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## Finance

# TH Plantations Bhd Shares Skyrocket to One-Year Peak: Unraveling the Market Mystery

TH Plantations Bhd shares soared to a one-year peak, with over 20.71 million shares traded. The company's market cap swelled to RM724.43 million. Despite mixed results in production, analysts remain bullish about the plantation sector's performance.

## BNN Correspondents



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TH PLANTATIONS BERHAD

*TH Plantations Bhd Shares Skyrocket to One-Year Peak: Unraveling the Market Mystery*

In an unexpected turn of events, **TH Plantations Bhd** saw its shares catapult to a one-year peak this Monday, marking a standout moment in a session that also saw gains for other market players such as United Plantations Bhd and Petronas Gas Bhd. Amidst a bullish market atmosphere, with the benchmark index on the rise, TH Plantations emerged as a frontrunner, not just in performance but also in stirring market curiosity and speculation about the sudden surge in its stock value.

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impressive RM724.43 million. This movement was underscored by a price-to-earnings ratio of 12.78 times, based on the trailing earnings per share of 6.49 sen, highlighting the financial metrics that investors are keenly observing.

## Behind the Numbers

Despite the impressive market performance, the catalyst behind TH Plantations' remarkable share price ascent remains shrouded in mystery. The company's most recent disclosure to Bursa Malaysia detailed its quarterly productions, revealing a mixed bag of results— a decrease in crude palm oil production by 7.64%, a reduction in palm kernel output by 9.07%, and an increase in fresh fruit bunches by 19.31% as of December 31 last year. These figures, while indicative of the company's operational dynamics, shed little light on the reasons behind the stock's sudden rush.

Analysts, including those from Kenanga Research and HLIB, have weighed in, offering a broader perspective on the sector's performance. While Kenanga Research has identified key resistance and support levels, signaling a bullish market outlook, HLIB forecasts a more tempered view. It expects the plantation sector to exhibit flattish to weaker quarter-on-quarter upstream earnings, attributed to stagnant fresh fruit bunch (FFB) production growth and lower crude palm oil (CPO) prices. Additionally, the downstream segment's earnings performance is anticipated to remain subdued in the fourth quarter of 2023, driven by weak near-term demand prospects amidst a frail global economic environment.

## Looking Ahead: The Sector's Forecast

The juxtaposition of TH Plantations Bhd's stock surge against the backdrop of a sector grappling with mixed fortunes paints a complex picture. The plantation industry, like many others, is at the mercy of a multitude of factors—ranging from global economic health to commodity prices and production levels. As investors and market watchers continue to dissect the reasons behind TH Plantations' performance, the broader narrative unfolds, revealing the intricate tapestry of market dynamics, investor sentiment, and economic indicators that drive the financial markets.

In the realm of investments and stock market performance, surprises such as the one seen with TH Plantations Bhd serve as a reminder of the unpredictable nature of financial markets. While the company's shares reached new heights, the underlying reasons remain a topic of speculation and analysis. As the market moves forward, eyes will remain fixed on TH Plantations and the plantation sector at large, eager to see how unfolding events will shape future performances in a world where certainty is often elusive, and the only constant is change.