

Texchem Resources Bhd

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Expansions across all segments

- Started off as a textile chemical trader and now engaged in 5 business segments.
- Allocated RM44.0m as CAPEX for the expansion of its existing business operations, riding onto the growth of polymer engineering and the F&B markets.
- Targets to open 20 kiosks and satellite outlets at petrol stations, hospitals and supermarkets, serving takeaway dishes for its restaurant business.
- Technically, the extended rebound may likely to lift share price higher to target the next resistances at RM3.30-3.47 with long term target at RM3.92.

TEXCHEM daily: Resistance breakout



M+ Wiz

Trading Catalyst

- Texchem Resources Bhd (TEXCHEM) started off as a textile chemical trader and has now evolved into the (i) sales and distribution of industrial raw materials and additives, (ii) polymer engineering, (iii), seafood processing, (iv) food & beverage and (v) corporate services.
- Moving forward, TEXCHEM has allocated RM44.0m as CAPEX for the expansion of its existing business operations, riding onto the growth of polymer engineering and food & beverage market. The polymer engineering segment will be leveraging onto the surge in demand of data storage from hard disk drives (HDD) as well as medical devices.
- Meanwhile, TEXCHEM targets to open 20 kiosks and satellite outlets at petrol stations, hospitals and supermarkets, serving takeaway dishes for its restaurant business. At RM3.16, we gather that prospective dividend yields are fairly attractive at 5.7% and 6.6% for FY22f and FY23f respectively.

TEXCHEM RESOURCES BHD

Last Price (RM)	3.16
5 Day Change (%)	13.7
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	93.9
52Week Range Percentile (%)	73.6
Volatility 30D	46.8
EMA9, EMA20, EMA60 Trend	Downtrend
Price vs. EMA20 (%)	6.0
DMI DI+	28.4
DMI DI-	22.4
ADX	29.0
Price Skew	UP
RSI 14D	62.3
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	91.0

Bloomberg

Financial snapshot

FYE Dec	FY21	FY22f	FY23f
Revenue (RM m)	1087.31	1228.01	1327.0
Net profit (RM m)	25.4	46.0	54.0
Shares (m)	119.1	119.1	119.1
EPS (sen)	21.3	38.6	45.3
DPS (sen)	10.0	18.0	21.0
P/E (x)	14.8	8.2	7.0
DY (%)	3.2	5.7	6.6

Bloomberg

Technical Outlook

- Technically, the price surge has formed a double-top formation before staging a pullback. Following the 2-month retracement, price is on a rally again, rising to close above daily EMA60. The extended rebound may lift the share price higher to target the next resistances at RM3.30-3.47 with long term target at RM3.92. Support is pegged at RM2.70 and cut loss is located at RM2.69.

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