

# Velesto Energy Berhad (5243)

## Resistance Breakout from Support Rebound



### Technical Highlights

The stock last closed at RM0.250, after rebounding from its second support at RM0.223. Since April, the stock has maintained its uptrend, despite failing to break through its first resistance at RM0.260. The stock now paves its way towards testing back its first resistance, with potential to form higher highs.

Momentum indicators are bullish, as the RSI moves toward the overbought zone and the MACD line crossing above the signal line. Meanwhile, the stock has been trading well above its 200-day EMAs, having recently crossed above the 20- and 50-day EMAs. With technical indicators turning bullish, the stock looks to trade with further bullish momentum in the near to medium term.

On the upside, the immediate target is RM0.260, and further strength potentially extending towards RM0.280, provided momentum is sustained. Conversely, a breach below its key support levels would invalidate the bullish outlook and expose the stock to further downside risk.

**Entry** – RM0.250 – RM0.255

**Stop Loss** – RM0.220

**Target Price** – RM0.260– RM0.280

### Technical

Resistance 1 (RM)	0.260
Resistance 2 (RM)	0.280
Support 1 (RM)	0.235
Support 2 (RM)	0.223
MACD	Bullish
RSI	Positive

### Stock Information

Last Close (RM)	0.250
52-week High (RM)	0.270
52-week Low (RM)	0.130

### Company Profile

Velesto Energy Berhad provides services to the oil and gas industry. The Company offers drilling services for exploration, development, and production wells. Velesto Energy serves customers worldwide.

# PWF Corporation Berhad (7134)

## Consolidation Phase, Near-Term Opportunity



### Technical Highlights

The stock last closed at RM0.815, rebounding from its first support at RM0.780. The stock forms a consolidation zone, with its strong support and resistance at RM0.780 and RM0.829 respectively. As previous price movements show, the stock will likely test back its resistance, before eventually breaking out above it.

Momentum indicators are bullish, as the RSI rises towards the overbought zone, while the MACD line crosses above and forms a divergence above the signal line. Meanwhile, its latest movement enforces a strong bullish tone as it rises away from its 20-, 50- and 200-day EMAs, having recently cross above them all.

On the upside, the immediate target is RM0.829, with further strength potentially extending towards RM0.877, should momentum sustain. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

**Entry** – RM0.810 – RM0.815

**Stop Loss** – RM0.755

**Target Price** – RM0.829 – RM0.877

#### Technical

<b>Resistance 1 (RM)</b>	0.829
<b>Resistance 2 (RM)</b>	0.877
<b>Support 1 (RM)</b>	0.780
<b>Support 2 (RM)</b>	0.760
<b>MACD</b>	Bullish
<b>RSI</b>	Positive

#### Stock Information

<b>Last Close (RM)</b>	0.815
<b>52-week High (RM)</b>	0.880
<b>52-week Low (RM)</b>	0.705

#### Company Profile

PWF Corporation Berhad operates as a animal food producer. The Company offers focuses on feed manufacturing, broiler farming, broiler breeder farming, layer farming, poultry processing, and trading of raw material. PWF 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"><li>- current high less the current low;</li><li>- the absolute value of the current high less the previous close;</li><li>- the absolute value of the current low less the previous close;</li></ul>
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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