

SNS Network Technology Berhad (0259)

Near-Term Trendline Breakout, Sustained Medium Term Trend



Technical Highlights

The stock last closed at RM0.635, printing a bullish candle to break out of its two-month downtrend. Upon retracement towards its first and second support levels at RM0.600 and RM0.580, the stock maintained its strength with a rebound as it tested its first resistance at RM0.655.

Momentum indicators are bullish, as the RSI paced towards the overbought zone from a rebound at the 30% level. Concurrently, the MACD line had formed a bullish crossover above the signal line. Meanwhile, the stock continues to hold above its 200-day EMA, sustaining its long-term uptrend. The stock looks to cross above its 20- and 50-day EMA, which will further reinforce its bullish outlook in the near to medium term.

On the upside, the immediate target is RM0.700, with further strength potentially extending towards RM0.772, provided momentum sustains toward prior highs. Conversely, a breach below its key support levels would invalidate the bullish outlook and expose the stock to further downside risk.

Entry – RM0.635 – RM0.650

Stop Loss – RM0.570

Target Price – RM0.700 – RM0.772

Technical

Resistance 1 (RM)	0.655
Resistance 2 (RM)	0.700
Support 1 (RM)	0.600
Support 2 (RM)	0.580
MACD	Bullish
RSI	Positive

Stock Information

Last Close (RM)	0.635
52-week High (RM)	0.775
52-week Low (RM)	0.340

Company Profile

SNS Network Technology Berhad provides technology solution. The Company offers technology driven solutions and seamless integrated information system to end consumers, SME businesses, large corporation, and government institutions. SNS Network Technology serves customers in Malaysia.

Mr D.I.Y. Group (M) Berhad (5296)

Bullish Marubozu, En Route Consolidation Breakout?



Technical Highlights

The stock ended the day at RM1.630, remaining in its consolidation zone between its first support and resistance at RM1.524 and RM1.704 respectively. The stock formed a bullish marubozu candle, indicating a strong reversal from its retracement upon testing its first resistance mid-October.

Momentum indicators are bullish, as the RSI is rising toward the overbought territory, while the MACD line has crossed above the signal line. Meanwhile, all its EMAs had converged, creating a squeeze that may likely see the stock form a strong breakout.

On the upside, the immediate target is RM1.704, with further strength potentially extending towards RM1.842 should momentum build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Entry – RM1.600 – RM1.630

Stop Loss – RM1.420

Target Price – RM1.704 – RM1.842

Technical

Resistance 1 (RM)	1.704
Resistance 2 (RM)	1.842
Support 1 (RM)	1.524
Support 2 (RM)	1.429
MACD	Bullish
RSI	Positive

Stock Information

Last Close (RM)	1.630
52-week High (RM)	1.900
52-week Low (RM)	1.280

Company Profile

Mr D.I.Y. Group (M) Berhad operates a chain of department stores. The Company offers hardware, electrical, household, jewellery and cosmetics, stationery, toys, car accessories, and household products. Mr D.I.Y. Group (M) serves customers in Asia.

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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