

Formosa (9172)

Trend Reversal In Action?



Technical Highlights

Since early August 2024, the stock has been on the market correction phase. During this phase, the stock dipped from its 52-week high (RM2.79) to its 52-week low (RM1.21). After establishing a base at RM1.21, the stock engaged a strong rebounding movement and trended upward with a pattern of higher highs and higher lows. Yesterday, the stock continued to close higher and successfully triggered a falling wedge pattern breakdown. With the pattern breakdown accompanied by the stock's reclamation above its 20-EMA line, we think the stock could have likely initiated the trend reversal.

Momentum indicators are supportive of the stock's trend reversal movement. The RSI spiked up from oversold territory, suggesting the resurgence of the stock's strong buying interest. Similarly, the stock's near-term bullish outlook is reinforced by the yesterday's formation of a golden cross in the MACD.

Waiting a slight pullback to between RM1.37 and RM1.39 represent an attractive entry opportunity. The first and second resistance to watch would be at RM1.45 and RM1.54 respectively. Should the stock manage to clear above both of these levels, it could rally towards RM1.58 level. On the downside, if the stock moves in opposite direction towards and below RM1.31, this could indicate a false trend reversal signal and the start of another consolidation phase.

Entry – RM1.37 – RM1.39

Stop Loss – RM1.27

Target Price – RM1.45 – RM1.54 – RM1.58

Technical

Resistance 1 (RM)	1.45
Resistance 2 (RM)	1.54
Support 1 (RM)	1.31
Support 2 (RM)	1.21
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.39
52-week High (RM)	2.79
52-week Low (RM)	1.21

Company Profile

Formosa Prosonic Industrial Bhd specializes in assembling high quality speaker systems and manufacturing of printed circuit boards.

HE Group (0296)

Uptrend Momentum Remains



Technical Highlights

After establishing a firm base in early April 2025, the stock entered into a strong uptrend, staging a rebound of over 100% from its 52-week low. The recent price action continues to exhibit a bullish structure, with the stock forming a sequence of higher highs and higher lows. Notably, the stock remains firmly above all its EMA lines, while a potential golden cross formation is on the horizon. This positive technical setup suggests the bullish momentum is likely to persist, paving the way for a further extension of the recovery trend in the near term.

The momentum indicators remain strong and supportive of the stock's recovery in price action. The RSI is still climbing upwards, indicating the stock's sustained buying momentum. Meanwhile, both the upward pointing 20-EMA and MACD line confirm the built-up of the stock's near-term trading momentum.

An ideal entry opportunity lies in the range of RM0.395 – RM0.405. The first resistance can be set at RM0.420. A breach above this level could pave way for the stock to challenge next target at RM0.480. Conversely, a descent below the stock's recent support level of RM0.350, this could mean the commencement of a new consolidation phase.

Entry – RM0.395 – RM0.405
Stop Loss – RM0.340
Target Price – RM0.420 – RM0.480

Technical

Resistance 1 (RM)	0.420
Resistance 2 (RM)	0.480
Support 1 (RM)	0.350
Support 2 (RM)	0.310
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.405
52-week High (RM)	0.600
52-week Low (RM)	0.205

Company Profile

HE Group Bhd is a company that provides electrical engineering services such as design, supply, installation, testing and commissioning of power distribution system.

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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