

Ranhill Utilities (5272)

Breaking Out of Sideway Movement



Technical Highlights

The stock slipped into consolidation mode as trading momentum cooled off substantially between late May and late August. Renewed buying interest gradually lifted the stock higher, though weak momentum—reflected in the sideways RSI movement—kept the stock in a range-bound pattern. Recently, the indication of a sideways pattern breakout became clearer when buying interest rebounded sharply, leading to a breakout from the falling wedge pattern.

Momentum indicators are supportive of the breakout. The RSI is hovering in the neutral zone, showing sustained buying interest. Similarly, the stock's bullish outlook is strengthened by the recent exhibition of golden cross in the MACD.

Waiting for the stock to pull back to the range between RM1.26 and RM1.29 presents a good entry opportunity. With the pattern breakout accompanied by sustained trading momentum, this would form a stage for the stock to challenge its first resistance at RM1.30. A successful breakout here could push the stock to challenge the next resistance levels at RM1.35 and RM1.43 respectively. Conversely, a dip below the critical support at RM1.22 could signal a false breakout, leading to a return to consolidation phase.

Entry – RM1.26 – RM1.29

Stop Loss – RM1.17

Target Price – RM1.30 – RM1.35 – RM1.43

Technical

Resistance 1 (RM)	1.30
Resistance 2 (RM)	1.35
Support 1 (RM)	1.22
Support 2 (RM)	1.02
MACD	Positive
RSI	Neutral

Stock Information

Last Close (RM)	1.29
52-week High (RM)	1.70
52-week Low (RM)	0.79

Company Profile

Ranhill Utilities Berhad specialises in offering water supply, waste water treatment and clean energy services.

GoHub Capital (0311)

Uptrend Gaining Strength



Technical Highlights

After reaching its 52-week high in early Sep, the stock started to consolidate and formed a triangle pattern. During this period, the stock made several breakout attempts, but weak buying interest caused each attempt to fall short. Recently, however, the resurgence of buying interest has driven the stock to break out of the triangle pattern. Yesterday, with sustained buying interest, the stock continued its upbeat momentum and closed further higher. This also pushed the stock to trade above all its EMA lines, signalling the potential for further upward movement.

Momentum indicators are showing strength. The RSI is rebounding sharply towards overbought territory, indicating the built-up of strong buying interest. Likewise, a golden cross was displayed in the MACD indicator recently, confirming the build-up of positive momentum.

An ideal entry range would be between RM1.15 and RM1.21. The first resistance to monitor is at RM1.22, and a breakout above this level could position the stock to challenge the next resistance at RM1.35. Conversely, consolidation could happen if the stock falls below its recent support level at RM0.985.

Entry – RM1.15 – RM1.21
Stop Loss – RM0.955
Target Price – RM1.22 – RM1.35

Technical

Resistance 1 (RM)	1.22
Resistance 2 (RM)	1.35
Support 1 (RM)	0.985
Support 2 (RM)	0.940
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.20
52-week High (RM)	1.48
52-week Low (RM)	0.35

Company Profile

GoHub Capital Berhad is a public transportation IT solutions provider. Types of services offered include development and integration of bus and rail segments, maintenance, support, terminal management, centralized ticketing, automated fare collection and bus operating system.

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 recognizable 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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