

Betamek (0263)

Upswing Resumes?



Technical Highlights

After consolidating from its 52-week high since late April, Batemek's share price showed signs of a reversal when a large green candle formed yesterday, causing the stock to trade above all its EMA lines. The green candle also broke through a 13-week-long pennant pattern with significant trading volume (15.6x higher than its average 90-day trading volume) and strong momentum (RSI just entered overbought territory today). With the momentum still going strong, we believe the stock could continue moving upward towards its 52-week high.

Momentum is growing, as evident by yesterday's golden cross in the MACD. Likewise, the upward-pointing EMA 20 line indicates short-term bullishness.

With these indicators showing positive signals, we think the stock could potentially test the resistance at RM0.475 (52-week high) first and subsequently at RM0.500. Conversely, a dip below RM0.410 could signify the start of a correction phase.

Entry – RM-0.455 – RM0.460

Stop Loss – RM0.405

Target Price – RM0.476 – RM0.500

Technical

Resistance 1 (RM)	0.475
Resistance 2 (RM)	0.500
Support 1 (RM)	0.410
Support 2 (RM)	0.385
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.455
52-week High (RM)	0.476
52-week Low (RM)	0.338

Company Profile

Betamek Berhad specialises in providing electronics manufacturing and procurement services for the automotive markets.

Optimax (0222)

Revisiting 52-week High?



Technical Highlights

The stock appeared to be consolidating from its 52-week high. The consolidation seemed to have ended until a large green candle emerged at yesterday's closing, following a significant surge in the share price with substantial volume (5.5 times higher than its average 90-day trading volume). The formation of the green candle at closing, breaking through an approximately 3-month-long pennant pattern with increasing momentum (RSI is rising), indicates the potential for further upside in Optimax's share price.

Yesterday, the MACD 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 test the 52-week high resistance at RM0.730 first and subsequently at 0.765 resistance. Conversely, consolidation starts if the share price dips below the RM0.680 support.

Entry – RM-0.715 – RM0.720
Stop Loss – RM0.675
Target Price – RM0.730 – RM0.767

Technical

Resistance 1 (RM)	0.730
Resistance 2 (RM)	0.765
Support 1 (RM)	0.680
Support 2 (RM)	0.655
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.715
52-week High (RM)	0.730
52-week Low (RM)	0.580

Company Profile

Optimax Holdings Berhad is a healthcare service provider that principally engages in offering eye care 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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