

Wasco (5142)

Bulls Break Through the W Pattern



Technical Highlights

The stock experienced a strong bull run earlier in 2024, peaking at RM1.60 in June before entering a downtrend that reached a 52-week low of RM0.97. From August to December, the stock traded within a consolidation zone. Notably, a bullish W-shaped pattern has formed, with the stock previously struggling to break through the key resistance at RM1.12. However, this week marked a significant shift as the stock successfully broke out of that resistance, confirming the bullish W-pattern.

Following this breakout, the stock is now trading above all three key EMAs, with the 20-day and 50-day EMAs crossing yesterday. The RSI stands at 70 and continues to move upward, while the MACD formed a golden cross last week. The upward movement has been supported by a surge in trading volume, with buying volume reaching its highest level since August 2024.

It would be wise to wait for a healthy pullback, ideally within the range of RM1.15 to RM1.20. The first resistance to watch is at RM1.27, followed by RM1.39—a level that previously served as a major support line in June but has now turned into a key resistance zone. On the downside, if the stock falls below RM1.11, it would indicate a loss of bullish momentum and could signal a return to a downward trend.

Entry – RM1.15 – RM1.20
Stop Loss – RM1.11
Target Price – RM1.27 – RM1.39

Technical

Resistance 1 (RM)	1.27
Resistance 2 (RM)	1.39
Support 1 (RM)	1.12
Support 2 (RM)	1.07
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.20
52-week High (RM)	1.60
52-week Low (RM)	0.97

Company Profile

Wasco Bhd operates as an energy infrastructure company. They specialize in pipe coating and corrosion protection services, fabrication and rental of gas compressors and process equipment.

SLP Resources (7248)

Rectangle Break with EMA Support



Technical Highlights

Since September 2023, the stock has been on an upward trend, reaching its 52-week high of RM1.09 in May 2024. However, after hitting that peak, the stock entered a downtrend, eventually creating a new 52-week low of RM0.85. For over five months, the stock traded sideways between RM0.85 and RM0.93, forming a rectangle consolidation pattern. This week, a breakout occurred, with the stock gaining 4.5% and closing above the upper boundary of this range. Adding to the bullish signal, the stock is now trading above all three key EMAs.

Momentum indicators also look promising. The RSI has climbed to 54, its highest level since June 2024, after spending six months in a neutral zone. Meanwhile, the MACD formed a golden cross in December, further supporting the case for a bullish breakout.

An ideal entry range for this stock would be between RM0.91 and RM0.93. The first resistance level to watch is RM0.95, and if that level is cleared, the next target would be around RM1.07, just shy of the 52-week high. On the downside, if the stock falls below RM0.89, it could signal that the breakout is not holding, potentially initiating a correction phase.

- Entry** – RM0.91 – RM0.93
- Stop Loss** – RM0.89
- Target Price** – RM0.95 – RM1.07

Technical

Resistance 1 (RM)	0.95
Resistance 2 (RM)	1.07
Support 1 (RM)	0.90
Support 2 (RM)	0.87
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.93
52-week High (RM)	1.09
52-week Low (RM)	0.85

Company Profile

SLP Resources Bhd manufactures, exports, and distributes packaging products and plastic related goods, as well as trades polymer products, such as plastic resins.

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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