

Supermax (7106)

Breaking Free Into Further Uptrend



Technical Highlights

The stock has been trading within a consolidation zone of RM0.77 to RM1.07 over the past three years, supported by an upward trendline. Recently, it broke out of this range to hit a fresh 52-week high, fueled by rising healthcare demand amid growing virus concerns. Adding to the optimism, Supermax is set to commence U.S.-based glove production in January 2025. To sweeten the deal, the company proposed a 1-for-5 bonus issue with 1-for-20 free warrants to reward its shareholders yesterday.

Momentum indicators are aligning with this bullish narrative. The RSI is currently at 78, while the MACD is sharply climbing, supported by trading volume hitting its highest level since May 2024. Additionally, the stock is also trading above all three key EMAs.

An ideal strategy would be wait for a slight pullback, with an entry range between RM1.14 and RM1.19. The first resistance level to test is RM1.30, with upside potential toward RM1.50 if the breakout continues. On the downside, caution is advised if the stock slips below RM1.07, which could indicate a reversal in momentum.

Entry – RM1.14 – RM1.19
Stop Loss – RM1.07
Target Price – RM1.30 – RM1.50

Technical

Resistance 1 (RM)	1.30
Resistance 2 (RM)	1.50
Support 1 (RM)	1.10
Support 2 (RM)	1.03
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.22
52-week High (RM)	1.23
52-week Low (RM)	0.78

Company Profile

Supermax Corporation Berhad manufactures, sell, and export various type of latex gloves around the world.

Microlink (0126)

Healthy Pullback After Trendline Break



Technical Highlights

The stock has been trading downward since March 2024 but showed a strong rebound in early December. Recently, it broke through two key downtrend lines, as shown in the chart above. Following the breakout, the stock is now making a healthy pullback above the trendline and the previous key resistance zone. Additionally, the stock is now trading above its 20-day and 50-day EMAs, with the 200-day EMA emerging as the next challenge on the horizon.

Momentum indicators are looking good. The RSI is currently at 70 and continues to rise after rebounding from 65. At the same time, the MACD formed a golden cross in late November and is steadily climbing upward. The recent surge in trading volume highlights stronger buyer pressure, further reinforcing the positive momentum.

An ideal strategy for this stock is to consider an entry range between RM0.210 and RM0.230. The first resistance to watch is RM0.275, and a successful breakout could push the stock toward the second target of RM0.330. On the downside, if the stock slips below RM0.190, it could indicate the beginning of a correction phase.

Entry – RM0.210 – RM0.230
Stop Loss – RM0.190
Target Price – RM0.275 – RM0.330

Technical

Resistance 1 (RM)	0.275
Resistance 2 (RM)	0.330
Support 1 (RM)	0.200
Support 2 (RM)	0.180
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.230
52-week High (RM)	0.900
52-week Low (RM)	0.085

Company Profile

Microlink Solutions Bhd develops and markets computer software. The company develops software for the banking industry.

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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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my