

SDS Group (0212)

New All-time High?



Technical Highlights

The surge in trading volume yesterday was 11.4 times higher than its average 90-day, providing momentum for the stock to break out of the sideways movement over the past 2 months. A green candle was formed at closing, breaking through a 4-month-long pennant pattern with strong momentum (RSI>70). With the momentum still going strong, we believe the stock could continue moving upward towards a new all-time high.

Golden cross exhibited by the MACD yesterday confirms the growing momentum. Similarly, the upward-pointing 20-EMA line indicates short-term bullishness.

With these indicators showing positive signals, we think the stock could potentially test the resistance at RM1.010 (a new all-time high) first and subsequently at RM1.110 (derived based on the difference of RM0.095 between the high and low of the pennant pattern). Conversely, a drop below RM0.890 could indicate the commencement of a correction phase.

Entry – RM-0.980 – RM0.985

Stop Loss – RM0.885

Target Price – RM1.010 – RM1.065

Technical

Resistance 1 (RM)	1.010
Resistance 2 (RM)	1.110
Support 1 (RM)	0.890
Support 2 (RM)	0.865
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.980
52-week High (RM)	0.980
52-week Low (RM)	0.570

Company Profile

SDS Group Berhad is a company that engages in the retail of confectionery products, bakery products and wholesales delivery of delectable bread.

Icon Offshore (5255)

Upswing Continues?



Technical Highlights

The consolidation phase (following the previous 52-week high) came to an end yesterday when the stock surged and closed at a new 52-week high price of RM1.18. Additionally, the stock had also been trading above all its 20-EMA lines over the past 1 month. Momentum was still keeping up, especially with the formation of green candle that broke through the 2-month long pennant pattern with strong momentum (RSI is near approaching the overbought territory). With these positive signals, we think that upswing potential may still be in play.

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 new 52-week high resistance at RM1.41 first and subsequently at 1.50 resistance. Conversely, consolidation starts if the share price dips below the RM1.06 support.

Entry – RM-1.18 – RM1.20
Stop Loss – RM1.05
Target Price – RM1.41 – RM1.50

Technical

Resistance 1 (RM)	1.41
Resistance 2 (RM)	1.50
Support 1 (RM)	1.06
Support 2 (RM)	0.955
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.18
52-week High (RM)	1.18
52-week Low (RM)	0.299

Company Profile

Icon Offshore Berhad is an oil-field service provider that specialise in offshore marine solutions that support the upstream oil and gas industries.

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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