

Salcon (8567)

Holding Strong, Eyes Higher



Technical Highlights

After hitting a bottom in January, the stock has spent the past five months consolidating in a steady range. In late March, it broke above a key resistance level and marking the start of a healthy uptrend. Since then, the stock has bounced off the uptrend line four times. Just yesterday, it touched this trendline again, and with the backing of consistent buying volume, we see a potential successful rebound. The stock is also hovering around the three key EMAs. A breakout above these EMAs would reinforce further upside potential.

Momentum indicators are looking good. The RSI is sitting right at the 50 mark and is still moving upwards. On top of that, the MACD is also close to forming a golden cross.

An ideal entry range would be RM0.300 to RM0.310. The first resistance to watch is RM0.320. If broken, the next upside targets are RM0.335 and then RM0.360. On the downside, a drop below RM0.285 would suggest a breakdown from the current structure, potentially dragging the stock back to its earlier consolidation zone. Overall, this setup presents a risk-reward ratio of 3.

Entry – RM0.300 – RM0.310
Stop Loss – RM0.285
Target Price – RM0.335 – RM0.360

Technical

Resistance 1 (RM)	0.320
Resistance 2 (RM)	0.335
Support 1 (RM)	0.300
Support 2 (RM)	0.290
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.310
52-week High (RM)	0.475
52-week Low (RM)	0.245

Company Profile

Salcon Bhd is a water engineering company. It provides water treatment for palm oils, domestic water supply for plantation workers and swimming pools as well as selling engineering equipment to the plantation and building service industries.

Lim Seong Hai Capital (0351)

On a Winning Streak



Technical Highlights

The stock has successfully broken out of its prolonged downtrend, and just yesterday, it completed a pullback by retesting the broken trendline from the outside. Notably, this comes as the stock records an impressive 7-day winning streak, backed by steady buying volume throughout. With all three key EMAs now just within reach, the next challenge lies in whether the stock can push above them. A decisive breakout from these EMAs would likely pave the way for further upside in the near term.

Momentum indicators are doing great. The RSI currently sits at 54 and continues to trend upward. On top of that, the MACD had already formed a golden cross earlier this month and remains on an upward trajectory.

An ideal entry range is between RM0.795 and RM0.815. The first key resistance stands at RM0.815. Should the stock break past this level, the next targets are RM0.850 and then RM0.880. On the downside, a break below RM0.770 would invalidate the current setup and signal a potential retreat toward the 52-week low at RM0.730. Overall, this setup offers a risk-reward profile of 2.5.

Entry – RM0.795 – RM0.815

Stop Loss – RM0.770

Target Price – RM0.850 – RM0.880

Technical

Resistance 1 (RM)	0.815
Resistance 2 (RM)	0.850
Support 1 (RM)	0.795
Support 2 (RM)	0.780
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.815
52-week High (RM)	0.905
52-week Low (RM)	0.730

Company Profile

Lim Seong Hai Capital Berhad is a construction firm engaged in various construction and engineering projects, offering construction-related services and solutions, supplying construction products, and being involved in property development.

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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