

Orgabio (0252)

Triangle Break-out with Momentum



Technical Highlights

Recently, the stock seems to have found support at the 20-day EMA following the multiple swings. The stock surged and formed a large green candle at close last Friday. More upside may be in the offing especially with the green candle gapped up, breaking through the 2-month triangle and backed by the surge in trading volume (20.9 times higher than the average 90-day volume).

MACD shows momentum is strengthening with the MACD line crossing above the signal line recently. Likewise, both RSI and the 20 EMA line pointing up straight also further confirmed the upbeat momentum and short-term bullishness of the stock.

We think the stock could potentially test the resistance at RM0.555 and RM0.625 which are derived based on the difference of RM0.07 of high and low of the triangle. Conversely, a drop below RM0.415 support could signal the start of a correction phase.

Entry – RM-0.485 – RM0.495

Stop Loss – RM0.405

Target Price – RM0.555 – RM0.625

Technical

Resistance 1 (RM)	0.555
Resistance 2 (RM)	0.625
Support 1 (RM)	0.415
Support 2 (RM)	0.365
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.485
52-week High (RM)	0.485
52-week Low (RM)	0.235

Company Profile

Orgabio is principally involved in manufacturing of instant beverage premixes.

Yong Tai (7066)

Double Bottom Break-out?



Technical Highlights

The stock is on the verge of breaking through its 31-month long double bottom pattern. Higher trading volume have brought up the price closed above the EMA 20 significantly. The recent swing closing at higher highs and higher lows sequence form a foundation for potential further uptick. We think the break-out is underway, supported by rising momentum (RSI >70).

The short-term bullishness is affirmative with the stock's EMA 20 pointing upward and its MACD line has been hovering above signal line for a while.

If the share price break through the double bottom at RM0.420 resistance, we think it is likely to test the next resistance level at RM0.455 and RM0.540 respectively. Conversely, consolidation happens if the share price falls below the RM0.350 support (a few ticks below the recent downswing).

Entry – RM-0.405 – RM0.410
Stop Loss – RM0.345
Target Price – RM0.42 – RM0.455

Technical

Resistance 1 (RM)	0.420
Resistance 2 (RM)	0.455
Support 1 (RM)	0.350
Support 2 (RM)	0.290
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.405
52-week High (RM)	0.455
52-week Low (RM)	0.230

Company Profile

Yong Tai Berhad is a Malaysia-based tourism-related property developer

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 recognisable 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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