

# Coastal Contracts (5071)

## Pennant Break-out



### Technical Highlights

Last Friday, the stock surged and formed a large green candle at closing, breaking through an approximately 3-month long pennant pattern with considerable volume. Additionally, the recent swing had sent the share price to trade at higher highs and higher lows which formed a strong foundation for potential further uptick.

Strong momentum is confirmed by the RSI rising into the overbought territory, while short-term bullishness is supported by the recent golden cross shown by the MACD.

With the share price breaking through the pennant pattern, we think the stock could test the resistance at RM1.93 first and subsequently at RM2.24 (52-week high). Conversely, a dip below RM1.75 (a few points below the recent downswing) could signify the commencement of a correction phase.

**Entry** – RM-1.85 – RM1.86

**Stop Loss** – RM1.70

**Target Price** – RM1.93 – RM2.24

#### Technical

<b>Resistance 1 (RM)</b>	1.93
<b>Resistance 2 (RM)</b>	2.24
<b>Support 1 (RM)</b>	1.75
<b>Support 2 (RM)</b>	1.66
<b>MACD</b>	Positive
<b>RSI</b>	Positive

#### Stock Information

<b>Last Close (RM)</b>	1.85
<b>52-week High (RM)</b>	2.24
<b>52-week Low (RM)</b>	1.43

#### Company Profile

Costal Contract Berhad is a Malaysian based company that specialise in providing marine products and services to the shipping, oil and gas and commodities industries.

# AWC (7579)

## Testing New All-time High?



### Technical Highlights

A past triangle pattern break-out had provided momentum for the share price of AWC to escalate substantially with the formation of a double large green candle recently. With the share price leaping last Friday with considerable momentum (RSI >70), this provided strong evidence that the breaking-out of the 2-week long flag formation pattern may be on the cards.

Short-term bullishness is affirmed by the upward-pointing 20-EMA line. Likewise, the momentum is favourable with the recent golden cross exhibited by the MACD.

If the share price breaks through the flag pattern and closes above RM1.35 (52-week high), we think the share could put the RM1.45 resistance (new all-time high) and subsequent RM1.54 resistance to the test (extracted based on the difference of RM0.10 between the high and low of the flag pattern). Conversely, consolidation happens if the share price dips below the RM1.08 support.

**Entry** – RM-1.34 – RM1.35  
**Stop Loss** – RM1.07  
**Target Price** – RM1.45 – RM1.55

#### Technical

<b>Resistance 1 (RM)</b>	1.45
<b>Resistance 2 (RM)</b>	1.55
<b>Support 1 (RM)</b>	1.08
<b>Support 2 (RM)</b>	0.985
<b>MACD</b>	Positive
<b>RSI</b>	Positive

#### Stock Information

<b>Last Close (RM)</b>	1.34
<b>52-week High (RM)</b>	1.35
<b>52-week Low (RM)</b>	0.45

#### Company Profile

AWC Berhad is a Malaysia based company that principally engage in providing total asset management services such as integrated facilities management and engineering services to building owners.

## 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"><li>- current high less the current low;</li><li>- the absolute value of the current high less the previous close;</li><li>- the absolute value of the current low less the previous close;</li></ul>
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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## Published & Printed By:

MERCURY SECURITIES SDN BHD  
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