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# TRADING RADAR

## Enhanced Value Picks

Strategy Report

MISSION: To identify stock of companies that are trading at substantially below their net asset value (cheap), consistently profitable (viable), having net cash position (solvent), and above certain threshold market capitalization (investable).

**In search of cheap, viable, solvent and investable companies.**

As of the time of writing, there are 430 companies listed on Bursa Malaysia that trade at substantial discount to their net asset value, i.e. price/book value (P/BV) of not more than 0.66x. Of that, only 90 companies are consistently profitable, i.e. unbroken profit track record during the past 10 years. Moreover, among the consistently profitable ones, only 49 companies possess strong balance sheet with a net cash position, i.e. total cash more than borrowings. In addition to the above, only 8 companies meet our threshold capitalization, i.e. market value of at least RM500 million.

**Number of companies at successive levels of qualifying criteria.**

We list below our stock selection of companies listed on Bursa Malaysia which fulfil all the above criteria, namely **(i)** P/BV of not more than 0.66x, **(ii)** unbroken profit track record during the past 10 years, **(iii)** total cash more than borrowings, and **(iv)** market value of at least RM500 million.

**Enhanced value picks listed below.**

| CODE | NAME | SECTOR | PRICE (RM) | BVPS (RM) | PBV (x) | EPS (sen) | PER (x) | ROE (%) | MCAP (RM'm) |
|---|---|---|---|---|---|---|---|---|---|
| PPB [s] | PPB Group | Consumer Products & Services | 11.50 | 18.28 | 0.63 | 86.39 | 13.31 | 4.73 | 16,360 |
| CMSB [s] | Cahya Mata Sarawak | Industrial Products & Services | 1.56 | 3.14 | 0.50 | 6.57 | 23.75 | 2.09 | 1,677 |
| PLENITU [s] | Plenitude | Property | 2.10 | 4.67 | 0.45 | 30.24 | 6.94 | 6.48 | 801 |
| MKH [s] | MKH | Property | 1.05 | 3.20 | 0.33 | 13.33 | 7.88 | 4.17 | 616 |
| INSAS | Insas | Financial Services | 0.85 | 3.72 | 0.23 | 13.54 | 6.28 | 3.64 | 590 |
| PANTECH [s] | Pantech Group Holdings | Industrial Products & Services | 0.68 | 1.18 | 0.58 | 7.08 | 9.60 | 6.00 | 585 |
| SHL | SHL Consolidated | Property | 2.30 | 3.90 | 0.59 | 16.18 | 14.21 | 4.15 | 557 |
| SURIA [s] | Suria Capital Holdings | Transportation & Logistics | 1.53 | 3.35 | 0.46 | 7.67 | 19.95 | 2.29 | 529 |

Of the stocks listed in table above, we cover the following:

**Enhanced value picks under our coverage.**

- PPB Group (Rec: NEUTRAL, TP: RM11.02)
- Cahya Mata Sarawak (Rec: BUY, TP: RM1.49)

Meanwhile, the Technical Target Price (TTP) of our enhanced value picks are as the following:

**Technical Target Prices.**

- PPB Group (TTP: RM14.00)
- Cahya Mata Sarawak (TTP: RM2.00)
- Plenitude (TTP: RM2.50)
- MKH (TTP: RM1.30)
- Insas (TTP: RM1.00)
- Pantech Group Holdings (TTP: RM0.87)
- SHL Consolidated (TTP: RM2.70)
- Suria Capital Holdings (TTP: RM2.00)




PPB Group (TTP: RM14.00)




Cahya Mata Sarawak (TTP: RM2.00)




[Plenitude](#) (TTP: RM2.50)




[MKH](#) (TTP: RM1.30)




[Insas](#) (TTP: RM1.00)




[Pantech Group Holdings](#)
(TTP: RM0.87)




[SHL Consolidated](#)
(TTP: RM2.70)




[Suria Capital Holdings](#)
(TTP: RM2.00)

*Source: TradingView, MBSBR*

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**TECHNICAL STOCK RECOMMENDATIONS**

| | |
|---|---|
| TECHNICAL BUY | The share price return is expected to rise by >10% over the next 2 months. |
| ADD | The share price return is expected to rise by >5% over the next 1 month. |
| REDUCE | The share price return is expected to fall by >5% over the next 1 month. |
| TECHNICAL SELL | The share price return is expected to fall by >10% over the next 2 months. |