

Mega Fortris (5327)

Breakout With Strong Momentum



Technical Highlights

The stock broke out from a prolonged downtrend this week and showed a healthy pullback after the surge. Yesterday, it closed above a key resistance zone and is now trading above both the 20-day and 50-day EMAs. If the stock manage to stays above this resistance level, it could open the door for more upside in the near term.

Momentum signals are looking encouraging. The RSI has rebounded from oversold levels earlier this month and now sits at 67, showing strong buying strength. At the same time, the MACD has also formed a golden cross and is climbing higher, backed by steadily rising buying volume.

An ideal entry for this stock is between RM0.480 and RM0.490. The first resistance zone to watch is RM0.515 to RM0.555. If the price breaks above this, more gains could follow. However, if the stock drops below RM0.450, it would suggest renewed selling pressure and possible weakness ahead.

Entry – RM0.480 – RM0.490
Stop Loss – RM0.450
Target Price – RM0.515 – RM0.555

Technical

Resistance 1 (RM)	0.515
Resistance 2 (RM)	0.555
Support 1 (RM)	0.470
Support 2 (RM)	0.450
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.490
52-week High (RM)	0.685
52-week Low (RM)	0.395

Company Profile

Mega Fortris Berhad primarily focused on the design and manufacture of security seals and trading related products and services. It develops products like plastic, container, cable seals, and security bags to secure goods during transport and storage.

EG Industries (8907)

Fresh Momentum Builds Up



Technical Highlights

The stock has been trading consistently within an uptrend and recently touched its uptrend line again, bouncing back strongly as fresh buying volume came in. Yesterday, the stock also broke out from a triangle pattern, gaining about 2% and adding more confidence to the trend. With this move, the stock is now trading above all three key EMAs.

Momentum indicators are showing healthy signs. The RSI has started to climb after staying flat for a while and now sits at 50, suggesting the stock has room to move higher. Meanwhile, the MACD is on the verge of forming a golden cross as selling pressure has eased.

An ideal entry for this stock is between RM1.06 and RM1.08. The first resistance to watch is RM1.14, if the stock can break above this level, the next resistance to target will be RM1.21. On the downside, if the stock falls below RM0.99, it may signal that selling pressure is returning and more weakness could follow.

Entry – RM1.06 – RM1.08
Stop Loss – RM0.990
Target Price – RM1.14 – RM1.21

Technical

Resistance 1 (RM)	1.14
Resistance 2 (RM)	1.21
Support 1 (RM)	1.05
Support 2 (RM)	0.99
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.08
52-week High (RM)	1.39
52-week Low (RM)	0.80

Company Profile

EG Industries Bhd engages in the provision of management services. It operates through the following business segments: Electronic Manufacturing Services and Original Equipment Manufacturer/Original Design Manufacturer for Electronic and Electrical Products; and other non reportable segments.

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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