

Pekat (0233)

Revisiting 52-week High?



Technical Highlights

The stock has been on the consistent uptrend pattern since the early March 2024. After reaching RM1.25 (the stock's 52-week high), the stock started to consolidate within range, forming a falling triangle pattern. Yesterday, the stock spiked and formed a large bullish candle, confirming the stock's reclamation above all the EMA lines. At the yesterday's closing price of RM1.15, the stock is just on the verge of breaking above the key trigger level of the falling triangle pattern. With these bullish technical set-ups, we think this could form a stage for the stock to initiate pattern breakout and revisit its 52-week high.

Momentum indicators are supportive of the pattern breakout. The RSI is trending upward, indicating the renewed buying momentum. Similarly, the stock's bullish outlook is confirmed by both the upward pointing MACD and 20-EMA line.

The ideal entry range can be set at RM1.13 to RM1.15. The first resistance level lies on RM1.17. If the stock managed to initiate the triangle pattern breakout with sustained momentum, this could form a foundation for the stock to rally toward RM1.25, the stock's 52-week high. Conversely, a potential consolidation phase could re-emerge if the stock dips toward and below its recent support level of RM1.08.

Entry – RM1.13 – RM1.15
Stop Loss – RM1.07
Target Price – RM1.17 – RM1.25

Technical

Resistance 1 (RM)	1.17
Resistance 2 (RM)	1.25
Support 1 (RM)	1.08
Support 2 (RM)	1.00
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.15
52-week High (RM)	1.25
52-week Low (RM)	0.485

Company Profile

Pekat Group Berhad is a renewable energy solution provider that offers solar panel, lightning protection, earthing system and renewable energy system.

Hume Cement (5000)

Potential Rebounding Ahead?



Technical Highlights

The stock entered into consolidation phase after reaching its peak in the mid-July 2024. A falling channel pattern was formed as stock continued to consolidate within the zone. Yesterday, the spike in the buying interest as displayed by its 3x higher buying interest than its average 90-days trading volume forced the stock to close substantially higher with a gain of 7%. This also led to the formation of a Marubozu bullish candle and initiated the falling channel pattern breakout. With these favourable technical signals, we think the stock is set to rebound over the horizon.

Momentum indicators are looking favourable. The RSI continues to climb, signalling the buying interest is accumulating. Similarly, the recent exhibition of golden cross in the MACD further ascertains the built-up of the stock's positive momentum.

An attractive buying opportunity can be observed in the range between RM2.70 to RM2.74. The first resistance can be set at RM2.77. If the stock can break above this level, the next level to challenge would be at RM2.86. Should the stock breach above both of these levels, the stock could challenge higher resistance level at RM3.00. Conversely, if the stock moves sideways and descends below RM2.60 level, this could indicate a false pattern breakout and the commencement of market correction phase.

Entry – RM2.70 – RM2.74

Stop Loss – RM2.58

Target Price – RM2.77 – RM2.86 – RM3.00

Technical

Resistance 1 (RM)	2.77
Resistance 2 (RM)	2.86
Support 1 (RM)	2.60
Support 2 (RM)	2.35
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	2.74
52-week High (RM)	3.86
52-week Low (RM)	2.35

Company Profile

Hume Cement Industries Bhd is a company specializes in manufacturing and sales of cement and cement 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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