

SNS Network Tech (0259)

Renewed Momentum



Technical Highlights

The stock has been consolidating since early June after reaching its 52-week high. Last Friday, a signal indicating a reversal in the downtrend was observed when the stock surged and formed a large green candle, breaking through a pennant pattern that had been forming for approximately 2 months. This breakout was accompanied by a significant increase in the RSI reading, indicating strong trading momentum and suggesting a strong trend reversal signal. As such, we expect more upside potential in the short term going forward.

Last Friday, the MACD displayed a golden cross, indicating strong momentum expected going forward. Additionally, the upward-pointing RSI and 50 EMA lines confirm the bullish trend in the short term.

With these positive indicators, we think the stock could be pushed towards challenging its first resistance at RM0.745 and subsequently the next resistance at RM0.845. Conversely, consolidation occurs if the stock falls below its RM0.650 support, determined based on the recent low.

Entry – RM0.685 – RM0.705

Stop Loss – RM0.600

Target Price – RM0.745 – RM0.845

Technical

Resistance 1 (RM)	0.745
Resistance 2 (RM)	0.845
Support 1 (RM)	0.650
Support 2 (RM)	0.500
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.705
52-week High (RM)	0.917
52-week Low (RM)	0.223

Company Profile

SNS Network Technology Bhd is a company specialising in offering technology driven solutions and seamless integrated information system to end consumers, SME businesses, large corporation and government institutions.

E.A Technique (M) (5259)

Positive Movement Ahead?



Technical Highlights

Recently, the stock had been experiencing mild upward movement after consolidating from its 52-week high in early May. Last Friday, the trading momentum of the share spurred and led the stock to close significantly upward with a large green candle. Additionally, the large green candle also broke through the 7-month-long pennant pattern with considerable trading volume. With these positive signals, we believe there is potential for further upward movement in the stock.

Strong momentum indication is supported by the recent golden cross in the MACD, while the short-term bullish trend for the stock is confirmed by the upward-trending 50-EMA line.

With the stock's trading momentum back, we expect the share to test its RM0.335 resistance first followed by the next resistance level at RM0.400. Inversely, a stop-loss can be placed below the recent low at RM0.285.

Entry – RM0.290 – RM0.310
Stop Loss – RM0.250
Target Price – RM0.335 – RM0.400

Technical

Resistance 1 (RM)	0.335
Resistance 2 (RM)	0.400
Support 1 (RM)	0.285
Support 2 (RM)	0.240
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.310
52-week High (RM)	0.430
52-week Low (RM)	0.235

Company Profile

EA Technique (M) Bhd is a company principally engages in operating marine vessels with the focus on the marine transportation and offshore storage and of oil and gas.

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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