Kossan Rubber Industries Berhad (7153)

Resistance Breakout Signals Potential Upside

Last Close:	1.240	52-week High:	1.350	52-week Low:	1.200

Entry Price	1.240 – 1.245	**Stop Loss**	1.185	**Target Price**	1.300 – 1.350
Resistance 1	1.300	**Support 1**	1.210	**RSI**	Bullish
Resistance 2	1.350	**Support 2**	1.190	**MACD**	Positive

Technical Highlights

The stock closed at RM1.240, breaking above the RM1.210 resistance level after moving out of the RM1.000 to RM1.150 consolidation range. The breakout was supported by strong buying volume, indicating firm buying interest and stronger bullish momentum. If the buying momentum persists, the stock could move towards the immediate resistance level at RM1.300.

Momentum indicators remain positive. The RSI is approaching overbought territory, reflecting strong buying momentum while indicating a higher possibility of near-term profit-taking. Meanwhile, the MACD line has crossed above the signal line, showing a strengthening bullish bias. The stock is also trading above its 20-, 50- and 200-day EMAs, further supporting the bullish technical outlook.

On the upside, the immediate target is RM1.260, with further strength potentially extending towards RM1.300 should momentum continue to build. Conversely, a breach below its support levels would invalidate the bullish outlook and expose the stock to further downside.

Company Profile

Kossan Rubber Industries Bhd. is an investment holding company which engages in the manufacture and sale of rubber products, and the provision of management services. The firm operates through the following segments: Technical Rubber Products, Gloves, Cleanroom Products, and Others. The company was founded by Kuang Sia Lim in 1979 and is headquartered in Klang, Malaysia.

Stock Information

Rating	Non-Rated
Market Cap (RM m)	3,171.8
Issued Shares (m)	2,557.9
Free Float (%)	42.1
Beta	0.6
3-mth Avg. Vol.	6,034,336
20-day Avg. Vol.	9,799,420
Shariah Compliant	Yes

Source: FactSet, Bloomberg

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TECHNICAL WATCH
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Thong Guan Industries Berhad (7034)

Bullish Momentum Remains Intact

Last Close:	1.670	52-week High:	1.700	52-week Low:	1.650

Entry Price	1.670 – 1.675	**Stop Loss**	1.550	**Target Price**	1.720 – 1.790
Resistance 1	1.720	**Support 1**	1.650	**RSI**	Bullish
Resistance 2	1.790	**Support 2**	1.600	**MACD**	Positive

Technical Highlights

The stock last closed at RM1.670, extending its bullish momentum after breaking above the RM1.650 resistance level and continuing to trade along the 3-month uptrend line. The stock had previously broken above the 3-month downtrend line before reversing higher and establishing the current uptrend. The bullish structure remains intact, with the stock expected to move towards the immediate resistance at RM1.720.

Momentum indicators remain supportive of the bullish setup, with the RSI stands at 64.74, remaining in positive territory and signalling healthy buying momentum while still below the overbought threshold. Meanwhile, the MACD remains above the signal line, suggesting that bullish momentum is still intact. The stock is also trading above all its EMAs, further reinforcing the prevailing bullish bias.

On the upside, the immediate target is RM1.720, with further strength potentially extending towards RM1.790 should momentum continue to 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 Bhd. is an investment holding company engaged in the trading of plastic and petroleum products. It operates across three segments: Plastic Products; Food, Beverages and Other Consumable Products; and Others. Founded in 1942, the company is headquartered in Sungai Petani, Malaysia.

Stock Information

Rating	Non-Rated
Market Cap (RM m)	675.4
Issued Shares (m)	404.4
Free Float (%)	45.3
Beta	0.7
3-mth Avg. Vol.	376,567
20-day Avg. Vol.	626,355
Shariah Compliant	Yes

Source: FactSet, Bloomberg

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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