

Tuesday, 05 Dec, 2023

Betamek Berhad

Tagging The Growth In The Automotive Industry

- In July-2023, MAA revised upwards their forecasted TIV from 650k to 725k units for 2023. For 9M23, Perodua sales rose 18.8% YoY, while Proton increased 14.1% YoY and this may benefit BETAMEK as they supply various electronics parts to Perodua.
- MOU between BETAMEK-Shenzhen Zhonghong Technology Co. could provide synergy and produce new products going forward, which is likely to translate to future revenue growth of the group.
- The company showcased growing revenue and earnings its 2QFY24 quarterly report, and its NA per share increased to RM0.32 (from RM0.31) for the quarter.
- The company has been trading at a P/E around 10x, which is relatively lower as compared to its counterparts such as EG (P/E: 17.5x) and V.S Industries (P/E: 18.8x).

BETA daily: Sideways consolidation phase and ripe for a rebound



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Trading Catalyst

- Malaysian Automotive Association had in July 2023, revised upwards their forecasted Total Industry Volume for 2023 from 650,000 units to 725,000 units.
- For the nine months of 2023, Perodua has recorded sales for 233,227 units, an increase of 18.78% YoY as compared to last year of 196,354 units sold. On the other hand, Proton also recorded a noteworthy YoY increase of 14.1%, having sold a total of 116,836 units over the same nine-month period in 2023.
- Memorandum of Understanding (MOU) with Shenzhen Zhonghong Technology Co. is set to significantly enhance the company's outlook. This strategic move involves the acquisition of new technology, technical know-how and access to new resources and customer base which would improve the Group's future revenue growth.

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Company profile

The company are engaging in the provision of EMS for the automotive markets in Malaysia.

BETAMEK BERHAD

Last Price (RM)	0.415
5 Day Change (%)	0.0
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	50.0
52Week Range Percentile (%)	5.6
Volatility 30D	21.8
EMA9, EMA20, EMA60 Trend	Downtrend
Price vs. EMA20 (%)	-0.1
DMI DI+	19.1
DMI DI-	13.6
ADX	21.5
RSI 14D	46.9
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	45.3

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Financial snapshot

FYE Mar	FY21	FY22	FY23
Revenue (RM m)	129.9	133.1	205.7
Net profit (RM m)	12.2	13.5	16.3
Shares (m)	450.0	450.0	450.0
EPS (sen)	2.7	3.0	3.6
DPS (sen)	100.0	117.0	1.4
P/E (x)	15.3	13.9	11.5
DY (%)	241.0	281.9	3.3

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Technical Outlook

- The stock has maintained a consistent range between RM 0.40-0.43 over the past 1 month. We believe it could be bottoming out and traders could monitor for a breakout above the short term resistance of RM0.43. Should it breakout above this level, next target will be set around RM0.46 and RM0.49. Notably, the current support level is pegged at RM0.39.

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(a) nil.

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



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