

Master Tec (0295)

Potential Breakout Ahead?



Technical Highlights

After touching its 52-week high in early-May, the stock experienced a mild correction before a recovery took place. This recovery moved in tandem with the growing trading interest, leading the stock to trend upward. During this period, a bullish uptrend wedge pattern was formed, indicating the stock was trending upward in a higher highs and higher lows pattern. At the last closing price of RM1.26 on Christmas eve, the stock was just on the verge of breaking through the pattern.

Momentum indicators are favourable and supportive of the pattern breakout. The RSI is picking up, signalling renewed buying interest. Meanwhile, the MACD displayed a golden cross, confirming the build-up of the stock's bullish momentum.

The range between RM1.24 to RM1.26 serves as a good entry opportunity. The first resistance level can be set at RM1.37. A successful breach above this resistance could pave the way for the stock to challenge the subsequent resistance at RM1.40. Conversely, if the stock consolidated towards and below RM1.18, this could signal the commencement of the consolidation phase.

Entry – RM1.24 – RM1.26
Stop Loss – RM1.10
Target Price – RM1.37 – RM1.40

Technical

Resistance 1 (RM)	1.37
Resistance 2 (RM)	1.40
Support 1 (RM)	1.18
Support 2 (RM)	1.05
MACD	Positive
RSI	Neutral

Stock Information

Last Close (RM)	1.26
52-week High (RM)	1.53
52-week Low (RM)	0.341

Company Profile

Master Tec Group Berhad specialises in manufacturing and distribution of power, control, and instrumental cables and associated products.

D&O Green Tech (7204)

Nearing A Pattern Breakout



Technical Highlights

The stock dipped into consolidation mode as buying interest remained subdued since late May. Recently, the resurgence of trading interest pushed the stock to close higher, signalling a potential recovery. A triangle pattern was formed as the stock trended upward within the zone. The stock is about to initiate a pattern breakout, as the last closing price was trading near the breakout trigger point of RM2.06. With the last closing price trading above its 20-EMA line, we think this builds a strong foundation for the stock to break the triangle pattern and enter into an uptrend cycle.

Momentum indicators are favourable. The RSI is accelerating, indicating the return of strong buying interest. Meanwhile, the stock's bullish momentum is ascertained by the recent exhibition of golden cross in the MACD.

Waiting pullback to the range between RM2.01 and RM2.05 would offer a good entry opportunity. The first resistance lies on RM2.09, and a breakout above this level could form a stage for the stock to test its next resistance point at RM2.23. Conversely, a drop below RM1.87 could signal a continuation of the downtrend, with the potential to test new 52-week lows at RM1.75

Entry – RM2.01 – RM2.05
Stop Loss – RM1.77
Target Price – RM2.09 – RM2.23

Technical	
Resistance 1 (RM)	2.09
Resistance 2 (RM)	2.23
Support 1 (RM)	1.87
Support 2 (RM)	1.75
MACD	Positive
RSI	Positive

Stock Information	
Last Close (RM)	2.05
52-week High (RM)	3.93
52-week Low (RM)	1.87

Company Profile

D&O Green Technologies Berhad is a company principally engages in manufacturing and assembling semiconductor components under original equipment manufacturer contract manufacturing and captive line arrangement.

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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