

Tuesday, 12 Mar, 2024

## Sunway Construction Group Berhad

### Solid Growth Within The Construction Segment

- **SUNCON delivered a growth in net profit for FY23.**
- **Outstanding orderbook stands at RM5.3bn as of 4Q23.**
- **Singapore's HDB targets to launch about 19,600 Build-To-Order (BTO) flats may provide upside move towards the precast segment.**
- **Technically, SUNCON could be on the verge of a breakout, targeting RM2.73-2.75, with a LT target at RM2.85. Support is set around RM2.48-2.54, with a cut loss set around RM2.45**

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#### Company profile

SUNCON provides construction and engineering services. The Company offers its services throughout Malaysia.

#### SUNWAY CONSTRUCTION GROUP BHD

Last Price (RM)	2.59
5 Day Change (%)	1.2
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	80.0
52Week Range Percentile (%)	84.1
Volatility 30D	39.3
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	2.2
DMI DI+	28.9
DMI DI-	10.6
ADX	51.8
RSI 14D	58.5
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	60.7

#### Bloomberg

#### Financial snapshot

FYE Dec	FY22	FY23	FY24f
Revenue (RM m)	2155.2	22671.2	3095.5
Net profit (RM m)	135.2	145.1	178.7
Shares (m)	1289.4	1289.4	1289.4
EPS (sen)	10.5	11.3	13.9
DPS (sen)	5.5	6.0	7.0
P/E (x)	24.7	23.0	18.7
DY (%)	2.1	2.3	2.7

#### Bloomberg

FY24f represents the forecasted figures for FY24.

#### SUNCON daily: Sideways consolidation breakout



Bloomberg

### Trading Catalyst

- **SUNCON delivered a growth in net profit for FY23.** In FY23, SUNCON has achieved a net profit of RM145.1m from RM135.2m (+7.34% YoY) on the back of stronger revenue at RM2.67bn from RM2.16bn (+23.6% YoY). The revenue increase was mainly due to increased contribution from its construction and precast segments.
- **Outstanding orderbook stands at RM5.3bn** as of 4Q23 will provide earnings visibility to SUNCON for the near-term. Meanwhile, SUNCON raised target orderbook replenishment for 2024 to a range of RM2.5-RM3.0bn.
- In 2024, **Singapore's HDB targets to launch about 19,600 Build-To-Order (BTO) flats** across three sales exercises in February, June and October. Given that over 90% of SUNCON's precast segment sales are tied to Singapore HDB flats, there should be healthy demand for the precast segment.

### Technical Outlook

- Share price has been consolidating and last closed at RM2.59. As the technical readings are positive, we expect follow-through buying interest to be seen in the near term, targeting RM2.73-2.75, with a LT target at RM2.85. Support is set around RM2.48-2.54, with a cut loss set around RM2.45.



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As of **Tuesday, 12 Mar, 2024**, the analyst(s), Chiang Fong Kai, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(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. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
Price Skew	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI 14D	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.
Price vs. Bollinger Band (%)	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.
	Position of the price compare to the Bollinger band in percentage



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