

Hiap Teck Venture Berhad

Loui Low Ley Yee
louilow@msec.com.my
(603) 2201 2100

Riding along the construction boom going forward

- HIAPTEK is a leading steel company in Malaysia, serving both domestic and international in various sectors.
- Earnings recovery is intact with enhanced margins and sales volumes.
- Under the 12MP MTR, Development Expenditure has increased with an additional RM15bn and RM279bn will be spent over the next 3 years. It should have positive impact on the construction sector.
- Technically, traders may anticipate for a potential consolidation breakout above RM1.17 to target the next resistances at RM1.24-1.29 with long term target set at RM1.35.

HIAPTEK daily: Consolidation breakout



Bloomberg

Trading Catalyst

- **Solid earnings recovery.** In 4Q23, it has seen a jump of net profit to RM42.6m (+184% QoQ, 74% YoY) on the back of higher sales volume, with enhanced profit margins as well as higher share of profit from its JV entity.
- **Prospects.** Under the 12MP MTR, Development Expenditure has increased with an additional RM15bn and RM279bn will be spent over the next 3 years. 11 major structure projects were highlighted, including Sabah PBH, Penang LRT, Upgrading of Penang International Airport and Subang Airport and development of Carey Port. These projects will have positive impact on the construction sector.

Technical Outlook

- Share price has experienced a sideways consolidation breakout above RM0.445, it may surge towards the triangle projected target of RM0.51-0.54, followed by a long-term target of RM0.55. Support is envisaged around RM0.41-0.425 and the cut loss is set around RM0.405.

Company profile

Incorporated in 1993, Hiap Teck Venture Berhad (HIAPTEK) is a dynamic and leading steel company in Malaysia. HIAPTEK holds more than 25 years of extensive steel industry experience, offering one-stop steel product solutions for steel application to a diverse customer base both domestic and international in multiple sectors such as building construction, manufacturing, engineering and oil and gas.

HIAP TECK VENTURE BHD

Last Price (RM)	0.450
5 Day Change (%)	2.3
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	71.4
52Week Range Percentile (%)	92.2
Volatility 30D	48.0
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	4.6
DMI DI+	25.8
DMI DI-	11.1
ADX	28.6
Price Skew	UP
RSI 14D	60.2
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	93.7

Bloomberg

Financial snapshot

FYE Jul	FY21	FY22	FY23
Revenue (RM m)	1081.9	1583.3	1585.2
Net profit (RM m)	163.4	156.0	30.9
Shares (m)	1742.2	1742.2	1742.2
EPS (sen)	9.4	9.0	1.8
DPS (sen)	1.0	1.0	0.5
P/E (x)	4.8	5.0	25.4
DY (%)	2.2	2.2	1.1

Bloomberg

FY23* based on trailing-12-months data

Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.

As of **Wednesday, 04 Oct, 2023**, the analyst(s), Loui Low Ley Yee, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

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
