

Gabungan AQRS (5226)

Pennant Pattern Break-out



Technical Highlights

The stock seems to have found support on the 200-EMA after the recent swings. At closing yesterday, the stock price surged, forming a large green candle and gapping up to break through the pennant pattern with significant trading volume (14.2 times higher than its 90-day average) and increasing momentum (RSI>70). This indicates that more upside potential may be on the card.

Short-term bullishness is affirmed by the recent golden cross shown by the MACD, as well as both RSI and 20-EMA line pointing upward.

We think the stock could potentially test the RM0.455 resistance first and, subsequently, the RM0.585 resistance. Conversely, a dip below RM0.360 could signal the start of a correction phase.

Entry – RM-0.435 – RM0.440

Stop Loss – RM0.350

Target Price – RM0.455 – RM0.585

Technical

Resistance 1 (RM)	0.455
Resistance 2 (RM)	0.585
Support 1 (RM)	0.360
Support 2 (RM)	0.345
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.435
52-week High (RM)	0.435
52-week Low (RM)	0.290

Company Profile

Gabungan AQRS Berhad is a Malaysian based full-service construction and property development company that specialise in property development, civil and infrastructure works.

Cape EMS (5311)

Double-bottom Break-out?



Technical Highlights

Today, the share price surged and pushed the stock to trade above all of its EMA lines. A Marubozu candle was formed at closing with considerable trading volume (9.6x higher than its 90-day trading volume). The share price is on the verge of breaking through the neckline (at RM1.025) of an approximately 5-month long double-bottom pattern. We think the breakout is underway, especially with the growing momentum (RSI is growing with the line pointing upward).

Upward momentum is confirmed with the golden cross happened on the MACD today, while the short-term bullishness is affirmative with the 20-EMA line pointing upward straight.

If the share price breaks through the neckline of the double-bottom pattern, we think the stock could potentially test the resistance at RM1.245 first and subsequently at RM1.465 (derived by the difference of RM0.220 between the high and low of the double-bottom pattern). Conversely, consolidation happens if the share price dips below the RM0.910 support (a few ticks below the recent downswing).

Entry – RM-1.020 – RM1.050
Stop Loss – RM0.900
Target Price – RM1.245 – RM1.465

Technical

Resistance 1 (RM)	1.245
Resistance 2 (RM)	1.465
Support 1 (RM)	0.910
Support 2 (RM)	0.875
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.020
52-week High (RM)	1.257
52-week Low (RM)	0.870

Company Profile

Cape EMS Berhad is a company that specialise in manufacturing printed circuit boards, as well as supplies aluminum die casting and EMS, electronic products, and related activities.



Glossary of commonly used technical terms

Exponential Moving Average (EMA)	An indicator frequently used in technical analysis showing the average value of a security's price over a set period with greater weightage placed on the most recent data points.
Moving Average Convergence Divergence (MACD)	A trend-following momentum indicator that shows the relationship between two moving averages of prices. The MACD is calculated by subtracting the 26-day exponential moving average (EMA) from the 12-day EMA. A 9-day EMA of the MACD, called the "signal line", is then plotted on top of the MACD, functioning as a trigger for buy and sell signals.
Stochastic	A technical momentum indicator that compares a security's closing price to its price range over a given time period. The indicator's sensitivity to market movements can be reduced by adjusting the time period or by taking a moving average of the result.
Average True Range (ATR)	A measure of volatility whereby the indicator is the greatest of the following: <ul style="list-style-type: none">- current high less the current low;- the absolute value of the current high less the previous close;- the absolute value of the current low less the previous close;
Bollinger Band	A band plotted 2 standard deviations away from a simple moving average.
On-Balance Volume (OBV)	A method used in technical analysis to detect momentum, the calculation of which relates volume to price change. OBV provides a running total of volume and shows whether this volume is flowing in or out of a given security.
Support	The price level which, historically, a stock has had difficulty falling below. It is thought of as the level at which a lot of buyers tend to enter the stock.
Resistance	The price at which a stock or market can trade, but not exceed, for a certain period of time. Often referred to as "resistance level".
Reversal	A change in the direction of a price trend. On a price chart, reversals undergo a recognisable change in the price structure. An uptrend, which is a series of higher highs and higher lows, reverses into a downtrend by changing to a series of lower highs and lower lows. A downtrend, which is a series of lower highs and lower lows, reverses into an uptrend by changing to a series of higher highs and higher lows.
Divergence	When the price of an asset and an indicator, index or other related asset move in opposite directions.
Overbought	In technical analysis, this term describes a situation in which the price of a security has risen to such a degree – usually on high volume – that an oscillator has reached its upper bound. This is generally interpreted as a sign that the price of the asset is becoming overvalued and may experience a pullback.
Oversold	A situation in technical analysis where the price of an asset has fallen to such a degree – usually on high volume – that the oscillator has reached a lower bound. This is generally interpreted as a sign that the price of the asset is becoming undervalued and may represent a buying opportunity for investors

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