

# Eco World Development (8206)

## New All-time High?



### Technical Highlights

After a period of consolidation from its 52-week high, a large green candle formed two days ago, sending the stock to trade above all its EMA lines. Momentum was still keeping up, especially with the formation of another green candle at closing yesterday, breaking through the 4-week-long pennant pattern with substantial trading volume (2.3x more than its average 90-day trading volume). With these indicators showing positive signals, we think that upswing potential may still be in play.

The upward-pointing MACD line attempting to cross above the signal line signifies that momentum is improving. Similarly, the upward-pointing 20-EMA line confirms the short-term bullishness.

With the pattern break-out accompanied by momentum, we think the stock could potentially test the resistance at RM1.93 (new all-time high) first and subsequently at RM2.11 (determined by the difference of RM0.180 between the high and low of the pennant pattern). Conversely, a dip below RM1.62 could signify the start of a correction phase.

**Entry** – RM-1.79 – RM1.82  
**Stop Loss** – RM1.52  
**Target Price** – RM1.93 – RM2.11

### Technical

<b>Resistance 1 (RM)</b>	1.93
<b>Resistance 2 (RM)</b>	2.11
<b>Support 1 (RM)</b>	1.62
<b>Support 2 (RM)</b>	1.49
<b>MACD</b>	Positive
<b>RSI</b>	Positive

### Stock Information

<b>Last Close (RM)</b>	1.79
<b>52-week High (RM)</b>	1.79
<b>52-week Low (RM)</b>	0.874

### Company Profile

Eco World Development Group Berhad is a real estate development company that specialise in developing township, integrated commercial properties, high-rise apartments and business parks.

# Oceancash Pacific (0049)

## Momentum Is Back?



### Technical Highlights

Momentum for the stock has been increasing, especially with the recent formation of multiple green candles which sent the stock to trade above its 20-EMA line with significant trading volume. Yesterday, the surge in share price resulted in a large green candle at closing, breaking past a channel pattern that lasted around 2.5 months with growing momentum (RSI is increasing). There may be more upside potential given these positive signals.

The MACD recently exhibited a golden cross, which denotes strong momentum going forward. Additionally, the upward-pointing 20-EMA line confirms its short-term bullishness.

Given the pattern break-out with momentum, we think the share could put the immediate resistance of RM0.435 and the subsequent resistance RM0.475 to the test. Conversely, consolidation starts if the share price dips below the RM0.385 support.

**Entry** – RM-0.425 – RM0.430  
**Stop Loss** – RM0.375  
**Target Price** – RM0.435 – RM0.475

### Technical

<b>Resistance 1 (RM)</b>	0.435
<b>Resistance 2 (RM)</b>	0.475
<b>Support 1 (RM)</b>	0.385
<b>Support 2 (RM)</b>	0.345
<b>MACD</b>	Positive
<b>RSI</b>	Positive

### Stock Information

<b>Last Close (RM)</b>	0.425
<b>52-week High (RM)</b>	0.425
<b>52-week Low (RM)</b>	0.285

### Company Profile

Oceancash Pacific Berhad is principally engages in manufacturing and distributing resin felt for thermal and acoustic insulation, and thermal bonded non-woven cloth used in disposable hygienic products.

## 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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