

# DRB-Hicom Berhad (1619)

## Neckline Broken, Eleven Years of Trend Intact

<b>LGH MK</b>	<b>Last Close:</b>	1.290	<b>52-week High:</b>	1.350	<b>52-week Low:</b>	0.705
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<b>Entry Price</b>	1.285 – 1.290	<b>Stop Loss</b>	1.005	<b>Target Price</b>	1.325 – 1.440
<b>Resistance 1</b>	1.325	<b>Support 1</b>	1.110	<b>RSI</b>	Bullish
<b>Resistance 2</b>	1.440	<b>Support 2</b>	1.010	<b>MACD</b>	Positive

### Technical Highlights

The stock last closed at RM1.290, breaking out from a six-month descending trendline at RM1.239 while simultaneously breaching the neckline of an inverse head-and-shoulders pattern at RM1.219, both structures resolved in a single decisive session, significantly strengthening the conviction of the move. The inverse head-and-shoulders formation, comprising a clearly defined left shoulder, head, and right shoulder, signals a potential reversal of the prevailing downtrend and a shift in market sentiment toward the bulls. Adding further structural weight, the stock has been trading within an eleven-year ascending parallel channel, suggesting the current breakout is not an isolated move, but a resumption of a deeply entrenched long-term uptrend.

Momentum indicators remain bullish, with the RSI trending higher above the 50-level and approaching overbought territory, reflecting strengthening buying interest rather than exhaustion at this stage. The MACD has crossed above the signal line, confirming sustained buying pressure beneath the surface. Separately, price is trading above the 20, 50, and 200-day EMAs, all three aligned in a bullish stack, validating the broader uptrend structure across the near to medium term.

On the upside, the immediate target is RM1.325, with further strength potentially extending towards RM1.440 should momentum build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

### Company Profile

DRB-Hicom Berhad is an investment holding company. The Company, through its subsidiaries, develops, assembles, and sells motor vehicles and military vehicles as well as operates in property development and construction work. DRB-Hicom also trades electrical and engineering products, manages hotel and resort, provides airline and transportation services, and underwrites general insurance.

### Stock Information

<b>Rating</b>	Non-Rated
<b>Market Cap (RMm)</b>	2,493.9
<b>Issued Shares (m)</b>	1,933.2
<b>Free Float (%)</b>	38.2
<b>Beta</b>	1.0
<b>3-mth Avg. Vol.</b>	1,903,495
<b>20-day Avg. Vol.</b>	2,646,803
<b>Shariah Compliant</b>	Yes

Source: Bloomberg, Mercury Research

# Life Water Berhad (5328)

## Descending Wedge Resolved, Bulls Take Over

<b>LBALUM MK</b>	<b>Last Close:</b>	1.420	<b>52-week High:</b>	1.690	<b>52-week Low:</b>	0.755
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<b>Entry Price</b>	1.415 – 1.420	<b>Stop Loss</b>	1.045	<b>Target Price</b>	1.500 – 1.700
<b>Resistance 1</b>	1.500	<b>Support 1</b>	1.310	<b>RSI</b>	Bullish
<b>Resistance 2</b>	1.700	<b>Support 2</b>	1.050	<b>MACD</b>	Positive

### Technical Highlights

The stock last closed at RM1.420, breaking out from a descending wedge pattern formed by the convergence of a two-month descending trendline and a horizontal support level, with the breakout confirmed at RM1.388. The descending wedge, a recognised bullish reversal pattern, signals an exhaustion of selling pressure following a prolonged corrective phase from the April 2026 highs. Throughout the consolidation pattern, Support 1 at RM1.310 held firmly as the pattern's base, providing a structurally sound floor for the recovery to build from.

Momentum indicators remain bullish, with the RSI trending higher above the 50-level and approaching overbought territory, reflecting strengthening buying interest rather than exhaustion at this stage. The MACD has crossed above the signal line, confirming sustained buying pressure beneath the surface. Separately, price is trading above the 20, 50, and 200-day EMAs, all three aligned in a bullish stack, validating the broader uptrend structure across the near to medium term.

On the upside, the immediate target is RM1.500, with further strength potentially extending towards RM1.700 should momentum build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

### Company Profile

Life Water Bhd provides non-alcoholic beverages. The Company produces bottled drinking water, sparkling soda, tritonic carbonated isotonic electrolyte drinks, and fruit drinks. Life Water serves customers in Malaysia.

### Stock Information

<b>Rating</b>	Non-Rated
<b>Market Cap (RMm)</b>	671.9
<b>Issued Shares (m)</b>	473.2
<b>Free Float (%)</b>	21.1
<b>Beta</b>	N/A N/A
<b>3-mth Avg. Vol.</b>	1,837,913
<b>20-day Avg. Vol.</b>	2,644,623
<b>Shariah Compliant</b>	Yes

Source: Bloomberg, Mercury Research

## 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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