

Cahaya Mata Sarawak Berhad (2852)

Bullish Hammer Candlestick Formed, Poised for Near-Term Reversal



Technical Highlights

The stock last closed at RM1.450, forming an inverted hammer, signaling a bullish signal. The stock had previously rallied in October, hitting a key resistance level at RM1.540, which was later tested again recently in December. Upon its rally, the price movements were limited between its second support at RM1.352 and its first resistance to form a consolidation zone.

Momentum indicators turned bullish, as the RSI moves towards the overbought zone, while the MACD line recently formed a bullish crossover above its signal line, indicating a bullish momentum picking up. Concurrently, the price is also poised to rebound from its 20- and 50-day EMAs, enforcing an upwards trend in the near to medium term, having traded well above its 200-day EMA.

On the upside, the immediate target is RM1.540, with further strength potentially extending towards its 52-week high at RM1.630, 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 – RM1.450 – RM1.455

Stop Loss – RM1.350

Target Price – RM1.540 – RM1.630

Technical

Resistance 1 (RM)	1.540
Resistance 2 (RM)	1.630
Support 1 (RM)	1.414
Support 2 (RM)	1.352
MACD	Bullish
RSI	Positive

Stock Information

Last Close (RM)	1.450
52-week High (RM)	1.630
52-week Low (RM)	0.785

Company Profile

Cahaya Mata Sarawak Berhad manufactures building materials, and offers construction services and software. The Company produces cement, steel wire, mesh and pipes, installs water distribution infrastructure, operates a school, develops and markets computer software for the insurance and healthcare industries, and distributes water treatment chemicals and equipment parts.

Tanco Holdings Berhad (2429)

Potential Trend Continuation: Three White Soldier Formed



Technical Highlights

The stock last closed at RM1.160, creating a three white soldier formation, suggesting continuation in its uptrend. In November, the stock had made a strong run from RM0.850 to its 52-week high at RM1.200, before consolidating between its first support and resistance levels at RM1.200 and RM1.135. Looking at the broader view, the stock had been in a consistent uptrend, with its recent price movements further strengthening the bullish outlook of the stock.

Momentum indicators were mixed, as the RSI moves towards its overbought zone, while the MACD line remains to move below the signal line. Furthermore, the stock had been trading well above its 50- and 200-day EMAs, as it hovers around its 20-day EMA as its dynamic support level. Combination of these indicators suggests that the trend continuation is likely to continue its bullish run in the long-term.

On the upside, the immediate target is RM1.200, with further strength potentially towards RM1.265 should momentum build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Entry – RM1.155 – RM1.160

Stop Loss – RM1.090

Target Price – RM1.200 – RM1.265

Technical

Resistance 1 (RM)	1.200
Resistance 2 (RM)	1.265
Support 1 (RM)	1.135
Support 2 (RM)	1.095
MACD	Bullish
RSI	Positive

Stock Information

Last Close (RM)	1.160
52-week High (RM)	1.200
52-week Low (RM)	0.690

Company Profile

Tanco Holdings Berhad is an investment holding company. The Company, through its subsidiaries, operates in property development and investment, hotel, vacation ownership interval and schemes, golf club, marina club, travel and tour agent, and resort. Tanco also provides construction and money lending services.

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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