

Stock With Momentum: New Hoong Fatt Holdings

Asia Analytica / The Edge Financial Daily



Valuation score*	2.00
Fundamental score**	1.65
TTM P/E (x)	17.39
TTM PEG (x)	(0.32)
P/NAV (x)	0.60
TTM Dividend yield (%)	4.09
Market capitalisation (mil)	257.04
Shares outstanding (ex-treasury) mil	75.16
Beta	0.29
12-month price range	3.20-4.74

*Valuation score - Composite measure of historical return & valuation
 **Fundamental score - Composite measure of balance sheet strength & profitability

Note: A score of 3.0 is the best to have and 0.0 is the worst to have

New Hoong Fatt Holdings Bhd (-ve)

SHARES in New Hoong Fatt Holdings Bhd (fundamental: 1.65/3, valuation: 2/3), triggered our proprietary momentum algorithm yesterday for the first time this year.

The stock closed two sen or 0.58% higher at RM3.44, valuing it at RM258.5 million. A total of 53,500 shares were traded, exceeding its 200-day average volume of 17,143 shares.

For its first quarter ended March 31, 2018 (1QFY18), New Hoong Fatt's net profit dipped 75% to RM1.83 million from RM 7.37 million. Quarterly revenue also fell 3.8% to RM60.1 million from RM62.47 million in 1QFY17. It attributed the weaker quarterly results to the unfavourable foreign exchange rate in the beginning of 2018.

The group remains cautiously optimistic about the overall outlook of the automotive aftermarket industry despite the forecast of sluggish sales of new vehicles in the local market.

At the current share price, the group is trading at 0.6 times its book value.

<http://www.theedgemarkets.com/article/stock-momentum-new-hoong-fatt-holdings-0>