES) involves in the distribution and manufacturing of automated test equipment (ATE) with offices in Malaysia, Singapore, Thailand, Indonesia, Philippines and Vietnam. To-date, QES has installed more than 12,000 units of ATE across the world.
- Moving forward, the manufacturing segment growth will be driven by new manufacturing facility in January 2021 that boosts current capacity from 60 machines to 120 machines per annum. Also, QES aims to increase the sales of its fully-automated equipment through the launch or upgrade of 2-3 new products annually.
- We are sanguine on future prospects, premised to the robust demand from the semiconductor industry with the rising adoption of Internet of Things (IoT), 5G and smart manufacturing. QES has also rope in US-based Applied Engineering (AE) as a joint-venture partner to provide high-tech electromechanical contract manufacturing services to cater for specific requirements of clients in the semiconductor

#### QES GROUP BHD

Last Price (RM)	0.755
5 Day Change (%)	-6.8
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	40.9
52Week Range Percentile (%)	70.3
Volatility 30D	42.1
EMA9, EMA20, EMA60 Trend	Consolidation
Price vs. EMA20 (%)	-6.6
DMI DI+	16.3
DMI DI-	34.5
ADX	12.1
Price Skew	DOWN
RSI 14D	27.8
RSI OB/OS	Oversold
Price vs. Bollinger Band (%)	-1.0

#### Bloomberg

#### Financial snapshot

FYE Dec	FY19	FY20	FY21*
Revenue (RM m)	161.4	155.2	183.5
Net profit (RM m)	3.3	8.7	14.4
Shares (m)	834.1	834.1	834.1
EPS (sen)	0.4	1.0	1.7
DPS (sen)	-	-	-
P/E (x)	191.2	72.7	43.3
DY (%)	-	-	-

#### Bloomberg

FY21\* based on trailing-12-months data

equipment manufacturing, life science and medical devices, defense, and aerospace market segments.

## Technical Outlook

- Technically, price has hit the all-time high level in July 2021 before staging a pullback. Following the recent retracement, price has formed a hammer candle on the daily EMA120 level. We gather that current price level offers a decent entry point for a rebound towards the resistances at RM0.785-0.835 with long term target set at RM0.945. Support is pegged at RM0.67 and cut loss is located at RM0.665.

## 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. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
Price Skew	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI 14D	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