

Thursday, 28 Dec, 2023

## Hup Seng Industries Berhad

### Decent Dividend Yield with Growing Earnings

- Established since 1958, with its long-standing household brand, capturing solid demand among local consumers.
- Net profit has been consistently positive on the back of strong domestic sales, coupled with strong dividend payout above an average of 70% since 2012.
- Technically, HUPSENG has experienced a breakout above RM0.805, targeting RM0.86-0.88, with a LT target at RM0.90. Support is located around RM0.76-0.78, and cut loss is set around RM0.75.

#### HUPSENG daily: Sideways consolidation breakout



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### Trading Catalyst

- HUPSENG is a long-standing household brand.** The Hup Seng brand was established since 1958, thus they have developed into a well renowned brand and has captured stable demand from the consumers.
- HUPSENG has been delivering consistent earnings.** In 3Q23, HUPSENG registered a net profit of RM13.0m (+49.3% QoQ, +239.4% YoY) on the back of lower input costs and higher revenue. Meanwhile, HUPSENG has achieved a revenue of RM91.2m (+15.5% QoQ, +34.2% YoY), supported by stronger domestic sales.
- HUPSENG has delivered an average dividend payout above 70% since 2012.** The strong dividend payout provides great value for investors. Currently, the dividend yield stood at 3.7%.

### Technical Outlook

- Share price has been consolidating sideways and experienced a breakout above RM0.805. As the technical readings are positive, we expect follow-through buying interest to be seen in the near term, targeting RM0.86-0.88, with a LT target at RM0.90. Support is set around RM0.76-0.78, with a cut loss set around RM0.75.

Loui Low Ley Yee  
[louilow@msec.com.my](mailto:louilow@msec.com.my)  
(603) 2201 2100

#### Company profile

HUPSENG engages in the manufacturing and sale of crackers/biscuits and confectionery food items.

#### HUP SENG INDUSTRIES BHD

Last Price (RM)	0.810
5 Day Change (%)	0.0
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	66.7
52Week Range Percentile (%)	82.2
Volatility 30D	28.7
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	2.5
DMI DI+	29.6
DMI DI-	14.3
ADX	31.0
RSI 14D	46.9
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	97.2

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#### Financial snapshot

FYE Dec	FY21	FY22	LTM
Revenue (RM m)	295.8	318.2	346.5
Net profit (RM m)	27.2	26.1	42.1
Shares (m)	800.0	800.0	800.0
EPS (sen)	3.4	3.3	5.3
DPS (sen)	1.5	2.0	4.1
P/E (x)	23.6	24.7	15.3
DY (%)	1.9	2.5	5.1

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LTM is the trailing 12 months financial.



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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. 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.
EMA9, EMA20, EMA60 Trend	Position of the price away from the EMA20 level
Price vs. EMA20 (%)	Positive directional movement.
DMI DI+	Negative directional movement.
DMI DI-	ADX is a moving average of the directional movement index.
ADX	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up.
Price Skew	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.
RSI OB/OS	If RSI 14 days is greater or equal to 70, it will be stated Overbought. 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

