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Tan Chong Motor Holdings Berhad (4405)

Support Rebound, Near-Term Trendline Broken

Technical Highlights

The stock last closed at RM0.655, breaking out of its one-month trendline as it rebounds from the first support level at RM0.625. The next key targets will be its first and second resistance at RM0.785 and RM0.905, based on historical price levels.

Momentum indicators show bullish signals from the RSI as it broken its trendline, moving upwards towards the overbought zone. Meanwhile, the MACD line is on the verge to cross above the signal line. Furthermore, the stock has been trading above its 200-day EMAs, with potential to cross above its 20 and 50-day EMA, reinforcing the bullish trend momentum.

On the upside, the immediate target is RM0.785 with further strength potentially extending towards RM0.905, given a sustained momentum. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Entry – RM0.650 – RM0.655
Stop Loss – RM0.560
Target Price – RM0.785 – RM0.905

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Technical	
Resistance 1 (RM)	0.785
Resistance 2 (RM)	0.905
Support 1 (RM)	0.625
Support 2 (RM)	0.569
MACD	Bullish
RSI	Positive

Stock Information	
Last Close (RM)	0.655
52-week High (RM)	0.970
52-week Low (RM)	0.280

Company Profile

Tan Chong Motor Holdings Berhad assembles and distributes motor vehicles and manufactures and sells auto parts and accessories. The Company also distributes cosmetics, cellular phones, and industrial, agricultural and construction equipment. Tan Chong Motors provides auto insurance, car rental, travel, leasing, and financing services as well as develops properties.

Peterlabs Holdings Berhad (0171)

Consolidation Post-Trendline Breakout

Technical Highlights

The stock last closed at RM0.245, consolidating between its first support and resistance at RM0.315 and RM0.275. Since breaking its downtrend back in September, the stock had been testing its first resistance, opening an opportunity for entry from its support level.

Momentum indicators show bullish signals from the RSI as it moves upwards towards the overbought zone. The MACD line had also recently crossed above the signal line. However, the stock had been trading well below all its EMAs, as it look to cross above its 20-day EMAs, indicating a near-term upside potential.

On the upside, the immediate target is RM0.275, with further strength potentially extending towards RM0.315. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Entry – RM0.240– RM0.245
Stop Loss – RM0.200
Target Price – RM0.275 – RM0.315

Technical	
Resistance 1 (RM)	0.315
Resistance 2 (RM)	0.275
Support 1 (RM)	0.220
Support 2 (RM)	0.205
MACD	Bullish
RSI	Positive

Stock Information	
Last Close (RM)	0.245
52-week High (RM)	0.550
52-week Low (RM)	0.160

Company Profile

Peterlabs Holdings Berhad manufactures, distributes and trades animal health and nutrition products for livestock and companion animals. The Company markets its products primarily to farmers and livestock breeders.

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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