

Jaya Tiasa Holdings Bhd

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Driven by higher CPO prices

- Started in 1987 as a wood processing company and has since diversified into palm oil business in 2002 having close to 70,000.0-ha of planted area in Sarawak.
- Earnings growth will be supported by the healthy tree age profile with 97% of its CPO planted land comprises prime trees and 3% of young mature trees.
- CPO prices to remain stable, anchored by stronger demand from India that has taken advantage of the recent low prices to ramp up imports in June 2023.
- Technically, price has formed a short-term flag-formation breakout above RM0.675 and may target the next resistances at RM0.71-0.74 with long term target at RM0.80.

JTIASA daily: Flag-formation breakout



M+ Wiz

Trading Catalyst

- Jaya Tiasa Holdings Bhd (JTIASA) started off in 1987 as a wood processing company and has since diversified into palm oil business in 2002 with now close to 70,000.0-ha of planted area in Sarawak. Besides having 6 timber concession licenses covering a land area 412,478-ha, the group owns 4 palm oil mills with processing capacity of 330MT/hr.
- Moving forward, earnings growth will be supported by the healthy tree age profile with 97% of its CPO planted land comprises prime trees and 3% of young mature trees. This will also be backed by a decent CPO extraction rate that registered 18.5% in FY22 vs. 18.1% in FY21.
- We foresee CPO prices to remain stable, (averaging between RM3,000-4,000/MT in 2H23) after slumping to 28 months low at end-March 2023. This will be anchored by stronger demand from India that has taken advantage of the recent low prices to ramp up imports in June 2023. Also, the weaker ringgit against the USD also bodes well for the export-oriented palm oil industry.

JAYA TIASA HOLDINGS BHD

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|------------------------------|---------------|
| Last Price (RM) | 0.685 |
| 5 Day Change (%) | 3.0 |
| 1 Day Range Percentile (%) | 1.0 |
| 30 Day Range Percentile (%) | 1.2 |
| 52Week Range Percentile (%) | 71.4 |
| Volatility 30D | 35.3 |
| EMA9, EMA20, EMA60 Trend | Consolidation |
| Price vs. EMA20 (%) | 3.9 |
| DMI DI+ | 25.6 |
| DMI DI- | 21.0 |
| ADX | 19.2 |
| Price Skew | NEUTRAL |
| RSI 14D | 75.9 |
| RSI OB/OS | Negative |
| Price vs. Bollinger Band (%) | 95.6 |

Bloomberg

Financial snapshot

| FYE Jun | FY22 | FY23f | FY24f |
|-------------------|-------|-------|-------|
| Revenue (RM m) | 810.8 | 841.5 | 809.0 |
| Net profit (RM m) | 134.3 | 122.5 | 111.0 |
| Shares (m) | 973.7 | 973.7 | 973.7 |
| EPS (sen) | 13.8 | 12.6 | 11.4 |
| DPS (sen) | 2.8 | 3.0 | 3.0 |
| P/E (x) | 5.0 | 5.4 | 6.0 |
| DY (%) | 4.1 | 4.4 | 4.4 |

Bloomberg

Technical Outlook

- Technically, share price is on the recovery trend since 4Q22. Price has gradually formed a higher high and higher low formation and steadied above SMA200 since mid-February 2023. Following the recent pullback to SMA200, price appears to be on the rebound mode. Coming closer, price has formed a short-term flag-formation breakout above RM0.675 and may target the next resistances at RM0.71-0.74 with long term target at RM0.80. Support is pegged at RM0.645 and cut loss is located at RM0.64.

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As of **Wednesday, 28 Jun, 2023**, the analyst(s), Kenneth Leong, 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

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|------------------------------|--|
| 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 |