

Mikro MSC (0112)

More Upside Opportunity?



Technical Highlights

Momentum of the stock has been strong, as shown by the recent pattern of higher highs and higher lows. Despite recent market correction, the stock has quickly recovered and continued its upward trend. Yesterday, the share price surged and formed a large green candle at closing. There is potential for further upside, especially with the green candle gapping up and breaking through a 4-month long wedge pattern, supported by a significant surge in trading volume (11.3 times higher than the average 90-day total trading volume).

Yesterday, the golden cross in the MACD of the stock denotes momentum is growing. Similarly, the upward pointing 20-EMA and RSI line ascertains the short-term bullishness of the stock.

With the pattern break-out supported by these positive indicators, we think the stock could potentially test the resistance at RM0.300 (new 52-week high) first and subsequently at RM0.345 (appertaining to the RM0.045 difference between the high and low of the wedge pattern). Conversely, a descent below RM0.230 could indicate the commencement of a correction phase.

Entry – RM-0.280 – RM0.295

Stop Loss – RM0.200

Target Price – RM0.300 – RM0.345

Technical

Resistance 1 (RM)	0.300
Resistance 2 (RM)	0.345
Support 1 (RM)	0.230
Support 2 (RM)	0.175
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.295
52-week High (RM)	0.295
52-week Low (RM)	0.175

Company Profile

Mikro MSC Berhad is a company that engages in designing and manufacturing of electronic products for the power distributions industry.

CCK Consolidated (7035)

Revisiting 52-week High?



Technical Highlights

The stock recently started to pick up after a period of consolidation from its 52-week high. At closing yesterday, the stock rebounded and closed with a large green candle. This rebound not only sent the stock to trade above its 20-EMA line but also broke through the 9-week-long wedge pattern with growing momentum, as indicated by the uptick RSI indicator. Relying on these technical indicators with positive signals, we believe that the stock has a promising upswing opportunity.

The golden cross exhibited by the MACD yesterday indicates strong momentum going forward. Likewise, the upward pointing RSI and 20-EMA line confirms the short-term bullishness of the stock.

With the pattern break-out supported by growing momentum, we think the share could test the resistance at RM1.67 (52-week high) first and subsequently at RM1.77. Conversely, consolidation starts if the share price dips below the RM1.48 support.

Entry – RM-1.60 – RM1.63
Stop Loss – RM1.43
Target Price – RM1.67 – RM1.77

Technical

Resistance 1 (RM)	1.67
Resistance 2 (RM)	1.77
Support 1 (RM)	1.48
Support 2 (RM)	1.37
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.63
52-week High (RM)	1.67
52-week Low (RM)	0.764

Company Profile

CCK Consolidated Berhad principally engages in processing poultry, seafood and prawns.

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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