

Ta Ann Holdings Berhad

Potentially Undervalued Plantation Player

- **Positive sentiment in CPO prices.**
- **Relatively undervalued when compared with peers.**
- **Potential greater plywood contribution from the Japanese market.**
- **Technically, TAANN last closed at RM4.12. Monitor for a breakout, targeting RM4.45-4.50 with a LT target at RM4.60. Support is located around RM4.00-4.05, while cut loss is at RM3.95.**

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Company profile

TAANN manufactures and sells plywood, sawn timber, logs, and timber products. The Company also provides reforestation and plantation services.

TAANN daily: Sideways consolidation breakout



Bloomberg

Trading Catalyst

- **Positive sentiment in CPO prices.** Recently, the CPO price has trended more positively above the RM4,000 range on the back of lower production and we believe the demand may be picking up on the back of recovery tone in China, after the rebound in China PMI. Hence, we believe CPO price may be supported going forward.
- **Potential greater plywood contribution from the Japanese market.** We believe the plywood division is on a sequential improvement in plywood ASP since 2H23 due to higher sales volume amid subsiding inventory levels from importers.
- **Relatively undervalued when compared with peers.** TAANN currently has an indicated P/E of 9x based on the last closing price and the FY24f consensus adjusted EPS of RM0.46, which is a discount to the peer average of 14.7x. (Source: Bloomberg)
- **Dividend yield of 6% (vs peers of 2.5%)** is looking attractive for long term investors.

Technical Outlook

- Share price has been experienced a breakout above RM4.10 and closed at RM4.12. As the technical readings are positive, we expect follow-through buying interest to be seen in the near term, targeting RM4.45-4.50, with a LT target at RM4.60. Support is set around RM4.00-4.05, with a cut loss set around RM3.95.

TA ANN HOLDINGS BHD

Last Price (RM)	4.12
5 Day Change (%)	3.0
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	75.0
52Week Range Percentile (%)	97.2
Volatility 30D	27.5
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	3.0
DMI DI+	25.3
DMI DI-	16.1
ADX	20.2
RSI 14D	58.5
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	90.7

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Financial snapshot

FYE Dec	FY22	FY23	FY24f
Revenue (RM m)	2187.4	1680.7	1759.8
Net profit (RM m)	320.5	156.4	201.1
Shares (m)	440.5	440.5	440.5
EPS (sen)	72.8	35.5	45.7
DPS (sen)	40.0	15.0	24.3
P/E (x)	5.7	11.6	9.0
DY (%)	9.7	3.6	5.9

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FY24f represents the forecasted figures for FY24.



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As of **Monday, 08 Apr, 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	
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. 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.
RSI OB/OS	
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage



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