

Reject Shop (TRS: \$A6.55)

Reject Shop rises 1.6% from 14-day low Wednesday January 13, 2021 16:00 AEST

The Reject Shop Limited (ASX:TRS), Australia's 24th largest Retailer by market cap, increased 9.0c (1.4%) from its previous close of \$A6.46 on Tuesday. Compared with the All Ordinaries Index which rose 14.8 points (0.2%) in the day, the relative price increase was 1.2%.

It hit a 14-day low of \$A6.45 during the day but rose 1.6% before settling at \$A6.55 on Wednesday. Its Williams % R is -91.7 which suggests it is oversold, a bullish signal. Its Relative Strength Index [RSI] is 16.8. An RSI reading of between 0 and 30 suggests the stock is close to its 14-day low, which is also a bullish signal.

There were 349,758 shares worth \$A2.3 million traded today. Wednesday's price rise was propped up by firm volume of 1.3 times the average daily volume of 267,719 shares.

Figure 1: Stock Identifiers

ISIN	AU000000TRS9
PermID	4295856267

Fig 2: Stock Summary

52-Week Range	\$A2.40-\$A8.50
Market Cap	\$A250.7 million
Shares Outstanding	38,276,622
Relative Strength (3 mo)	28

Fig 3: Technical Indicators

Name	Value	Comment
RSI	16.8	Buy
MFI	23.4	Neutral

Fig 4: Moving Averages

Name	Value	Comment
P/MAP200	1.19	Price/MAP200 above 1 and rising

Fig 5: Financials Summary

Year ended Jun	FY2020	FY2019	FY2018
Sales (\$ M)	638.6	617.6	622.8
Pretax (\$ M)	1.3	(18.7)	18.5
Net (\$)	871,525	(13.1M)	12.9M
EPS (AUD)	0.04	(0.5732)	0.5576

Bullish Signals

Uptrend

Price/Moving Average Price:

- The Price/MAP of 1.19 for TRS is higher than the Price/MAP for the All Ordinaries Index of 1.15.
- The price to 200-day MAP ratio is 1.19, a bullish indicator. In the past 200 days this ratio has exceeded 1.19, 130 times suggesting further upside. The 50-day MAP of \$A6.95 is higher than the 200-day MAP of \$A5.50, a bullish indicator. The 200-day MAP has increased to \$A5.50. An increase is another bullish indicator.

Fig 6: High Price Performance Indicators and rank of Reject Shop in the Australian market:

Description	TRS Value	Rank In Market
Volatility %	1.5	In Top 17%
Today's Trading Turnover	\$A2.3 million	In Top 19%

Oversold/Bullish Signals:

- The Relative Strength Index (RSI) of 16.8 has breached the oversold line of 30, suggesting the price decrease of 16.8% in the last 14 days is unusually high.
- The stock is oversold according to the Williams % R indicator of -91.7, suggesting the price is close to its 14-day low of \$A6.45.
- The Stochastic indicator of 6.4 has pierced the oversold line of 20; this indicates the price is close to its 14-day low and is likely to revert to an uptrend.

Undervaluation [compared with sector average]

Price to Sales:

- Price/Sales of 0.3 [1.6].

MCap/Total Assets:

- Tobin's Q Ratio, defined as MCap divided by Total Assets, is 0.6. Compared with the rest of the market the stock is undervalued and ranks in the top quartile of stock by value of Q Ratio.

Undervaluation Indicators and rank of Reject Shop in the Australian market:

Description	Value	Rank In Market
Cash to MCap %	36.9	In Top 6%
Price to Sales	0.3	In Top 9%