

Alkane Resources (ALK: 69.0c)

Alkane Resources gains 4.5% on rising relative strength
Wednesday April 17, 2024 16:00 AEST

Alkane Resources Limited's (ASX: ALK 69.0c) stock price gained 3.0c (4.5%) from its previous trading session to close at 69.0c.

Compared with the All Ordinaries Index which fell 1.3 points (0.02%) in the day, the relative price increase was 4.6%.

Alkane Resources Limited is Australia's 68th largest Materials company by market cap.

In the Australian market, the stock's relative price strength percentile is rising at 61 for 6 months, 79 for 3 months, and 81 for 30 days. A price rise combined with a rising relative strength is a bullish signal.

Today its volatility (highest price minus lowest price/lowest price) of 6.1% was 1.7 times its average daily volatility of 3.6%. The high for the day was 70.0c and low for the day was 66.0c.

There were 732,552 shares worth \$A505,461 traded today. The volume was 0.7 times the average daily trading volume of 1 million shares.

Figure 1: Stock Identifiers

ISIN	AU000000ALK9
PermID	4295857008

Fig 2: Stock Summary

52-Week Range	46.0c-93.0c
Market Cap	\$A416.1 million
Shares Outstanding	603,026,512
Relative Strength (3 mo)	79

Fig 3: Technical Indicators

Name	Value	Comment
MACD	0.03	Buy
MFI	67.8	Neutral

Fig 4: Moving Averages

Name	Value	Comment
P/MAP10	1.07	Price/MAP10 above 1 and rising
P/MAP20	1.09	Price/MAP20 above 1 and rising
P/MAP50	1.05	Price/MAP50 above 1 and rising

Fig 5: Financials Summary

Year ended Jun	FY2023	FY2022	FY2021
Sales (\$ M)	124.3	107.6	83.4
Pretax (\$ M)	39.5	65.5	31.4
Net (\$ M)	27.7	45.8	21.9

EPS (AUD) 0.071 0.118 0.0564

EPS down 39.8% to 7.10c in FY2023 [y.e. 30 Jun 2023]

Net profit was down 39.6% from \$45.8 million in FY2022 to \$27.7 million in FY2023. Earnings Per Share (EPS) was down 39.8% from 11.80c in FY2022 to 7.10c in FY2023.

Bullish Signals

Uptrend

Fig 6: Price/Moving Average Price and MACD:

- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 0.66 minus the 26-day EMA of 0.63 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.

- The price to 50-day EMAP ratio is 1.1, a bullish indicator. In the past 50 days this ratio has exceeded 1.1 just twice suggesting a resistance level. The 50-day EMAP has increased to 65.02c. An increase is another bullish indicator.

Past Week:

- Alkane Resources is placed 233/1516 in BuySellSignals' ranking of Australian performers in the past week, a percentile ranking of 85.

- In the past week, volume was 1.1 times average and the shares were up 4.5%. Wednesday's close price is at a 1.5% premium to its 5-day Volume Weighted Average Price (VWAP) of 68.0c.

Past Month:

- The present value of AUD1,000 (PV1000) invested one month ago in Alkane Resources is \$A1,131, for a capital gain of \$A131.

PV\$1000	1-week	1-month
ALK.ASX	1,045	1,131
All Ordinaries Index	969	978

Fig 7: High Price Performance Indicators and rank of Alkane Resources in the Australian market:

Description	ALK Value	Rank In Market
Today's Trading Turnover	\$A505,461	In Top 20%
Price/MAP50	1.05	In Top 24%

Undervaluation [compared with sector average]

Price/Earnings and Earnings Yield:

- Price/Earnings of 9.7. We estimate Alkane Resources stock is trading at a current year P/E of 7.3 and a forward year P/E of 5.4. The P/E of 9.7 plus annual inflation in the Australia of 3.7% adds up to 13.4, well within the value benchmark Rule of 19.

- Earnings yield of 10.3% is 2.4 times the 10-year bond yield of 4.33%.

Price to Book:

- Price to Book of 1.4 [2.4]. We estimate Alkane Resources stock is trading at a current year Price to Book of 1.1 and a forward year Price to Book of 0.9.