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Dagang NeXchange Berhad (4456)

Momentum Builds Up, Nearing 52-Week High

DNEX MK	Last Close:	0.360	52-week High:	0.370	52-week Low:	0.230

Entry Price	0.360 – 0.365	**Stop Loss**	0.305	**Target Price**	0.370 – 0.400
Resistance 1	0.370	**Support 1**	0.330	**RSI**	Bullish
Resistance 2	0.400	**Support 2**	0.310	**MACD**	Positive

Technical Highlights

The stock last closed at RM0.360, extending its winning streak to a fourth consecutive session and approaching the 52-week high of RM0.370, which now serves as immediate resistance. The sustained momentum is supported by the formation of a Three White Soldiers candlestick pattern, indicating strong and sustained buying interest. The latest session's Marubozu candlestick further reinforces the bullish outlook, reflecting strong conviction among buyers. A decisive breakout above the 52-week high could pave the way for a move towards the next resistance level at RM0.400. Key catalyst: DNeX, via its subsidiary Ping Petroleum, has acquired a 20% stake in TI Petroleum Sdn Bhd, a unit of Terengganu Inc.

Momentum indicators remain broadly supportive of the bullish setup, with the RSI climbing above the 60-level, reflecting strong buying momentum although near-term overbought conditions may trigger intermittent consolidation. Meanwhile, the MACD had just crossed above signal line, suggesting that bullish momentum continues to strengthen. Seperately, the price has recently crossed above the 20-day and 50-day EMAs, signalling a strengthening shift in momentum and a potential transition into a bullish phase.

On the upside, the immediate target is RM0.370, with further strength potentially extending towards RM0.400 should momentum build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Company Profile

Dagang NeXchange Berhad is an investment holding company. Through its subsidiaries, the Company operates in Information communication technology and corporate. Information communication technology is engaged in supplying, delivering, installation, testing, commissioning and maintenance of information technology (IT) hardware, development of information technology.

Stock Information

Rating	Non-Rated
Market Cap (RM m)	1,251.7
Issued Shares (m)	3,476.9
Free Float (%)	67.1
Beta	0.9
3-mth Avg. Vol.	18,173,240
20-day Avg. Vol.	21,092,030
Shariah Compliant	Yes

Source: Bloomberg, Mercury Research

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Thong Guan Industries Berhad (7034)

Falling Wedge Tightens, Breakout Looms

TGI MK	Last Close:	1.560	52-week High:	1.680	52-week Low:	1.040

Entry Price	1.560 – 1.565	**Stop Loss**	1.385	**Target Price**	1.600 – 1.740
Resistance 1	1.600	**Support 1**	1.490	**RSI**	Bullish
Resistance 2	1.740	**Support 2**	1.390	**MACD**	Neutral

Technical Highlights

The stock last closed at RM1.560, forming a falling wedge pattern, which is typically a bullish continuation setup. Following its rally from early March to end-April 2026, the price has entered a phase of consolidation within a tightening range, suggesting a potential breakout above the wedge's upper boundary. A decisive breakout could signal a resumption of the prior uptrend, with price likely to advance towards the next resistance level at RM1.600.

Momentum indicators are showing mixed but improving signals, with the RSI crossing above the 50-level, indicating a slightly bullish bias and healthy buying interest. Meanwhile, the MACD remains below the signal line, suggesting that bearish momentum is still present but gradually easing. Price action has also turned constructive, with the stock recently breaking above the 50-day EMA and attempting to reclaim the 20-day EMA, signalling a potential shift towards near-term upward momentum.

On the upside, the immediate target is RM1.600, with further strength potentially extending towards RM1.740 should momentum build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Company Profile

Thong Guan Industries Berhad is an investment holding company. The Company, through its subsidiaries, trades plastic and paper products. Thong Guan also trades beverages including tea and coffee and machinery.

Stock Information

Rating	Non-Rated
Market Cap (RM m)	609.6
Issued Shares (m)	390.8
Free Float (%)	50.7
Beta	0.9
3-mth Avg. Vol.	764,602
20-day Avg. Vol.	578,425
Shariah Compliant	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: - 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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