

Oka Corporation Bhd

Re-looking into domestic construction activities

- Established in 1981 and has now positioned as one of the largest manufacturers of precast concrete products in Malaysia.
- After multiple lockdowns over the past 2 years, job flows may accelerate amid the upcoming mega infrastructure rail and transport-related projects, particularly in 2H22.
- Equipped with a healthy balance sheet with net cash position of RM49.0m; representing net cash per share of 20.0 sen (c.24.5% of share price).
- Technically, traders may anticipate for a breakout above RM0.82 to target the next resistances at RM0.85-0.875 with long term target at RM0.92.

OKA daily: Monitor for breakout



OKA CORPORATION BHD	
Last Price (RM)	0.815
5 Day Change (%)	2.5
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	87.5
52Week Range Percentile (%)	45.3
Volatility 30D	36.9
EMA9, EMA20, EMA60 Trend	Downtrend
Price vs. EMA20 (%)	1.0
DMI DI+	20.6
DMI DI-	15.0
ADX	29.2
Price Skew	UP
RSI 14D	51.8
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	56.6
Bloomberg	

Trading Catalyst

- Established in 1981, Oka Corporation Bhd (OKA) has now positioned as one of the largest manufacturers of precast concrete products in Malaysia. Its products include jacking pipes, precast concrete pipes, septic tank, arch bridge system and among others that are widely used for the infrastructure construction activities.
- Moving forward, we expect OKA will be able to leverage on the improving construction activities after multiple lockdowns in over the past 2 years. We reckon that job flows may accelerate amid the upcoming mega infrastructure rail and transport-related projects, particularly in 2H22.
- As of 3QFY22, OKA is equipped with a healthy balance sheet with cash position of RM49.0m and zero borrowings; representing net cash per share of 20.0 sen (c.24.5% of share price). Based on current share price of RM0.815, its trailing-12-months dividend yield for FY22 is also fairly attractive at 5.6%.

Financial snapshot

FYE Mar	FY20	FY21	FY22*
Revenue (RM m)	119.1	116.1	114.6
Net profit (RM m)	11.4	13.8	14.4
Shares (m)	245.4	245.4	245.4
EPS (sen)	4.6	5.6	5.9
DPS (sen)	4.0	4.5	4.6
P/E (x)	17.6	14.5	13.9
DY (%)	4.9	5.5	5.6

Bloomberg

*FY22 based on trailing 12-months data

Technical Outlook

- Technically, share price is on the consolidation mode since the pullback in November 2021. Price attempts to form a gradual recovery trend in recent months before volatility took precedence. For now, we notice there were signs of mild improvement in trading activities in recent weeks and traders may anticipate for a breakout above RM0.82 to target the next resistances at RM0.85-0.875 with long term target at RM0.92. Support is pegged at RM0.77 and cut loss is located at RM0.765.

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