

PMB Technology (7172)

Multiple Signals Supporting Bullish Move



Technical Highlights

The stock has been in a downtrend movement since early Mar 2024. In late July, the return of trading interest pushed the stock higher and displayed a strong recovery. However, the recovery seemed to be short-lived as it only lasted for about a month before dipping into another consolidation phase. Yesterday, the spike in buying interest sparked a recovery again as the stock jumped and broke through both the crucial RM1.83 resistance level (extended from its recent high and the triangle pattern). We think these breakouts are strong as they are accompanied by a typical W-pattern, positioning the stock for more upside movement.

Momentum indicators are supportive of the bullish outlook. The RSI is accelerating toward overbought territory, reinforcing the strength of buying interest. Similarly, the MACD confirmed a golden cross yesterday, reinforcing the positive trajectory. Additionally, the stock is also trading above its short-term EMA, suggesting bullish trend movement in the short-term.

For an ideal entry range, it lies between RM1.80 to RM1.85. The first resistance lies at RM1.93; any further breakout above this point could position the stock to challenge its next resistance target at RM1.98. Inversely, a dip below RM1.68 would invalidate the breakout and could followed by a consolidation.

Entry – RM1.80 – RM1.83
Stop Loss – RM1.60
Target Price – RM1.93 – RM1.98

Technical

| | |
|--------------------------|----------|
| Resistance 1 (RM) | 1.93 |
| Resistance 2 (RM) | 1.98 |
| Support 1 (RM) | 1.68 |
| Support 2 (RM) | 1.57 |
| MACD | Positive |
| RSI | Positive |

Stock Information

| | |
|--------------------------|------|
| Last Close (RM) | 1.83 |
| 52-week High (RM) | 2.98 |
| 52-week Low (RM) | 1.57 |

Company Profile

PMB Technology Bhd principally engages in designing, fabricating and installing aluminum curtain wall, cladding system and manufacturing & trading aluminum related products.

DRB-HICOM (1619)

Falling Wedge Breakout



Technical Highlights

After reaching its 52-week high in early Apr, the stock entered into sideways movement before entering into consolidation mode. Since then, the stock showed no strong signals of recovery as trading interest remained muted. Yesterday, the spike in the buying interest (last trading volume was 1.8x higher than its average 90-days total trading volume) led the stock to close significantly higher and triggered a falling wedge pattern breakout. With the pattern breakout, the stock also started to trade above its EMA 20 line. These signals are supportive of the stock's trend reversal and the commencement of positive trend movement ahead.

Momentum indicators are supportive of the trend reversal. A strong pick-up in the RSI reinforces the trading interest, which is accumulating gradually. Meanwhile, the exhibition of a golden cross in the MACD yesterday signals the built-up of the stock's positive momentum.

Waiting for the stock to pull back to the range between RM1.03 and RM1.07 will be a good entry opportunity. The first resistance level is at RM1.08, and a successful breakout could see the stock testing RM1.18. On the flip side, if the stock dips below RM0.98, it could mean a false pattern breakout and the commencement of a correction phase.

Entry – RM1.03 – RM1.07
Stop Loss – RM0.93
Target Price – RM1.08 – RM1.18

Technical

| | |
|--------------------------|----------|
| Resistance 1 (RM) | 1.08 |
| Resistance 2 (RM) | 1.18 |
| Support 1 (RM) | 0.98 |
| Support 2 (RM) | 0.90 |
| MACD | Positive |
| RSI | Positive |

Stock Information

| | |
|--------------------------|-------|
| Last Close (RM) | 1.07 |
| 52-week High (RM) | 1.462 |
| 52-week Low (RM) | 0.98 |

Company Profile

DRB-HICOM Bhd specializes in developing, assembling, and selling motor vehicles and military vehicles.

Glossary of commonly used technical terms

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|--|---|
| 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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