

# Nationgate (0270)

## Bull Flag Breakout Watch



### Technical Highlights

After hitting its 52-week low in April, the stock staged an impressive rebound, rallying to RM1.81 last month. Since then, it has been forming a classic bull flag pattern, suggesting a healthy consolidation before another potential leg up. The current price action sits right at the upper trendline of this flag, hinting at a possible breakout soon. Supporting this view is the consistent buying momentum where marked by five consecutive green candles and a decisive close above both the 20 and 50 day EMA.

Momentum indicators are looking good. The RSI has been gradually climbing and now sits at 55. At the same time, the MACD is also on the cusp of a golden cross.

An ideal entry lies between RM1.53 and RM1.56. The initial resistance is pegged at RM1.68, with RM1.81 as the next key level to watch, just above the 200-day EMA. However, if the price dips below RM1.42, it would invalidate the setup and indicate a renewed downside pressure.

**Entry** – RM1.53 – RM1.56  
**Stop Loss** – RM1.42  
**Target Price** – RM1.68 – RM1.81

#### Technical

<b>Resistance 1 (RM)</b>	1.68
<b>Resistance 2 (RM)</b>	1.81
<b>Support 1 (RM)</b>	1.51
<b>Support 2 (RM)</b>	1.42
<b>MACD</b>	Positive
<b>RSI</b>	Positive

#### Stock Information

<b>Last Close (RM)</b>	1.56
<b>52-week High (RM)</b>	3.03
<b>52-week Low (RM)</b>	1.00

#### Company Profile

Nationgate Holdings Bhd principally involved in the provision of electronics manufacturing services (EMS). The Company focuses on the assembly and testing of electronic components and products to produce completed PCBs, semi-finished sub-assemblies, and fully assembled electronic products, and semiconductor devices.

# Well Chip (5325)

## New Trend in Formation



### Technical Highlights

After moving in a prolonged downtrend for over a year, the stock finally found its bottom around April 25. Since then, it has shown signs of recovery by forming a bullish W-shape pattern, a classic reversal setup near the bottom. It successfully broke out from this base and is now forming a triangle pattern, often seen as a continuation signal. The current price action is trading within the squeeze zone of this triangle, indicating a potential breakout is on the horizon as buying pressure builds.

Momentum indicators are looking positive. The RSI has been trending higher and now sits comfortably at 64. Meanwhile, the MACD is also on the verge of a golden cross.

An ideal entry lies between RM1.15 to RM1.17. The first resistance to monitor is RM1.25. If the stock manage to break past this, the next upside target would be RM1.37. However, if the price falls below RM1.10, it could signal renewed downside pressure, especially as the stock would then be trading below three of the key EMAs.

**Entry** – RM1.15 – RM1.17  
**Stop Loss** – RM1.10  
**Target Price** – RM1.25 – RM1.37

#### Technical

Resistance 1 (RM)	1.25
Resistance 2 (RM)	1.37
Support 1 (RM)	1.13
Support 2 (RM)	1.10
MACD	Positive
RSI	Positive

#### Stock Information

Last Close (RM)	1.17
52-week High (RM)	1.83
52-week Low (RM)	0.94

#### Company Profile

Well Chip Group Berhad primarily involved in pawnbroking services, and the retail and trading of jewelry and gold through its subsidiaries. As of the latest practicable date, it operates 27 outlets, including 23 pawnshops and 4 adjacent retail outlets.

## 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"><li>- current high less the current low;</li><li>- the absolute value of the current high less the previous close;</li><li>- the absolute value of the current low less the previous close;</li></ul>
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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