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Guan Chong (5102)

Base Formation Signals Potential Rebound

Technical Highlights

The stock last closed at RM0.950, positioned within its suggested entry range of RM0.920 to RM0.950 and showing resilience above its immediate support at RM0.910. Price action has been consolidating near recent lows, with signs of base-building after a prolonged downtrend. A recovery attempt could take shape if the stock sustains above support levels.

Momentum indicators point to a constructive setup. The RSI has turned positive, signaling improving buying interest from oversold territory, while the MACD remains neutral, suggesting that confirmation of a trend reversal is still required.

For entry, accumulation is favored at RM0.920 to RM0.950. A break below RM0.890 would trigger the stop-loss and negate the recovery view. On the upside, the near-term target is set at RM0.970, with potential extension toward RM1.090 if momentum strengthens. A decisive breakout above RM1.090 could further open the path for a rebound towards higher resistances.

Entry – RM0.920 – RM0.950
Stop Loss – RM0.890
Target Price – RM0.970 – RM1.090

Technical	
Resistance 1 (RM)	0.970
Resistance 2 (RM)	1.090
Support 1 (RM)	0.910
Support 2 (RM)	0.890
MACD	Neutral
RSI	Positive

Stock Information	
Last Close (RM)	0.950
52-week High (RM)	1.912
52-week Low (RM)	0.885

Company Profile

Guan Chong Bhd, through its subsidiaries, manufactures cocoa-derived food ingredients, including cocoa liquor, cocoa butter, cocoa cake, and cocoa powder. Company's products are exported to various countries around the world.

SKP Resources (7155)

Consolidation Near Support with Rebound Potential

Technical Highlights

The stock last closed at RM0.900, sitting within its suggested entry range of RM0.895 to RM0.900 and holding steady above its immediate support at RM0.880. Price action has been consolidating in a narrow band after recent weakness, indicating possible accumulation near the base. A breakout from this consolidation could set the stage for a short-term rebound.

Momentum indicators are mildly constructive. The RSI is in positive territory, suggesting buying interest is gradually returning, while the MACD remains neutral, reflecting the need for confirmation before a decisive move higher.

For entry, accumulation is favored at RM0.895 to RM0.900. A break below RM0.845 would trigger the stop-loss and negate the bullish view. On the upside, the initial target price is set at RM0.925, with potential extension toward RM0.960 if momentum improves. Sustained strength above RM0.960 may further reinforce recovery prospects.

Entry – RM0.895 – RM0.900
Stop Loss – RM0.845
Target Price – RM0.925 – RM0.960

Technical	
Resistance 1 (RM)	0.925
Resistance 2 (RM)	0.960
Support 1 (RM)	0.880
Support 2 (RM)	0.845
MACD	Neutral
RSI	Positive

Stock Information	
Last Close (RM)	0.900
52-week High (RM)	1.220
52-week Low (RM)	0.645

Company Profile

SKP Resources Berhad is an investment holding company. Through its subsidiaries, the Company manufactures plastic parts and components, precision and engineering plastic parts, and leases property. SKP Resources also has operation in precision mold making, design and modification of molds.

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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: - 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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