

Hiap Teck Venture Berhad

JV to yield stronger earnings

- Long term industry demand remains intact
- Strong utilisation of new operational facility from the recent JV
- Better margins outlook from MITI 2-year moratorium and potential demand recovery from China
- Technically, HIAPTEK last closed at RM0.48. Monitor for a breakout, targeting RM0.51-0.525, with a LT target at RM0.535. Support is located around RM0.455-0.46, while cut loss is at RM0.45.

HIAPTEK daily: Monitor for a flag formation breakout



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Trading Catalyst

- **Long term industry demand remains intact.** Long term government initiatives such as the NETR and NIMP2030, coupled with the rollout of mega infrastructure projects and private construction activities are expected to augur well for domestic steel demand.
- **Strong utilisation of new operational facility from the recent JV.** In 3Q24, HIAPTEK achieved 90% utilization rate on its new 2.0MT blast furnace capacity and had completed other auxiliary facilities. The JV with ESSB is expected to provide significant revenue growth and better economies of scale in the coming quarters.
- **Better margins outlook from MITI 2-year moratorium and potential demand recovery from China.** MITI's 2-year moratorium on steel investments and the demand for steel products may be bottoming out with the Chinese government potentially rescuing the ongoing property crisis.

Technical Outlook

- Share price has been consolidating around and last close at RM0.48. As the technical readings are positive, we expect follow-through buying interest with a flag breakout to be seen in the near term, targeting RM0.51-0.525, with a LT target at RM0.535. Support is set around RM0.455-0.46, with a cut loss set around RM0.45.

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Company profile

Hiap Teck Venture Berhad is an investment holding company. Through its subsidiaries, the Company imports, exports, and deals in steel products, metal hardware and building materials. Hiap Teck also invests and rents properties.

HIAP TECK VENTURE BHD

Last Price (RM)	0.480
5 Day Change (%)	-1.0
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	37.5
52Week Range Percentile (%)	83.8
Volatility 30D	35.3
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	2.5
DMI DI+	28.8
DMI DI-	8.3
ADX	45.5
RSI 14D	58.5
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	64.9

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Financial snapshot

FYE Dec	FY22	FY23	FY24f
Revenue (RM m)	1583.3	1585.2	1621.0
Net profit (RM m)	156.0	30.9	101.0
Shares (m)	1733.9	1742.2	1742.2
EPS (sen)	9.0	1.8	5.8
DPS (sen)	1.0	0.5	1.0
P/E (x)	5.3	27.1	8.3
DY (%)	2.1	1.0	2.1

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FY24f represents the forecasted figures for FY24.



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As of **Tuesday, 23 Jul, 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.
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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