

Southern Cable (0225)

Breakout Could Confirm Bull Flag



Technical Highlights

The stock has been in an uptrend since 2024, reaching a 52-week high at RM1.39. After hitting this level, it experienced a healthy pullback and found strong support at RM1.07 before rebounding. If the stock manages to break out from its current downtrend, it could confirm a bull flag pattern, signalling further upside potential. Additionally, the stock remains above all three key EMAs, supporting the ongoing bullish structure.

Momentum indicators are looking good. The RSI is currently at 50 and continues to move upward. Meanwhile, the MACD is on the verge of forming a golden cross, indicating that selling pressure is fading and momentum is shifting in favour of buyers.

An ideal entry for this stock would be between RM1.14 and RM1.17. The first target is set at RM1.25, and if the stock breaks through this level, it could head toward the 52-week high at RM1.39. On the downside, if the stock trades below RM1.05, it would indicate a failure to hold the key support zone, potentially leading to a continued downtrend. This setup presents an attractive risk-reward ratio of 3.

Entry – RM1.14 – RM1.17
Stop Loss – RM1.05
Target Price – RM1.25 – RM1.39

Technical

Resistance 1 (RM)	1.25
Resistance 2 (RM)	1.39
Support 1 (RM)	1.12
Support 2 (RM)	1.05
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.16
52-week High (RM)	1.39
52-week Low (RM)	0.40

Company Profile

Southern Cable Group Berhad manufactures customized cables and wires. The company products are used across power distribution and transmission, building and construction, infrastructure, telecommunication, manufacturing units, oil and gas processing industries, and petrochemical plants.

Nationgate (0270)

Near Reversal Point



Technical Highlights

The stock finds its bottom in late 2024 and has been moving upward since, hitting a new 52-week high at RM3.03. However, after that peak, it faced strong selling pressure and dropped sharply to RM1.69, aligning with its previous consolidation zone bottom. Yesterday, the stock touched the ceiling of the downtrend line with strong volume. If the buying momentum sustains, a breakout from this downtrend could occur, leading to a challenge of the three key EMAs.

Momentum indicators suggest improving conditions. After a steep decline, the RSI rebounded from oversold levels and now sits at 32. Meanwhile, the MACD has begun curving upward from its bottom, reflecting reduced selling pressure and the early stages of a possible trend reversal.

An ideal entry for this stock would be a range of between RM1.80 to RM1.85. The first resistance to watch is RM1.98, and if broken, the next target would be RM2.34. On the downside, if the stock trades below RM1.69, which serves as a second support, the downtrend could continue further.

Entry – RM1.80 – RM1.85
Stop Loss – RM1.69
Target Price – RM1.98 – RM2.34

Technical

Resistance 1 (RM)	1.98
Resistance 2 (RM)	2.34
Support 1 (RM)	1.77
Support 2 (RM)	1.69
MACD	Neutral
RSI	Positive

Stock Information

Last Close (RM)	1.85
52-week High (RM)	3.03
52-week Low (RM)	1.69

Company Profile

Nationgate Holdings Berhad operates as a contract manufacturer. The company offers electronics manufacturing services and technical support to networking and communications, instrumentation, consumer products, medical devices, and automotive sectors.

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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