MERCURY SECURITIES SDN BHD
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P.A. Resources Berhad (7225)

Ascending Triangle Breakout as EMA20 Crosses Above EMA200

PARB MK	Last Close:	0.185	52-week High:	0.185	52-week Low:	0.110

Entry Price	0.185 – 0.190	**Stop Loss**	0.125	**Target Price**	0.200 – 0.210
Resistance 1	0.200	**Support 1**	0.150	**RSI**	Bullish
Resistance 2	0.210	**Support 2**	0.130	**MACD**	Positive

Technical Highlights

The stock last closed at RM0.185, decisively breaking above the RM0.170 horizontal resistance, completing an ascending triangle breakout that had been developing since June 2026. At the same time, the stock also broke above its 10-month descending trendline on a strong bullish candlestick, signalling a notable shift in market sentiment. The convergence of these bullish technical developments reinforces the improving price structure and suggests renewed buying interest.

Momentum indicators remain supportive of the bullish outlook. The RSI has climbed to 74.56, reflecting strong buying interest and sustained upward momentum. Despite being in the overbought territory, the indicator remains below its June 2026 peak, suggesting there is still room for the rally to develop. Meanwhile, the MACD has crossed above its signal line, indicating strengthening bullish momentum. The positive technical setup is further reinforced by the stock trading above all key exponential moving averages (EMAs), while the EMA-20 has crossed above the EMA-200, signalling an improving medium- to long-term trend.

On the upside, the immediate target is RM0.200, with further strength potentially extending towards RM0.210 should momentum build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Key Catalyst: P.A. Resources Berhad secured an 18-month RM1.3bn aluminium extrusion supply agreement with First Solar on 14 July 2026, marking its fifth supply agreement with the Company and representing the largest contract award to date for the Group. The award enhances earnings visibility and supports the Group's expansion into the renewable energy supply chain.

Company Profile

PA Resources Bhd. specializes in the production of aluminum billets, extrusion profiles, and downstream aluminum product-related services.

Stock Information

Rating	Non-Rated
Market Cap (RM m)	278.4
Issued Shares (m)	1,504.8
Free Float (%)	65.6
Beta	1.0
3-mth Avg. Vol.	1,770,386
20-day Avg. Vol.	2,529,095
Shariah Compliant	Yes

Source: Bloomberg, Mercury Research

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Nationgate Holdings Berhad (0270)

Triangle Breakout Reinforced by EMA-200 Reclaim

NATGATE MK	Last Close:	0.955	52-week High:	1.675	52-week Low:	0.562

Entry Price	0.955 – 0.960	**Stop Loss**	0.725	**Target Price**	1.030 – 1.220
Resistance 1	1.030	**Support 1**	0.790	**RSI**	Bullish
Resistance 2	1.220	**Support 2**	0.730	**MACD**	Positive

Technical Highlights

The stock last closed at RM0.955, decisively breaking out of a symmetrical triangle at RM0.900, formed by converging 7-month descending and 4-month ascending trendlines. The breakout occurred within a single trading session, supported by a strong bullish candlestick that pushed the share price above the immediate resistance level at RM0.925. This decisive move signals renewed buying interest, marking an improvement in the overall technical structure and strengthening the bullish outlook.

Momentum indicators remain supportive of the bullish outlook. The RSI has improved to 65.79, reflecting strengthening buying momentum while remaining below the overbought threshold, suggesting room for further upside. Meanwhile, the MACD has crossed above the signal line, indicating a renewed acceleration in bullish momentum. The share price has also moved above its 20- and 50-day EMAs, reinforcing the improving short- to medium-term trend structure. Notably, the latest session saw the price reclaim the 200-day EMA, further strengthening the long-term bullish bias and confirming the continuation of the broader uptrend.

On the upside, the immediate target is RM1.030, with further strength potentially extending towards RM1.220 should momentum build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Company Profile

Nationgate Holdings Berhad operates as a contract manufacturer. The Company offers electronics manufacturing services and technical support to networking and communications, instrumentation, consumer products, medical devices, and automotive sectors. Nationgate Holdings serves customers worldwide.

Stock Information

Rating	Non-Rated
Market Cap (RM m)	2,160.8
Issued Shares (m)	2,262.6
Free Float (%)	38.6
Beta	1.6
3-mth Avg. Vol.	24,995,631
20-day Avg. Vol.	24,982,253
Shariah Compliant	Yes

Source: Bloomberg, Mercury Research

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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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