

Pan Malaysia Holdings (1287)

Pattern Break-out with Gapping



Technical Highlights

Yesterday, Pan Malaysia Holdings's trading volume significantly increased, reaching 2.5x more than its average 40-day trading volume. This caused the company's share price to rise above all of its EMA lines, following a recent consolidation period away from the 52-week high. The day ended with a large green candle forming as the share price surged. This indicates potential for further upside, as the large green candle broke through a 6-week-long pennant pattern with growing momentum (as indicated by rising RSI).

The golden cross exhibited by the MACD yesterday ascertained growing momentum. Likewise, the upward-pointing 20-EMA line confirmed short-term bullishness.

With the share price breaking through the pattern with momentum, we think the stock could potentially put the resistance to the test at RM0.43 (52-week high) first and subsequently at RM0.505 (determined by the difference of RM0.075 between the high and low of the pennant pattern). Conversely, a descent below RM0.345 could mark the start of a correction phase.

Entry – RM0.410 – RM0.415
Stop Loss – RM0.340
Target Price – RM0.430 – RM0.505

Technical

Resistance 1 (RM)	0.430
Resistance 2 (RM)	0.505
Support 1 (RM)	0.345
Support 2 (RM)	0.265
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.410
52-week High (RM)	0.430
52-week Low (RM)	0.045

Company Profile

Pan Malaysia Holdings Berhad is a Malaysian based investment, property holding and management company.

Eversendai Corporation (5205)

Testing 52-week High?



Technical Highlights

The recent upticks have sent Eversendai Corporation's share price to trade above its 20-EMA line. Yesterday, the share price surged, forming a large green candle at the closing and breaking through the approximately 6-week-long channel pattern with growing momentum (RSI is picking up). We think the upswing potential may be on the cards with these positive indicators.

The share's momentum is tied to the recent golden cross indicated by the MACD. Additionally, the upward-pointing 20-EMA line confirms its short-term bullishness.

With the channel pattern breaking out and positive momentum, we think the share could test the RM0.670 resistance and subsequent RM0.745 resistance (52-week high). Conversely, consolidation starts if the share price dips below the RM0.520 support.

Entry – RM-0.640 – RM0.645
Stop Loss – RM0.515
Target Price – RM0.670 – RM0.745

Technical

Resistance 1 (RM)	0.670
Resistance 2 (RM)	0.745
Support 1 (RM)	0.520
Support 2 (RM)	0.390
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.640
52-week High (RM)	0.745
52-week Low (RM)	0.120

Company Profile

Eversendai Corporation Berhad is a construction company that principally engage in steel structure design, engineering and manufacture, installation of mechanical equipment and construction of power, oil, and gas process plants.



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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