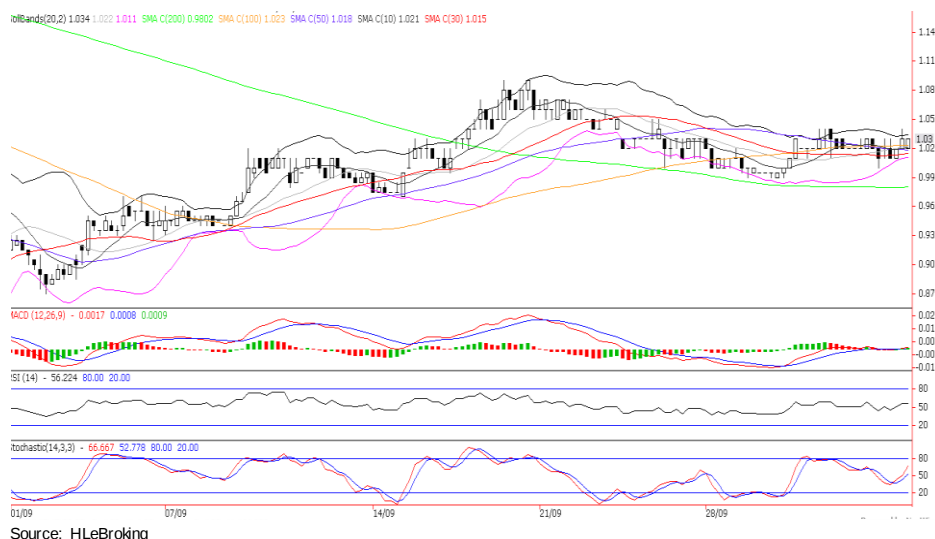


Trading Idea: Impending 200-d SMA breakout
October 5, 2015
MITRA (RM1.03/Vol:1.34m)
HOURLY CHART: BOTTOMING UP

DAILY CHART: POISED TO PENETRATE ABOVE 200-D SMA AMID DOWNTREND LINE BREAKOUT


- Our institutional research maintains Mitra (BUY; TP: RM1.95) as a top pick for smallcap contractor, with 89% upside potential. The group sits on a robust orderbook of RM1.8bn (3.5x FY14 revenue) to sustain earnings trajectory and job wins to pick up in 2H (YTD: RM230m) with RM2.8bn worth of tenders in the pipeline
- The stock offers strong earnings CAGR of about 24% from FY14-17 at undemanding valuations of 6.9-8.3x FY15-16 P/E (peers: 10.1x) and decent yields of 4.4-5.2%.
- Poised to break 200-d SMA.** After plunging 42% from 3-month high of RM1.38 (28 July) to recent low of RM0.80 (25 Aug), share price has bottomed up steadily to close at RM1.03 on 3 Oct. Given its recent downtrend line breakout and bottoming up hourly indicators, MITRA is poised to break above the long term trend line of 200-d SMA (now at RM1.06) soon.
- A clear breakout above RM1.06 could spur prices higher towards RM1.16 (61.8% FR and 100-d SMA), with our long term objective of RM1.24 (76.4% FR). Immediate supports are pegged at RM1.00 psychological level and RM0.98 (200-h SMA and 30-d SMA). Cut loss at RM0.95.

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Risk Profile

Low Risk
Moderate Risk
High Risk


Technicals (Daily)

Daily RSI	Neutral
Daily Slow stochastic	Inching up
Daily MACD	Neutral
52-w High/Low	1.35/0.59
Book value/share	RM1.09
P/BV (x)	0.95
6-month beta (x)	1.4
Average volume	1M (2.0m); 3M (2.3)
Price performance: 1-d/1-wk	0.0%/0.0%
S1/S2 (RM)	1.00/0.98
R1/R2 (RM)	1.06/1.16
Long term objective (RM)	1.24
Stop loss (RM)	0.95
HLIB Target price (RM)	1.95
Bloomberg Target price (RM)	1.76

Source: HLIB, Bloomberg

EARNINGS SUMMARY

FYE 31	FY13	FY14	FY15E	FY16E	FY17E
Revenue (RM'm)	338.0	520.0	764.0	931.0	984.0
PAT (RM'm)	25.0	54.0	80.0	96.0	102.0
Issued shrs (m)	642.1	642.1	642.1	642.1	642.1
EPS (sen)	3.9	8.4	12.5	15.0	15.9
Dividend (sen)	1.3	3.3	4.5	5.4	5.7
P/E (x)	26.5	12.2	8.3	6.9	6.5
Yield (%)	1.3	3.2	4.4	5.2	5.5

Source: HLIB

PEERS COMPARISON

Stocks	2 Oct (RM)	Issued shrs (m)	Mkt cap (RM'm)	FY15 EPS (sen)	FY15 P/E (x)
MITRA	1.030	642.1	661	12.5	8.3
NAIM	2.180	250.0	545	27.0	8.1
KIMLUN	1.230	300.6	370	11.3	10.9
SENDAI	0.760	774.0	588	6.70	11.3
Average					10.1

Source: HLIB

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BUY	Positive recommendation of stock under coverage. Expected absolute return of more than +10% over 12-months, with low risk of sustained downside.
TRADING BUY	Positive recommendation of stock not under coverage. Expected absolute return of more than +10% over 6-months. Situational or arbitrage trading opportunity.
HOLD	Neutral recommendation of stock under coverage. Expected absolute return between -10% and +10% over 12-months, with low risk of sustained downside.
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NEUTRAL	The sector, based on weighted market capitalization, is expected to have absolute return between -5% and +5% over 12-months.
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