

Muhibbah Engineering (5703)

Upward Movement After Breakout



Technical Highlights

The stock entered a consolidation phase after several downward moves in early August. However, the tide has turned as the stock began forming higher highs and higher lows, signalling a resurgence in buying interest. Yesterday, the stock surged, breaking out of its pennant pattern with an impressive spike in trading volume—6.4x its average 30-day volume. This volume-driven breakout has pushed the stock above all its EMA lines, confirming a shift into an upward trend.

Momentum indicator is looking strong, with the RSI showing bullishness but not yet reaching overbought territory. Meanwhile, the recent golden cross displayed in the MACD indicator also ascertains another positive signal for upward momentum.

An ideal entry point lies between RM0.900 and RM0.925. If the current momentum holds, the stock could aim for its first resistance at RM0.955. A successful break above this level would set the stage for a run toward RM1.00. However, if the stock falls below its recent support at RM0.850, it could signal a return to the consolidation phase.

Entry – RM0.900 – RM0.925
Stop Loss – RM0.800
Target Price – RM0.955 – RM1.00

Technical

Resistance 1 (RM)	0.955
Resistance 2 (RM)	1.00
Support 1 (RM)	0.850
Support 2 (RM)	0.795
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.925
52-week High (RM)	1.10
52-week Low (RM)	0.670

Company Profile

Muhibbah Engineering (M) Berhad is a construction company that engages in the business of providing oil and gas, marine, infrastructure, civil and structural engineering contract works.

Fajarbaru Builder (7047)

Key Trend Reversal Signal in Place



Technical Highlights

The stock had been trading below all its EMA lines after reaching its 52-week high, entering a consolidation phase. It showed multiple attempts of recovery but were unsuccessful as the buying interest was not strong. However, a shift in sentiment occurred recently as renewed buying interest drove the stock to break through the pennant pattern. While initially unconvincing as the stock still trading below all its EMA lines, yesterday's significant close above the 20-day EMA confirmed a strong signal for trend reversal.

Momentum indicators are looking favourable and supportive of the trend reversal, with both the RSI and MACD moving upward, suggesting growing strength and the start of bullish uptrend movement.

For an ideal entry point, investor can look at the range between RM0.38 to RM0.40. The first resistance level to watch is RM0.430. If the stock can break through this level, the next target would be at RM0.455. Conversely, if the stock drops below RM0.380, it would indicate a false trend reversal and the start of consolidation phase.

Entry – RM0.380 – RM0.400
Stop Loss – RM0.330
Target Price – RM0.430 – RM0.455

Technical	
Resistance 1 (RM)	0.430
Resistance 2 (RM)	0.455
Support 1 (RM)	0.380
Support 2 (RM)	0.320
MACD	Positive
RSI	Positive

Stock Information	
Last Close (RM)	0.400
52-week High (RM)	0.570
52-week Low (RM)	0.280

Company Profile

Fajarbaru Builder Group Berhad is a company principally engages in construction, manufacturing of readymix concrete, trading of construction materials and property development.

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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