

Leong Hup International Berhad (LHI)

Poised for an “Egg”-cellent Breakout



Bloomberg

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Leong Hup International Berhad

Company profile

Malaysia-based integrated poultry and feed producer in Southeast Asia, operating Livestock and Feedmill segments; produces poultry, eggs, animal feeds and processed foods, spanning breeding, farming, feed manufacturing, and branded consumer products across multiple protein categories and regional markets.

Technical Data

Price	0.820
R1	0.88
R2	0.90
S1	0.785
S2	0.780
MACD	-
RSI	-

M+ Research, Bloomberg

Technical Outlook

Poised for breakout. LHI has formed a flag pattern breakout, approaching its 52-week highs. With the rising volume, the price could surge further despite the RSI hovering in the overbought territory. Resistance is set at RM0.88–0.90, while the support is set around RM0.785. A break below RM0.750 would invalidate our technical buy setup.

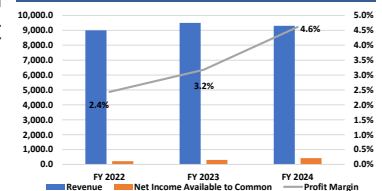
Trading Catalysts

Remain resilient despite subsidy removal. We observe that chicken ASPs have remained relatively stable, while egg ASPs have been on an upward trend since the reduction of government subsidies. Thus, investor sentiment has gained traction YTD, particularly for LHI (+9.3%), TEOSNG (+10.2%), and QL (+5.3%).

LHI earnings remains robust. The -4.8% YoY quarterly revenue weakening contributed by the continued slowdown within the Feedmill division (-8.1% YoY). Nonetheless, PATANCI still rose +12.1% YoY, supported by improved poultry margins as well as enhanced operational cost efficiency.

Outlook positive backed by stronger ringgit. Supported by a stronger Ringgit, coupled with a broad geographical presence, and stable feed input costs for corn and soybean meal, we believe these factors will collectively offset any prevailing negative sentiment.

Financial Snapshot



M+ Research, Bloomberg

Peers Comparison

Company Name	Ticker	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)	RSI	ST Trend	M+ Scoring		
										Quality	Momentum	Combined
LEONG HUP INTERNATIONAL BHD	LHI	0.820	2808.3	6.4x	6.8x	27.5	4.6	Overbought	Up	A	A	A
TEO SENG CAPITAL BHD	TEOSNG	1.080	627.9	3.7x	4.7x	27.5	24.3	Positive bias	Up	A	C	B
QL RESOURCES BHD	QL	4.160	15185.1	36.8x	32.8x	13.9	6.5	Positive bias	Up	B	D	C
CAB CAKARAN CORP BHD	CAB	0.605	423.1	4.7x	3.8x	12.5	3.9	Positive bias	Up	A	B	A
MALAYAN FLOUR MILLS BHD	MFLOUR	0.650	805.5	8.8x	-	6.9	1.9	Positive bias	Up	A	A	A
Average			1718.1	12.1x	12.0x	27.5	14.5					

Source: Bloomberg, M+ Global Research



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(a) nil.

