

Southern Score Builders (0045)

Resuming Uptrend



Technical Highlights

The stock had undergone a series of upswings before arriving at its 52-week high. Subsequently, consolidation occurred and led the stock to trade below its 50-EMA line before stabilising at the RM0.52 support. The stock continued to trade at a pattern of higher high and higher low until it surged and formed a large green candle at closing yesterday. The green candle formation not only broke through the 2-week-long pennant pattern with increasing momentum (as indicated by the rising RSI reading), but also pushed the stock to trade above the 50-EMA line for the first time in 3 months. With these positive technical indicators, we think an uptrend for the stock is underway."

The golden cross exhibited by the MACD indicator yesterday ascertains the growing momentum in the stock. Likewise, the upward-pointing RSI line confirms the short-term bullish trend going forward.

Based on the above-mentioned positive indicators, we think the stock could potentially test the first resistance at RM0.590 and subsequently at RM0.655. Conversely, consolidation commences if the share price descent below the RM0.520 support.

Entry – RM0.545 – RM0.575
Stop Loss – RM0.470
Target Price – RM0.590 – RM0.655

Technical

Resistance 1 (RM)	0.590
Resistance 2 (RM)	0.655
Support 1 (RM)	0.520
Support 2 (RM)	0.465
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.575
52-week High (RM)	0.705
52-week Low (RM)	0.190

Company Profile

Southern Score Builders Bhd is a construction company specialises in real estate construction as well as civil works.

Uzma (7250)

Trend Reversal Underway?



Technical Highlights

Consolidation in the stock was observed after multiple pennant pattern break-outs over the past months. It is not surprising that this consolidation also sent the stock to trade below its 50 EMA line. The signal of trend reversal was missing until recently when the buying momentum started to pick up with the pattern of closing at a higher high and high low. This was further affirmed by the formation of a green candle that broke through the third pennant patterns with growing momentum (as illustrated by the growing RSI indicator) yesterday. We think these factors will provide the stock the necessary strength to sustain its upward trend.

The golden cross shown in the MACD yesterday confirms the growing momentum of the stock, while the upward-pointing RSI and 50-EMA line confirm the short-term bullishness of the stock.

Since the pattern break-out is accompanied by growing momentum, we see this as a strong positive signal for the stock to test its resistance at RM1.14 first and followed by the next resistance at RM1.24. Conversely, a stop-loss can be placed below the recent low at RM0.955.

Entry – RM1.01 – RM1.06
Stop Loss – RM0.905
Target Price – RM1.14 – RM1.24

Technical

Resistance 1 (RM)	1.14
Resistance 2 (RM)	1.24
Support 1 (RM)	0.955
Support 2 (RM)	0.850
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.06
52-week High (RM)	1.34
52-week Low (RM)	0.735

Company Profile

Uzma Berhad is a company principally engages in provision of oil and gas geoscience and reservoir engineering services, provision of oil and gas drilling and operation 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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Published & Printed By:

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