

Genting Malaysia (4715)

Breakout Above 20-day EMA



Technical Highlights

The stock has been in a downtrend since May, given the lack of strong new catalysts. Yesterday, a surge in buying volume pushed the stock higher, breaking out of the triangle pattern it had been consolidating within. This breakout also saw the stock moving above its 20-day EMA line, signaling the build-up of short-term bullishness. We expect some rebound momentum as bargain-hunting activities pick up post the recent portfolio rebalancing by fund managers after the stock's removal from the FBM KLCI index.

Momentum indicators are supportive of the positive outlook. The RSI is looking strong and accelerating, signaling a resurgence in trading interest. Meanwhile, the upward-pointing MACD line confirms the build-up of positive momentum in the stock.

For an ideal entry point, it can be set in the range between RM2.13 and RM2.15. The first resistance to watch is at RM2.18. A breakout above this level could position the stock to challenge its subsequent resistance at RM2.30. Conversely, if the stock moves sideways toward and below RM2.05, it could signify a false pattern breakout, potentially leading to a consolidation toward RM1.95.

Entry – RM2.13 – RM2.15
Stop Loss – RM1.98
Target Price – RM2.18 – RM2.30

Technical

Resistance 1 (RM)	2.18
Resistance 2 (RM)	2.30
Support 1 (RM)	2.05
Support 2 (RM)	1.95
MACD	Positive
RSI	Neutral

Stock Information

Last Close (RM)	2.15
52-week High (RM)	2.76
52-week Low (RM)	2.10

Company Profile

Genting Malaysia Berhad specialises in operating a tourist resort in Genting Highlands which includes hotels, restaurants, casinos and recreational and amusement facilities.

ACO Group (0218)

Triangle Breakout with Momentum



Technical Highlights

After reaching its 52-week high in mid-Jun, the stock fell into a consolidation phase. During this period, the stock showed some signs of recovery but failed to sustain momentum as trading strength remained muted. Recently, however, the stock regained momentum and began to trend upward. This strong momentum continued to push the stock higher and triggered a triangle pattern breakout. Following the pattern breakout, the stock maintained its upward movement and finally traded above all its EMA lines.

Momentum indicators are showing strength. The RSI regained strength and trended sharply upward towards the overbought territory, indicating trading interest is accumulating. Additionally, the stock's bullish momentum is ascertained by the recent exhibition of golden cross in the MACD.

Waiting pullback to the range between RM0.23 and RM0.24 would offer a good entry opportunity. The first resistance lies on RM0.250, and a breakout above this level could see the stock rally toward RM0.31. Conversely, a drop below RM0.210 could signal a continuation of the downtrend, with the potential to test new 52-week lows at RM0.180.

Entry – RM0.230 – RM0.240
Stop Loss – RM0.190
Target Price – RM0.250 – RM0.310

Technical

Resistance 1 (RM)	0.250
Resistance 2 (RM)	0.310
Support 1 (RM)	0.210
Support 2 (RM)	0.180
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.240
52-week High (RM)	0.323
52-week Low (RM)	0.209

Company Profile

ACO Group Berhad is a building material manufacturer that offers stormwater, building drainage systems, cable pit and ducting systems, access covers and other related products.

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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Published & Printed By:

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