

## Malayan Flour Mills Bhd

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### Pioneer in flour milling

- Regarded as the pioneer in the flour milling industry in Malaysia with milling capacity of 1,810 tonnes of wheat per day and involves in poultry operations, aquatic breeding and feeds as well as trading of grains.
- Leveraging onto the rising demand for processed meat in QSR and food manufacturing sectors.
- Government's move in mulling to lift the ceiling price of chicken and eggs bodes well for MFLOUR's poultry operations.
- Technically, traders may anticipate for a short-term breakout above RM0.805 to target the next resistances at RM0.84-0.86 with long term target set at RM0.90.

### MFLOUR daily: Monitor for breakout



M+ Wiz

### Trading Catalyst

- Malayan Flour Mills Bhd (MFLOUR) is regarded as the pioneer in the flour milling industry in Malaysia. The group operations located at Lumut and Pasir Gudang has a combined milling capacity of 1,810 tonnes of wheat per day. MFLOUR also involves in poultry operations, aquatic breeding and feeds as well as trading of grains.
- Moving forward, MFLOUR will be leveraging onto the rising demand for processed meat in QSR and food manufacturing sectors. While wheat prices continue to normalise towards USD665/bushel, we gather that the aforementioned figure is still well above pre-pandemic level of below USD600/bushel.
- We reckon that the government move in mulling to lift the ceiling price of chicken and eggs bodes well for MFLOUR's poultry operations. At RM0.805, prospective dividend yields of 4.0-4.3% in FY23f-FY24f based on Bloomberg consensus estimates are also fairly decent, in our view.

### MALAYAN FLOUR MILLS BHD

|                              |          |
|------------------------------|----------|
| Last Price (RM)              | 0.805    |
| 5 Day Change (%)             | -1.8     |
| 1 Day Range Percentile (%)   | 100.0    |
| 5 Day Range Percentile (%)   | 37.5     |
| 52Week Range Percentile (%)  | 84.1     |
| Volatility 30D               | 29.6     |
| EMA9, EMA20, EMA60 Trend     | Uptrend  |
| Price vs. EMA20 (%)          | 1.1      |
| DMI DI+                      | 26.3     |
| DMI DI-                      | 21.1     |
| ADX                          | 19.0     |
| Price Skew                   | DOWN     |
| RSI 14D                      | 69.6     |
| RSI OB/OS                    | Positive |
| Price vs. Bollinger Band (%) | 68.2     |

Bloomberg

### Financial snapshot

| FYE Dec           | FY20   | FY21   | FY22   |
|-------------------|--------|--------|--------|
| Revenue (RM m)    | 2915.6 | 2969.0 | 3183.0 |
| Net profit (RM m) | 145.0  | 153.0  | 162.0  |
| Shares (m)        | 1020.6 | 1020.6 | 1020.6 |
| EPS (sen)         | 14.2   | 15.0   | 15.9   |
| DPS (sen)         | 3.0    | 3.2    | 3.5    |
| P/E (x)           | 5.7    | 5.4    | 5.1    |
| DY (%)            | 3.7    | 4.0    | 4.3    |

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## Technical Outlook

- Technically, share price has surged strongly since November 2022. Price has since staged a mild pullback and consolidated in recent months. With price finding stability along daily EMA60, price has recovered above daily EMA9. For now, traders may anticipate for a short-term breakout above RM0.805 to target the next resistances at RM0.84-0.86 with long term target set at RM0.90. Support is pegged at RM0.75 and cut loss is located at RM0.745.

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

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