Pantech Group Holdings Berhad

Riding The Firmer Crude Oil Price

- **Higher CapEx in the O&G industry could be boon towards the sector.**
- **Volatile steel prices may entice end users to stock up on steel products.**
- **Average annual dividend yield of 6.2% for the past 10FY.**
- **Technically, PANTECH last closed at RM1.00. Monitor for further rebound, targeting RM1.08-1.10, with a LT target at RM1.12. Support is located around RM0.96-0.97, while cut loss is at RM0.95.**

Chiang Fong Kai
fkchiang@msec.com.my
(603) 2201 2100

Company profile

Pantech produces pipes, fittings, flanges, induction bends, valves, and exotic materials for gas and fluid transmission system. Pantech serves offshore, marine, refinery, energy, and petrochemical sectors globally.

PANTECH daily: Sideways consolidation breakout

Bloomberg

PANTECH GROUP HOLDINGS BHD	
Last Price (RM)	1.00
5 Day Change (%)	0.5
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	40.0
52Week Range Percentile (%)	90.6
Volatility 30D	16.6
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	3.5
DMI DI+	35.9
DMI DI-	6.6
ADX	31.1
RSI 14D	58.5
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	85.9

Bloomberg

Trading Catalyst

- **Higher CapEx in the O&G industry.** The robust oil price environment likely to bring about an increase in capital spending on the facilities maintenance and upgrading activities within the oil and gas industry, which would increase demand for Pantech's products.

- **Volatile steel prices may entice end users to stock up on steel products**. In 1QCY24, steel prices have been on a downtrend as compared to 4QCY24, this decline may provide an opportunity for end users to increase inventory in fear of another spike in steel prices going forward.

- **Average annual dividend yield of 6.2% for the past 10FY.** The stable and strong average dividend yield of 6.2% should be able to cushion the downside risks in view of the weak market conditions.

Technical Outlook

- Share price has been consolidating around and last closed at RM1.00. As the technical readings are positive, we expect follow-through buying interest to be seen in the near term, targeting RM1.08-1.10, with a LT target at RM1.12. Support is set around RM0.96-0.97, with a cut loss set around RM0.95.

Financial snapshot

FYE Dec	FY22	FY23	FY24f
Revenue (RM m)	751.5	1037.8	1028.0
Net profit (RM m)	71.8	115.6	102.0
Shares (m)	777.2	821.6	832.2
EPS (sen)	9.2	14.1	12.3
DPS (sen)	2.5	1.5	6.0
P/E (x)	10.8	7.1	8.2
DY (%)	2.5	1.5	6.0

Bloomberg

FY24f represents the forecasted figures for FY24.

Disclaimer

Research analyst(s) of MSSB whom produced this report hereby certifies that the views expressed in this report accurately reflect his/her personal opinions about all of the subject corporation(s) and securities in this report. He/She does not carry out, whether for himself/herself or on behalf of MSSB or any other persons did not receive and will not receive any compensation that is directly or indirectly related or linked to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. As of the report date, the analyst whom prepared this report does not have any interest in the following securities covered in this report, unless otherwise stated.

As of **Wednesday, 17 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.
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.
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

JOIN OUR OFFICIAL TELEGRAM
TO GET THE LATEST MARKET UPDATES

M⁺Online
Equipping Traders For The Win

Global
Winning The World

2