

HE Group (0296)

Breaking Out Strongly



Technical Highlights

The stock has been forming an interesting triangle pattern and recently broke out three days ago. What's catching attention is that the breakout has been supported by a surge in buying volume, which has remained consistently higher than the two-month average. Prior to this, the stock has been on a steady uptrend since its IPO, hit an all-time high, and now looks ready to continue its climb. The breakout, along with the stock trading above all major EMAs, suggests that bullish momentum seems to be regaining strength."

Momentum is clearly on the rise. The RSI has moved up to 60, reflecting growing buying pressure, while the MACD is gradually turning bullish after months of neutral movement. Both indicators are pointing to more strength ahead, and the current trend suggests the stock might just be gearing up for its next rally.

For an entry point, the sweet spot lies between RM0.595 and RM0.615. The first resistance to watch is RM0.66, and if that breaks, RM0.71 is within reach, which is close to 52-week high. On the downside, RM0.565 serves as first support, followed by RM0.550. A slip below that could mean a correction towards the RM0.480 level.

Entry – RM0.595 – RM0.615
Stop Loss – RM0.550
Target Price – RM0.660 – RM0.710

Technical	
Resistance 1 (RM)	0.660
Resistance 2 (RM)	0.710
Support 1 (RM)	0.565
Support 2 (RM)	0.550
MACD	Positive
RSI	Positive

Stock Information	
Last Close (RM)	0.610
52-week High (RM)	0.800
52-week Low (RM)	0.305

Company Profile

He Group Berhad provides electrical engineering services, such as design, supply, installation, testing, and commissioning of power distribution systems.

YTL Power (6742)

Potential Big Move Ahead



Technical Highlights

The stock had been moving within a descending channel for almost four months—a pattern known for its bullish potential when broken. Last Friday, we finally saw a breakout, accompanied by a sharp increase in volume, signalling fresh buying interest. While it has managed to break above the 20-day EMA, it's still below the 50-day and 200-day EMAs, leaving room for further upside as momentum builds.

Speaking of momentum, the indicators are turning positive. The RSI is sitting at 51 and trending upward. Meanwhile, the MACD recently made a golden cross right near the breakout. Currently, the stock is trading in the RM3.30 to RM3.87 range, with strong and consistent buying volume at these levels.

Since the breakout from the descending channel is still fresh, waiting for a slight pullback could be a smart move. A retracement to the RM3.73 area would offer a good entry point, especially as the stock is now challenging the 200-day EMA. A solid close above RM3.87 would further support a bullish outlook. First resistance lies at RM4.24, and breaking that could push the stock towards RM4.60. That said, RM4.60 might be tough to crack since it was a strong support level before flipping into resistance. On the downside, if RM3.30 fails to hold, we could be looking at the start of a deeper correction.

Entry – RM3.73 – RM3.83
Stop Loss – RM3.30
Target Price – RM4.24 – RM4.61

Technical

Resistance 1 (RM)	4.24
Resistance 2 (RM)	4.61
Support 1 (RM)	3.67
Support 2 (RM)	3.30
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	3.86
52-week High (RM)	5.47
52-week Low (RM)	1.92

Company Profile

YTL Power International Bhd provides power generation, electricity transmission, water supply, and communication services. They serve customers worldwide.

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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