

## CIMB Group Holdings Bhd

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

### Banking on anticipated higher interest rate environment

- Ranked as the 5th largest banking group by assets in ASEAN supported by 33,000 staffs and has over 18.0m customers as at end-December 2021.
- Bank Negara Malaysia (BNM) may mirror the US Federal Reserve to raise the benchmark interest rate in 2H22 in bid to contain the inflationary pressure.
- Trading below its net book value of RM5.76, suggesting that valuations could be attractive at current juncture and prospective dividend yields at 4.8% and 5.9% for FY22f and FY23f respectively are fairly decent.
- Technically, traders may anticipate for a potential rebound above RM5.10 to target the next resistances at RM5.30-5.50 with long term target at RM5.75.

### CIMB daily: Monitor for breakout



M+ Wiz

### CIMB GROUP HOLDINGS BHD

Last Price (RM)	5.09
5 Day Change (%)	7.2
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	91.2
52Week Range Percentile (%)	62.1
Volatility 30D	38.7
EMA9, EMA20, EMA60 Trend	Downtrend
Price vs. EMA20 (%)	-1.8
DMI DI+	20.4
DMI DI-	34.8
ADX	31.3
Price Skew	UP
RSI 14D	36.8
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	32.6

### Bloomberg

### Trading Catalyst

- CIMB Group Holdings Bhd (CIMB) is regarded as one of the leading ASEAN universal banks and a world leader in Islamic finance. As at end-December 2021, it is ranked as the 5th largest banking group by assets in ASEAN supported by 33,000 staffs and has over 18.0m customers.
- Following the widely anticipated interest rate hike by the US Federal Reserve this week in bid to contain the rising inflationary pressure, we reckon that Bank Negara Malaysia (BNM) may also follow suite to raise the benchmark interest rate in 2H22. The rate hike would also be in line with the improvement in economic growth that is anticipated to expand by 5.5-6.5% by BNM.
- CIMB is trading below its net book value of RM5.76, suggesting that the valuations could be attractive at this current juncture. Based on the share price of RM5.09, prospective dividend yields stood at 4.8% and 5.9% for FY22f and FY23f respectively are fairly decent.

### Financial snapshot

FYE Dec	FY21	FY22f	FY23f
Revenue (RM m)	18424.6	19197.1	20515.3
Net profit (RM m)	4295.3	4912.5	6070.6
Shares (m)	10221.5	10221.5	10221.5
EPS (sen)	42.0	48.1	59.4
DPS (sen)	4.8	24.6	29.8
P/E (x)	12.1	10.6	8.6
DY (%)	0.9	4.8	5.9

### Bloomberg

## Technical Outlook

- Technically, share price has been on a strong uptrend mode since May 2021. After multi months of rally, the upward move has taken a breather before a pullback take place in March 2022. Price appears to have found some stability and marched higher in recent days. For now, traders may anticipate for a potential rebound above RM5.10 to target the next resistances at RM5.30-5.50 with long term target at RM5.75. Support is pegged at RM4.92 and cut loss is located at RM4.91.

## Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: $[(\text{Last Trade} - \text{Closing Price Five Days Ago}) / \text{Closing Price Five Days Ago}] \times 100$
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