

Edaran Bhd (5036)

Falling Wedge Breakout Potential



Technical Highlights

After trending lower since June 2025, Edaran Bhd appears to have found support near RM1.10 before staging a rebound. The stock has now broken out of its falling wedge pattern and closed at RM1.21, reclaiming its 20-day EMA (RM1.16) and inching closer to the 50-day EMA (RM1.31). This suggests early signs of a potential trend reversal.

Momentum indicators are supportive. The RSI has improved to 55, showing recovery from oversold territory, while the MACD has turned positive with a fresh bullish crossover. Trading volume has also picked up, pointing towards increased accumulation by buyers.

For entry, we see an accumulation zone between RM1.14 and RM1.21, with stop loss at RM1.09. On the upside, the immediate resistance is at RM1.24, followed by RM1.31. A decisive break above RM1.31 could pave the way for further gains. On the downside, if the stock falls below RM1.09, the rebound would be negated, raising risks of a retest towards its 52-week low of RM1.04.

Entry – RM1.14 – RM1.21

Stop Loss – RM1.09

Target Price – RM1.24 – RM1.31

Technical

Resistance 1 (RM)	1.24
Resistance 2 (RM)	1.31
Support 1 (RM)	1.15
Support 2 (RM)	1.09
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.21
52-week High (RM)	1.95
52-week Low (RM)	1.04

Company Profile

Edaran Berhad is an investment holding company. The Company, through its subsidiaries, provides information technology solutions and services.

Sumisaujana Group Bhd (0349)

Descending Channel Watch



Technical Highlights

After a period of sideways consolidation in July, the stock has since slipped into a descending channel, retesting the RM0.165 level. Importantly, the price is now sitting just above the key support of RM0.160, where buying interest has historically emerged. A rebound from this zone could trigger a near-term recovery.

Momentum signals suggest that the stock may be oversold and poised for a bounce. The RSI currently stands at 35, close to oversold territory, while the MACD is beginning to stabilize after a recent pullback. Any pickup in volume from here would add conviction to a potential reversal.

For entry, we see an accumulation zone between RM0.165 and RM0.170, with a stop loss placed at RM0.160 to manage downside risk. On the upside, initial resistance is expected at RM0.190, followed by RM0.205. A decisive break above RM0.205 would strengthen the case for further upside momentum.

Entry – RM0.165 – RM0.170

Stop Loss – RM0.160

Target Price – RM0.190 – RM0.205

Technical

Resistance 1 (RM)	0.205
Resistance 2 (RM)	0.190
Support 1 (RM)	0.175
Support 2 (RM)	0.160
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.165
52-week High (RM)	0.205
52-week Low (RM)	0.160

Company Profile

Sumisaujana Group Berhad manufactures and supplies oil and has specialty chemicals and additives. The company focuses on drilling fluid chemicals and specialties in the production and refinery chemicals for the oil and gas industry. Sumisaujana Group serves customers in Malaysia.



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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