

Rexit (0106)

Breaking Free from Downtrend



Technical Highlights

The stock has been in a downtrend since March 2024 but showed signs of recovery in early December, breaking out from its downtrend. Following the breakout, the stock continued its upward movement with a healthy pullback above the trendline, confirming the reversal. Additionally, the formation of a W-pattern has provided further positive signals, with the stock now trading above the pattern's neckline. Encouragingly, it is also trading above its 20-day and 50-day EMA lines while approaching the 200-day EMA line.

Momentum indicators are also strengthening. The RSI continues to rise, currently at 65, while the MACD is moving upward following the golden cross formed in late November. Additionally, trading volume has surged, indicating strong buying interest.

An ideal entry price range lies between the RM0.81 and RM0.83 range. The first resistance to watch is at RM0.87. A potential breakout from this point could position the stock to challenge the subsequent resistance at RM0.93. Should the stock overcome both resistances, it has the potential to test RM1.00 as the next target. On the downside, a drop below RM0.77 could indicate a reversal, potentially driving the stock toward its 52-week low of RM0.68.

Entry – RM0.81 – RM0.83

Stop Loss – RM0.77

Target Price – RM0.87 – RM0.93 – RM1.00

Technical

Resistance 1 (RM)	0.87
Resistance 2 (RM)	0.93
Support 1 (RM)	0.79
Support 2 (RM)	0.77
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.83
52-week High (RM)	1.48
52-week Low (RM)	0.68

Company Profile

Rexit Bhd provides business application solutions. The company's services range from conceptual development and project management to overall system implementation.

FSBM (9377)

Recovery Accelerates After 52-Week Low



Technical Highlights

The stock has been trading near its 52-week low of RM0.225 but showed signs of a reversal after breaking out of the downtrend yesterday with a surge in buying volume. Adding to the optimism, the stock has moved above the 20-day and 50-day EMA lines. It is now approaching the 200-day EMA line, a key resistance level that could confirm a stronger uptrend if surpassed.

Momentum indicators further support the positive outlook. The RSI is currently at 59 and still trending upward. Similarly, the MACD formed a golden cross earlier this month and continues to move higher. Trading volume has also been steadily increasing during the stock's consolidation, indicating growing market interest.

The ideal entry point for this stock is between RM0.235 and RM0.240. The first target is RM0.280, marking the ceiling of the consolidation zone. A breakout above RM0.280 could pave the way for the stock to test RM0.300 as the next resistance. However, on the downside, if the stock drops below RM0.220, creating a new 52-week low, it could signal the start of a renewed downtrend.

Entry – RM0.235 – RM0.240
Stop Loss – RM0.220
Target Price – RM0.28 – RM0.300

Technical

Resistance 1 (RM)	0.280
Resistance 2 (RM)	0.300
Support 1 (RM)	0.225
Support 2 (RM)	0.215
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.240
52-week High (RM)	0.445
52-week Low (RM)	0.225

Company Profile

FSBM Holdings Berhad distributes computers, computers related products, education related products and provides installation and maintenance 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 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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