

IGB REIT (5227)

Upticking Ahead?



Technical Highlights

The stock had been experiencing upswing with a pattern of higher high and higher low for the past 2 months. However, the upticking momentum halted when share experienced significant selling pressure, leading to the share price plunged below its 20-EMA line recently. Despite a pullback from its previous 52-week high, the stock regained its momentum and rallied to close higher with another new 52-week high at RM1.99 yesterday. We see the upticking potential as healthy especially with a formation of green candle that broke through a 4-month-long ascending channel pattern with considerable trading volume (2.8x more than its average 90-day total trading volume).

Short-term bullishness is ascertained by upward pointing 20-EMA line and RSI line.

With these favorable indicators, we think IGB REIT's share could potentially test the resistance at RM2.08 (new 52-week high) first and subsequently at RM2.18 (appertaining to the difference of RM0.10 between the high and low of the channel pattern). Conversely, a fall below RM1.87 could indicate the start of a correction phase.

Entry – RM-1.99 – RM2.00

Stop Loss – RM1.85

Target Price – RM2.085 – RM2.185

Technical

Resistance 1 (RM)	2.08
Resistance 2 (RM)	2.18
Support 1 (RM)	1.87
Support 2 (RM)	1.80
MACD	Positive
RSI	Neutral

Stock Information

Last Close (RM)	1.99
52-week High (RM)	1.99
52-week Low (RM)	1.542

Company Profile

IGB Real Estate Investment Trust is a real estate investment trust that manage a portfolio of properties.

Engtex (5056)

Rebound On the Play?



Technical Highlights

The stock seemed to have found support at its 20-EMA line during the recent swing. The vigorous momentum experienced by the stock after breaking out of the pennant pattern 3 trading sessions ago had sent its share price to the new 52-week high. Despite the stock experiencing consolidation from its 52-week high, we see the consolidation as temporary, given that the stock still trades above all of its EMA lines. With the stock rebounding and reversing all the losses from the recent consolidation, we believe that there may be more upside potential on the horizon.

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

With the stock sustaining above the pattern break-out, we think the share could retest the 52-week high at RM1.31 resistance and subsequently at 1.40 resistance. Conversely, consolidation starts if the share price dips below the RM1.15 support.

Entry – RM-1.28 – RM1.29
Stop Loss – RM1.13
Target Price – RM1.31 – RM1.40

Technical

Resistance 1 (RM)	1.31
Resistance 2 (RM)	1.40
Support 1 (RM)	1.15
Support 2 (RM)	1.09
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.28
52-week High (RM)	1.31
52-week Low (RM)	0.591

Company Profile

Engtex Group Berhad engages in distributing and wholesaling pipes, valves, and fitting (PVF), plumbing materials, and general hardware 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">- 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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