

AMMB Holdings Bhd

Riding onto rising interest rate environment

- Ranked as the 6th largest banking group by assets in Malaysia in FY21 that provides a range of services such as wholesale banking, business banking, retail banking, investment banking and other related financial services.
- Loan growth is projected to rise 6.0% YoY in FY23f and higher net interest margin (NIM) at 2.05-2.10% vs. 2.05% recorded in FY22.
- Rising interest rate environment under the improving economic indicators and to curb the prospects of rising inflationary pressure bodes well.
- Technically, price has formed a flag-formation breakout above RM3.77, targeting the next resistances at RM3.87-4.00 with long term target at RM4.20.

AMMBANK daily: Flag-formation breakout



M+ Wiz

AMMB HOLDINGS BHD

Last Price (RM)	3.79
5 Day Change (%)	-1.6
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	52.9
52Week Range Percentile (%)	92.5
Volatility 30D	28.1
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	2.3
DMI DI+	26.5
DMI DI-	20.5
ADX	18.8
Price Skew	UP
RSI 14D	48.4
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	64.0

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Trading Catalyst

- Ammb Holdings Bhd (AMMBANK) is ranked as the 6th largest banking group by assets in Malaysia in FY21 that provides a range of services such as wholesale banking, business banking, retail banking, investment banking and other related financial services. It has a workforce of approximately 10,000 employees and serves over 3.0m individual and corporate customers.
- We favour AMMBANK for its improving balance sheet position with net interest income in FY22 rose 11.6% YoY to RM2.33bn. Moving into FY23f, the management has guided that loan growth is projected to rise 6.0% YoY and slightly higher net interest margin (NIM) at 2.05-2.10% vs. 2.05% recorded in FY22.
- We expect the rising interest rate environment under the improving economic indicators and to curb the prospects of rising inflationary pressure to bode well for AMMBANK. At RM3.79, AMMBANK is also trading below its net book value of RM5.06, suggesting valuations are attractive in our view.

Financial snapshot

FYE Mar	FY22	FY23f	FY24f
Revenue (RM m)	6581.0	4665.0	5041.5
Net profit (RM m)	-3826.5	1594.0	1671.1
Shares (m)	3310.9	3310.9	3310.9
EPS (sen)	-115.6	48.1	50.5
DPS (sen)	-	15.6	17.2
P/E (x)	-	7.9	7.5
DY (%)	-	4.1	4.5
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Technical Outlook

- Technically, the share price is on the gradual uptrend mode since August 2021. Following the recent recovery along daily EMA120 in May 2022, price has staged a consolidation over the past month. For now, price has formed a flag-formation breakout above RM3.77, targeting the next resistances at RM3.87-4.00 with long term target at RM4.20. Support is pegged at RM3.64 and cut loss is located at RM3.63.

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.
EMA9, EMA20, EMA60 Trend	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.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	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.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition. 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