

Wednesday, 03 Apr, 2024

## TRC Synergy Berhad

### Banking On Mega Infrastructure Projects

- TRC delivered a higher net profit YoY 13.6% to RM25.3m for FY23 vs. RM22.3m.
- TRC is likely to ride on the planned mega infrastructure projects going forward.
- Increased momentum from the progress of ongoing projects such as ECRL, RTS Johor-SG and others would bode well for TRC.
- Technically, TRC experienced a breakout above RM0.475. Monitor for follow-through buying interest, targeting RM0.53-0.54, with a LT target at RM0.56. Support is located around RM0.465-0.47, while cut loss is at RM0.46.

#### TRC daily: Sideways consolidation breakout



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### Trading Catalyst

- **TRC delivered a higher net profit YoY.** In FY23, TRC has achieved a net profit of RM25.3m from RM22.3m (+13.6% YoY) due to better gross profit margins from a better-than-expected final accounts recognition from a completed project and the revision of budgeted costs for some projects nearing completion.
- **Riding on the medium to long-term rollout of planned mega infrastructure projects.** TRC has the necessary expertise and experience to take on such infrastructure projects, thus they will likely benefit from the rollout of projects such as MRT Circle Line 3, Penang Light Rail and flood mitigation projects.
- **Increased momentum from the progress of ongoing projects.** TRC expects the speeding up of ongoing projects such as the East Coast Rail Link, 5G Network Rollout, Rapid Transit System Link between Johor and Singapore, as well as the Pan Borneo Highway to improve the engagement within the civil construction sector.

### Technical Outlook

- Share price has been consolidating around RM0.465 and experienced a breakout above RM0.475. As the technical readings are positive, we expect follow-through buying interest to be seen in the near term, targeting RM0.53-0.54, with a LT target at RM0.56. Support is set around RM0.465-0.47, with a cut loss set around RM0.46.

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#### Company profile

TRC operates as general contractors carrying out construction works, sells construction materials, and develops property. TRC also hires and services vehicles and manufactures concrete piles and ready-mixed concrete.

#### TRC SYNERGY BHD

Last Price (RM)	0.495
5 Day Change (%)	7.6
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	100.0
52Week Range Percentile (%)	97.3
Volatility 30D	47.2
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	6.8
DMI DI+	23.7
DMI DI-	20.3
ADX	16.3
RSI 14D	58.5
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	122.3

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#### Financial snapshot

FYE Dec	FY22	FY23	FY24f
Revenue (RM m)	678.4	678.7	644.7
Net profit (RM m)	53.3	25.3	19.1
Shares (m)	471.3	471.3	471.3
EPS (sen)	11.3	5.4	4.1
DPS (sen)	1.2	0.0	1.3
P/E (x)	4.4	9.2	12.2
DY (%)	2.4	0.0	2.5

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FY24f represents the forecasted figures for FY24.



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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



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