

Deleum Bhd

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Better prospects from elevated oil prices

- History dated back to 1982 and has evolved into a major upstream oil & gas player that offers power and machinery (P&M) business through a joint venture, provision of oilfield services (OS) and integrated corrosion solutions (ICS).
- Healthy outstanding order book at approximately RM2.20bn that will provide earnings visibility over the next 18 months.
- Operates in a healthy balance sheet with a net cash position of RM176.5m, translating to net cash per share of 44.0 sen (c.72.1% of share price).
- Technically, price has formed a short-term breakout above RM0.595 and may trend higher to target the next resistances at RM0.635-0.675 with long term target at RM0.76.

DELEUM daily: Resistance breakout



M+ Wiz

Trading Catalyst

- Deleum Bhd (DELEUM) history dated back to 1982 and has evolved into a major upstream oil & gas player that offers power and machinery (P&M) business through a joint venture, provision of oilfield services (OS) and integrated corrosion solutions (ICS).
- Moving forward, DELEUM will focus onto growth and expansion into new geographical markets and investments in new product lines. Meanwhile, their outstanding order book remains healthy at approximately RM2.20bn that will provide earnings visibility over the next 18 months.
- With the oil prices staying above USD90/bbl, we reckon that the power and machinery business will be boosted by stronger demand with the focus towards the aftermarket and new equipment sales. As of 1QFY22, DELEUM operates in a healthy

DELEUM BHD

Last Price (RM)	0.610
5 Day Change (%)	5.2
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	77.8
52Week Range Percentile (%)	50.0
Volatility 30D	37.1
EMA9, EMA20, EMA60 Trend	Downtrend
Price vs. EMA20 (%)	3.5
DMI DI+	40.5
DMI DI-	18.9
ADX	22.9
Price Skew	UP
RSI 14D	50.0
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	82.3

Bloomberg

Financial snapshot

FYE Dec	FY20	FY21	FY22
Revenue (RM m)	558.4	584.0	617.0
Net profit (RM m)	17.1	25.2	30.4
Shares (m)	401.6	401.6	401.6
EPS (sen)	4.3	6.3	7.6
DPS (sen)	1.0	2.4	2.8
P/E (x)	14.4	9.7	8.1
DY (%)	1.6	3.9	4.6

Bloomberg

balance sheet with a net cash position of RM176.5m, translating to net cash per share of 44.0 sen (c.72.1% of share price).

Technical Outlook

- Technically, share price has pullback since early-May 2022 before finding stability towards end-June 2022. Price has since rebounded to close above daily SMA200. Coming closes, price has formed a short-term breakout above RM0.595 and may trend higher to target the next resistances at RM0.635-0.675 with long term target at RM0.76. Support is pegged at RM0.56 and cut loss is located at RM0.555.

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