

Wellcall Holdings Bhd

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Propelled by solid demand in industrial rubber hose

- The largest original equipment manufacturer (OEM) rubber hose manufacturer in Malaysia with approximately 90.0% of their products are exported overseas.
- Focus on the high-mix, low-volume (HMLV) products and will gradually revise their pricing for certain products in line with the higher cost of production.
- Equipped with a net cash position of RM59.5m, translating to net cash per share of 12.0 sen (c.9.6% of share price) and adopts a dividend policy of minimum 50.0% pay-out from net profit.
- Technically, price has formed a short-term resistance breakout above RM1.24, targeting the next resistances at RM1.29-1.38 with long term target set at RM1.50.

WELLCAL daily: Resistance breakout



M+ Wiz

Trading Catalyst

- Wellcall Holdings Bhd (WELLCAL) is regarded as the largest original equipment manufacturer (OEM) rubber hose manufacturer in Malaysia. Approximately 90.0% of their products are exported mainly to Canada, US, Middle East and Australia with wide range of clientele ranging from wholesalers, distributors and industrial manufacturers.
- Moving forward, WELLCAL will continue to focus on the high-mix, low-volume (HMLV) products and will gradually revise their pricing for certain products in line with the higher cost of production. We gather that demand for industrial rubber hose remains relatively solid with current orders will keep the group busy till end-2022.
- As of 3QFY22, WELLCAL is equipped with a net cash position of RM59.5m, translating to net cash per share of 12.0 sen (c.9.6% of share price). With a minimum 50.0% dividend policy pay-out, prospectively dividend yields stand at 4.5% and 4.9% for FY22f and FY23f are also fairly decent.

WELLCAL HOLDINGS BHD

Last Price (RM)	1.25
5 Day Change (%)	1.6
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	66.7
52Week Range Percentile (%)	66.7
Volatility 30D	15.8
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	2.7
DMI DI+	18.4
DMI DI-	14.9
ADX	27.1
Price Skew	NEUTRAL
RSI 14D	72.5
RSI OB/OS	Overbought
Price vs. Bollinger Band (%)	115.0

Bloomberg

Financial snapshot

FYE Sep	FY21	FY22f	FY23f
Revenue (RM m)	157.0	175.0	182.8
Net profit (RM m)	34.2	34.6	37.7
Shares (m)	497.5	497.5	497.5
EPS (sen)	6.9	7.0	7.6
DPS (sen)	5.6	5.6	6.1
P/E (x)	18.2	18.0	16.5
DY (%)	4.5	4.5	4.9

Bloomberg

Technical Outlook

- Technically, share price is on the longer-term consolidation mode since March 2022. Price has recently recovered to close above the daily EMA9 accompanied by rising volumes. The recovery has also lifted price to form a short-term resistance breakout above RM1.24, targeting the next resistances at RM1.29-1.38 with long term target set at RM1.50. Support is pegged at RM1.18 and cut loss is located at RM1.17.

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