

Lay Hong (9385)

Pattern Breakout With W-Pattern



Technical Highlights

The stock had been undergoing a major correction phase since late May 2024, retracing sharply from its 52-week high to a new 52-week low. After establishing a bottom in the early-April 2024, the stock started to stage recovery. Recently, the stock initiated a triangle pattern breakout supported by a typical W pattern formation, suggesting a potential trend reversal. At the Wednesday's closing, the resurgence of buying interest (3.6x higher than its average 90-days trading volume) led the stock to close higher, reinforcing the strength of the move. With these positive technical setups, we think the stock could extend its recovery trajectory in the near term.

Momentum indicators are displaying positive signals. The RSI is trending upward, signalling sustained buying momentum. Meanwhile, the stock's short-term bullish momentum is confirmed by the recent exhibition of golden cross in the MACD.

An ideal entry range would be between RM0.330 and RM0.335. The first resistance to monitor is at RM0.355, and a breakout above this level could position the stock to challenge the next resistance at RM0.385. Conversely, consolidation could happen if the stock falls below its recent support level at RM0.310.

Entry – RM0.330 – RM0.335
Stop Loss – RM0.305
Target Price – RM0.355 – RM0.385

Technical	
Resistance 1 (RM)	0.355
Resistance 2 (RM)	0.385
Support 1 (RM)	0.310
Support 2 (RM)	0.285
MACD	Positive
RSI	Positive

Stock Information	
Last Close (RM)	0.335
52-week High (RM)	0.456
52-week Low (RM)	0.285

Company Profile	
Lay Hong Berhad is a company specializes in providing poultry farming, processing and marketing poultry and producing organic fertilizers.	

99 Speed Mart Retail (5326)

Potential Trend Reversal Ahead?



Technical Highlights

After peaking in the early December 2024, the stock experienced a major consolidation phase as it dipped into its 52-week low. The stock seemed to find its bottom in the early-April 2024 before engaging a strong rebounding momentum. A channel pattern was formed as the stock continued to trade within the range. The stock's positive trading momentum also confirmed a golden cross in the moving average. With these multiple positive technical signals, we think this could form a stage for the stock to break free from downtrend and offer more upside potential in the near term.

The momentum indicators are supportive of the trend reversal pattern formation. The RSI remained in favourable movement, suggesting the stock's buying momentum remain strong. Similarly, both upward-pointing MACD and 20-EMA lines ascertain the built-up of the stock's short-term bullish momentum.

An ideal entry range lies between RM2.23 and RM2.25 after a minor pullback. The first resistance stands at RM2.33, with a second target at RM2.43 if the bullish momentum continues. Conversely, if the stock falls below the critical support level at RM2.17, it may signal a false pattern breakout and the commencement of market correction phase.

Entry – RM2.23 – RM2.25
Stop Loss – RM2.12
Target Price – RM2.33 – RM2.43

Technical	
Resistance 1 (RM)	2.33
Resistance 2 (RM)	2.43
Support 1 (RM)	2.17
Support 2 (RM)	2.03
MACD	Positive
RSI	Positive

Stock Information	
Last Close (RM)	2.25
52-week High (RM)	2.61
52-week Low (RM)	1.65

Company Profile	
99 Speed Mart Retail Holdings Berhad via its subsidiary retails snacks, desserts, beverages, sanitary, packaged foods, and personal care 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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