

TSH Resources Bhd

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Unlocking asset value

- Plantation operations span over 42,000-ha across Sabah and Indonesia, while 67.0%-owned subsidiary; Ekowood International Bhd has a production capacity up to 27.0m sqf of engineering hardwood flooring (EHF) per annum.
- Disposal of 13,898-ha of a largely undeveloped oil palm land at Kalimantan for RM731.0m cash has pared down gearing to 0.2x in 3QFY22 and is expected to generate an interest saving of approximately RM20.0m per annum.
- CPO prices to remain fair stable, premised to the re-opening of China's borders and Indonesia's move to suspend some palm oil export permits.
- Technically, price has experienced a short-term breakout above RM1.10 and may target the next resistance of RM1.15-1.20, with long term target at RM1.32.

TSH daily: Short-term resistance breakout



TSH RESOURCES BHD

Last Price (RM)	1.11
5 Day Change (%)	3.7
1 Day Range Percentile (%)	3.7
5 Day Range Percentile (%)	4.7
52Week Range Percentile (%)	-52.4
Volatility 30D	21.2
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	1.5
DMI DI+	23.5
DMI DI-	15.8
ADX	16.2
Price Skew	NEUTRAL
RSI 14D	60.9
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	134.1

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Trading Catalyst

- TSH Resources Bhd's plantation operations spans over 42,000-ha in planted areas across Sabah as well as parts of Kalimantan and Sumatra, Indonesia. Besides, their 67.0%-owned subsidiary; Ekowood International Bhd is operating in 2.0m sqf manufacturing plant located at Gopeng, Perak with production capacity up to 27.0m sqf of engineering hardwood flooring (EHF) per annum.
- Moving forward, the conditional agreement to sell 13,898-ha of a largely undeveloped oil palm land at Kalimantan for RM731.0m cash that was completed has pared down their gearing to 0.2x in 3QFY22 (from 0.5x in 1QFY22). The move is expected to generate an interest saving of approximately RM20.0m per annum.
- We expect the average selling prices to remain fairly stable with CPO prices recovering above RM4,000/MT, premised to the re-opening of China's borders. Also, Indonesia's move to suspend some palm oil export permits to secure domestic supply is expected to keep CPO prices afloat.

Financial snapshot

FYE Dec	FY21	FY22f	FY23f
Revenue (RM m)	1188.9	1421.8	1222.5
Net profit (RM m)	170.8	206.7	143.1
Shares (m)	1381.0	1381.0	1381.0
EPS (sen)	12.4	15.0	10.4
DPS (sen)	3.0	8.0	3.0
P/E (x)	9.0	7.4	10.7
DY (%)	2.7	7.2	2.7

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Technical Outlook

- Technically, share price is on the gradual rebound mode since 4Q2022. Price has recently climbed to re-test SMA200 before staging a mild pullback. With price establishing the higher low formation, price has experienced a short-term breakout above RM1.10 and may target the next resistance of RM1.15-1.20, with long term target at RM1.32. Support is pegged at around RM1.05, while cut loss is set at RM1.04.

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