

Magnum (3859)

Pattern Break-out with Volume



Technical Highlights

Magnum's share price had been hovering above all its EMA lines for the past 2 weeks. Today, its share price jumped, forming a large green candle at closing and broke through a roughly 3-month long pennant pattern with significant trading volume (10.4 times higher than its 90-day average trading volume). This suggests that there may be more potential for an upward trend.

Strong momentum is observed as the RSI enters overbought territory today. Additionally, short-term bullishness is confirmed with the 20-EMA line pointing upward.

We think the stock could test the resistance at RM1.31 first and subsequently at RM1.41 (with reference to the difference of RM0.10 between the high and low of the pennant pattern). Conversely, a dip below RM1.17 (a few points below the recent downswing) could signal the start of a correction phase.

Entry – RM-1.27 – RM1.28
Stop Loss – RM1.16
Target Price – RM1.31 – RM1.41

Technical

Resistance 1 (RM)	1.31
Resistance 2 (RM)	1.41
Support 1 (RM)	1.17
Support 2 (RM)	1.13
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.27
52-week High (RM)	1.27
52-week Low (RM)	1.00

Company Profile

Magnum Berhad is Malaysian-based company that specialise in number forecasting lottery business.

Malton (6181)

Testing 52-week High?



Technical Highlights

Last week's surge had sent Malton's share price to tick above all of its EMA lines. Yesterday, a large green candle was formed at closing with a sizeable trading volume. The share price is on the verge of breaking through the 5-week long flag pattern at RM0.525 (52-weeks high). We think the break-out is underway, driven by the growing momentum (RSI>70).

Short-term bullishness is affirmative with an upward-pointing 20-EMA line and the recent golden cross exhibited by the MACD.

If the share price broke through the flag pattern, we think the stock could put the RM0.545 resistance and the subsequent RM0.590 resistance to the test. Conversely, consolidation happens if the share price dips below the RM0.440 support.

Entry – RM-0.520 – RM0.525
Stop Loss – RM0.435
Target Price – RM0.545 – RM0.590

Technical

Resistance 1 (RM)	0.545
Resistance 2 (RM)	0.590
Support 1 (RM)	0.440
Support 2 (RM)	0.415
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.520
52-week High (RM)	0.525
52-week Low (RM)	0.375

Company Profile

Malton Berhad is a Malaysia based company that principally engage in developing property, providing projects and construction management, as well as consultancy services.

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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