

Pharmaniaga (7081)

Double-bottom Breakout



Technical Highlights

The recent uptrend had sent the share price of Pharmaniaga to trade above all its EMA lines. A Marubozu candle was formed at the closing after the share price surged yesterday. The Marubozu candle broke through the neckline of the double bottom pattern at RM0.445 with considerable trading volume (5.9x higher than its average 90-day total trading volume) and solid momentum (RSI >70), signaling that more upswing may be on the cards.

RSI has been in the overbought territory for the past week, showing growing momentum and indicating a bullish short-term trend ahead.

We think the stock could test the resistance at RM0.495 (52-week high) first and subsequently at RM0.550. Conversely, a fall below RM0.43 (a few points below the recent downswing) could mark the start of a correction phase.

Entry – RM-0.470 – RM0.475

Stop Loss – RM0.425

Target Price – RM0.495 – RM0.550

Technical

Resistance 1 (RM)	0.495
Resistance 2 (RM)	0.550
Support 1 (RM)	0.430
Support 2 (RM)	0.365
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.470
52-week High (RM)	0.495
52-week Low (RM)	0.300

Company Profile

Pharmaniaga Berhad is a Malaysian-based company that manufactures, markets, and distributes pharmaceutical and medical products to government hospital and private institutions.

Plytec Holding (0289)

Testing New All-time High?



Technical Highlights

The share price seemed to have found support at 20-EMA after the recent multiple swings. The formation of Marubozu candle on 17 Jul 2024 provided the momentum for the share price to surge yesterday, breaking through the 6-week long uptrend channel pattern with significant trading volume (12.2 times more than its average 90-day volume). We think more upside may be in the offing especially with momentum trending upwards (RSI>70).

Golden cross indicated by the MACD line crossing above the signal line recently, along with the upward pointing 20-EMA line, confirms short-term bullishness moving forward.

With the share price broken through the trend pattern, we think the share could put the RM0.410 resistance (new all-time high) and the subsequent RM0.490 (next new all-time high) resistance to the test (derived based on the difference of RM0.08 between the high and low of the channel pattern). Conversely, consolidation happens if the share price dips below the RM0.305 support.

Entry – RM-0.360 – RM0.365
Stop Loss – RM0.300
Target Price – RM0.410 – RM0.490

Technical

Resistance 1 (RM)	0.410
Resistance 2 (RM)	0.490
Support 1 (RM)	0.305
Support 2 (RM)	0.290
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.360
52-week High (RM)	0.360
52-week Low (RM)	0.240

Company Profile

Plytec Holding Berhad is a Malaysia based company that principally engage in providing digital design, production planning, and engineering solutions, including the trading and distribution of general building materials for construction use.

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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