

Poh Kong (5080)

Pending Pattern Break-out?



Technical Highlights

The stock had been experiencing consolidation from its 52-week high over the past 3 months. The sign of reversal emerged when the share price started to pick up recently with the pattern of higher high and higher low. A green candle was formed at closing and was on the verge of breaking through a 3-month-long pennant pattern with improving momentum (as indicated by growing RSI indicator). With the momentum still going strong, we believe a pattern break-out is on the horizon.

Golden cross as exhibited by the MACD recently confirms the growing momentum. Likewise, short-term bullishness is ascertained by upward pointing 20-EMA line.

If the stock breaks out the pattern, we think it could potentially test the resistance at RM1.29 (52-week high) first and subsequently at RM1.39 (new all-time high). Conversely, a fall below RM1.12 could indicate the start of a correction phase.

Entry – RM-1.23 – RM1.24

Stop Loss – RM1.11

Target Price – RM1.29 – RM1.39

Technical

Resistance 1 (RM)	1.29
Resistance 2 (RM)	1.39
Support 1 (RM)	1.12
Support 2 (RM)	1.05
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.23
52-week High (RM)	1.29
52-week Low (RM)	0.792

Company Profile

Poh Kong Holdings Berhad is a company that engages in manufacturing and retailing of jewelry.

Bahvest Resources (0098)

Upswing Continues?



Technical Highlights

The stock had been hovering below all its EMA lines over the last few weeks. However, the surge with the formation of large green candle at closing last Friday provided the momentum for the share to trade above its 20-EMA line. Simultaneously, the green candle also broke through the 4-week long double bottom pattern with strong momentum (RSI is upticking). With these positive signals, we think that upswing potential may still be in play.

Last Friday, 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 double bottom pattern break-out at RM0.505 neckline with momentum, we think the share could test the next resistance at RM0.550 first and subsequently at 0.595 resistance (determined by the difference of RM0.045 between the high and low of the double bottom pattern). Conversely, consolidation starts if the share price dips below the RM0.455 support.

Entry – RM-0.525 – RM0.530
Stop Loss – RM0.450
Target Price – RM0.550 – RM0.595

Technical

Resistance 1 (RM)	0.550
Resistance 2 (RM)	0.595
Support 1 (RM)	0.455
Support 2 (RM)	0.420
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.525
52-week High (RM)	0.640
52-week Low (RM)	0.275

Company Profile

Bahvest Resources Berhad is marine aquaculture company that specialise in conducting fish breeding, hatchery, and rearing operations.

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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