

WCT Holdings (9679)

Trend Reversal On The Play?



Technical Highlights

A series of upswings over the last few months had sent the stock to its 52-week high at RM1.31. Subsequently, a consolidation occurred and led the stock to trade below its 50-EMA line as buying momentum eased. Yesterday, there was a surge in buying interest for the stock, causing its price to spike and forming a large green candle at closing. The formation of the green candle broke through the pennant pattern that had lasted for 3 weeks, and this was accompanied by a surge in buying volume (1.8x higher than its average 90-day total trading volume). The breakout pattern combined with these positive technical indicators suggest that there may be more potential for an upward trend in the near future.

The RSI line pointing upwards and the imminent formation of a golden cross by the MACD indicator demonstrate the stock's short-term bullish trend.

With the last closing price of the stock trading above its 20-EMA line accompanied by pattern break-out, we think this shall warrant the stock to put its RM1.12 resistance to the test first, followed by the next resistance at RM1.27. Conversely, consolidation commences if the share price dips below the RM0.955 support.

Entry – RM1.02 – RM1.07
Stop Loss – RM0.905
Target Price – RM1.12 – RM1.27

Technical

Resistance 1 (RM)	1.12
Resistance 2 (RM)	1.27
Support 1 (RM)	0.955
Support 2 (RM)	0.865
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.07
52-week High (RM)	1.31
52-week Low (RM)	0.460

Company Profile

WCT Holdings Bhd provided civil engineering, specializes in earthworks, highway construction, and related infrastructure works.

Harbour-Link (2062)

Uptrend Is On The Way?



Technical Highlights

The stock had been on a decline and was trading below its 50-EMA line after reaching its 52-week high about 3 months ago. The buying activity remained low until recently when the share price started to recover and closed at higher highs and higher lows with increasing trading volume. Yesterday, the stock surged and closed with a green candle, indicating growing momentum, as shown by the upticking RSI indicator. This has brought the stock close to breaching the important resistance level at RM1.48, which was established after the breakout from the pennant pattern a month ago. If the stock manages to break this crucial resistance, we anticipate a rebound in the stock price.

Momentum indicators are also turning positive. The MACD has recently formed a golden cross and continues to move upwards day by day. Additionally, the bullishness is further supported by both the upward-pointing 20-EMA and RSI line.

If the stock breaks through its crucial resistance at RM1.48 with continued strong momentum, it could reinforce the uptrend. This may potentially push the price towards the next resistance level at RM1.67. On the downside, a stop-loss can be placed below the recent low at RM1.36.

Entry – RM1.42 – RM1.47
Stop Loss – RM1.26
Target Price – RM1.48 – RM1.67

Technical

Resistance 1 (RM)	1.48
Resistance 2 (RM)	1.67
Support 1 (RM)	1.36
Support 2 (RM)	1.21
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.47
52-week High (RM)	1.82
52-week Low (RM)	1.06

Company Profile

Harbour-Link Group Berhad is a company principally engages in providing shipping, forwarding, and transportation 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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