

Astro Malaysia (6399)

Potential Rebound?



Technical Highlights

Consolidation activities was observed after the stock showed false rebounding signal back in May. Yesterday, the trading momentum picked up (as indicated by sharp upward pointing RSI line) and steered the stock to close higher. As result, this formed a large green candle which also broke through the approximately 3-month long pennant pattern. We see this pattern break-out accompanied by growing momentum as a strong foundation for potential rebound in the short-term.

The stock's increasing momentum is clearly indicated by the presence of a golden cross in yesterday's MACD reading. Additionally, the rising RSI line further confirms the stock's short-term bullishness.

If the stock's momentum can sustain or increase further, we think it could test the first resistance level at RM0.280, which is just a small tick away from the current closing price of RM0.260. After the stock successfully breaks through the first resistance level, the RM0.390 resistance level would be the next target to attempt. Nevertheless, consolidation happens if the stock dips below its 52-week low price of RM0.230.

Entry – RM0.240 – RM0.260
Stop Loss – RM0.230
Target Price – RM0.280 – RM0.390

Technical

| | |
|--------------------------|----------|
| Resistance 1 (RM) | 0.280 |
| Resistance 2 (RM) | 0.390 |
| Support 1 (RM) | 0.230 |
| Support 2 (RM) | 0.180 |
| MACD | Positive |
| RSI | Positive |

Stock Information

| | |
|--------------------------|-------|
| Last Close (RM) | 0.260 |
| 52-week High (RM) | 0.515 |
| 52-week Low (RM) | 0.230 |

Company Profile

Astro Malaysia Holdings Berhad is a media and entertainment company that operates in the diversified media industry.

Eastern & Oriental (3417)

Further Upside Ahead?



Technical Highlights

The stock continued to trade in a higher high and high low pattern despite the recent huge sell-down. We interpret this as a strong indication that the upward movement may continue, as this trading pattern was supported by a breakout with significant trading volume and rising momentum. Yesterday, the stock surged at close, reaching the RM0.905 level which was on course of breaking through the crucial resistance level at RM0.940.

Yesterday, the MACD exhibited a golden cross, signifying growing momentum in the stock. Similarly, the upward-pointing RSI line confirms the bullishness of the stock in the short term.

If the stock's upward momentum can break through its key resistance level at RM0.940, we believe this will provide the strength for the stock to test the subsequent resistance level at RM1.05. Conversely, a stop loss can be put at the recent low price of RM0.855.

Entry – RM0.875 – RM0.905

Stop Loss – RM0.815

Target Price – RM0.940 – RM1.05

Technical

| | |
|--------------------------|----------|
| Resistance 1 (RM) | 0.940 |
| Resistance 2 (RM) | 1.05 |
| Support 1 (RM) | 0.855 |
| Support 2 (RM) | 0.770 |
| MACD | Positive |
| RSI | Positive |

Stock Information

| | |
|--------------------------|-------|
| Last Close (RM) | 0.905 |
| 52-week High (RM) | 1.13 |
| 52-week Low (RM) | 0.530 |

Company Profile

Eastern & Oriental Bhd is a Malaysian based property developer that specializes in property development, property investment and property management.

Glossary of commonly used technical terms

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|--|---|
| 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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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my