

Ho Hup Construction (5169)

Double-Bottom Break-out



Technical Highlights

A consistent pattern of higher highs and higher couple with the surge in the share price has sent the stock to trade above all its EMA lines. More upside may be in the cards especially with the formation of a large green candle at closing, breaking through the neckline of a 16-month long double-bottom pattern with substantial trading volume (8.6x more than its average 90-day trading volume).

The upward pointing RSI line that crossover into the overbought territory today indicates positive momentum going forward. Likewise, the short-term bullishness is ascertained by the upward-pointing 20-EMA line.

With the share price breaking through the neckline of the double-bottom pattern at RM 0.160, we think the stock could potentially test the resistance at RM0.205 first and subsequently at RM0.250 (determined by the difference of RM0.045 between the high and low of the double bottom pattern). Conversely, a dip below RM0.150 could signify the start of a correction phase.

Entry – RM-0.180 – RM0.190
Stop Loss – RM0.145
Target Price – RM0.205 – RM0.250

Technical

Resistance 1 (RM)	0.205
Resistance 2 (RM)	0.250
Support 1 (RM)	0.150
Support 2 (RM)	0.135
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.180
52-week High (RM)	0.315
52-week Low (RM)	0.125

Company Profile

Ho Hup Construction Company Berhad is a construction company that specialise in providing foundation and civil engineering, constructing building, and leasing plants and machinery.

Capital A (5099)

Momentum Is Back?



Technical Highlights

The double gap-up followed by a series of consecutive green candles three months ago indicated a significant trend reversal. Yesterday, the surge in share price sent the stock to trade above its 20-EMA line. At the closing, a large green candle was formed, breaking past a pennant pattern that lasted approximately 4 months with growing momentum (RSI is growing) and considerable trading volume. With these indicators showing positive signals, we think that upward momentum may still be in play.

MACD is on the verge of forming a golden cross, which indicates strong momentum going forward. Additionally, the upward-pointing 20-EMA line confirms its short-term bullishness.

Amid the pattern break-out with momentum, we think the share could put the resistance RM0.900 and the subsequent resistance RM1.09 (52-week high) to the test. Conversely, consolidation starts if the share price dips below the RM0.810 support.

Entry – RM-0.855 – RM0.865
Stop Loss – RM0.800
Target Price – RM0.900 – RM1.09

Technical

Resistance 1 (RM)	0.900
Resistance 2 (RM)	1.090
Support 1 (RM)	0.810
Support 2 (RM)	0.650
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.855
52-week High (RM)	1.090
52-week Low (RM)	0.650

Company Profile

Capital A Berhad is a airlines operating services provider that specialise in operating scheduled domestic and international flights and provides air transportation and air cargo services.

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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