

# MPHB Capital (5237)

## New 52-week High?



### Technical Highlights

The stock had been trading in an uptrend despite experiencing some minor consolidations. It seemed to have found support at the 50-EMA line during the recent consolidation. At the close last Friday, there was a spike in trading volume (16.8 times higher than its average 90-day trading volume) with strong momentum (RSI > 70), which led the stock to close significantly higher with the formation of a large green candle that broke through the approximately 4-month long channel pattern. Based on these positive readings, we see the stock having more upside potential ahead.

The upward-crossing of the MACD line over its signal line (golden cross) confirms the short-term bullishness in the stock. Similarly, the short-term trading momentum of the stock remains strong as displayed by both the upward-pointing RSI line and 20-EMA lines.

With the pattern break-out accompanied by both strong momentum and volume, we think this could propel the stock to reach a new 52-week high by testing the resistance level at RM1.74. If the stock manages to break through this, it may attempt to test the subsequent resistance at RM1.84. Stop loss will be placed at its recent low price of RM1.57.

**Entry** – RM1.62 – RM1.67

**Stop Loss** – RM1.47

**Target Price** – RM1.74 – RM1.84

#### Technical

<b>Resistance 1 (RM)</b>	1.74
<b>Resistance 2 (RM)</b>	1.84
<b>Support 1 (RM)</b>	1.57
<b>Support 2 (RM)</b>	1.40
<b>MACD</b>	Positive
<b>RSI</b>	Positive

#### Stock Information

<b>Last Close (RM)</b>	1.67
<b>52-week High (RM)</b>	1.67
<b>52-week Low (RM)</b>	1.02

#### Company Profile

MPHB Capital Berhad is a company that mainly engages in the business of underwriting all classes of general insurance.

# Bina Puri Holdings (5932)

## Pattern Break-out On the Play?



### Technical Highlights

The stock saw a period of consolidation after hitting its 52-week high at RM0.480. However, the consolidation seems to have been short-lived as the stock started to pick up shortly after, between late May and late June. We believe the uptrend can be sustained, as it has been trading in a pattern of higher highs and higher lows, accompanied by growing momentum. Additionally, the stock was on the verge of breaking through the RM0.395 resistance level of its 9-week-long pennant pattern. The trading volume, which was 1.3 times higher than its 90-day average at the closing last Friday, supports our view that a pattern breakout is imminent.

With the soon-to-be golden cross as exhibited by the MACD reading, this shall ascertain the growing momentum in the stock. Additionally, the increase in the RSI indicator and upward-pointing 20-EMA line denote the short-term bullishness of the stock.

If the stock can successfully break through the crucial RM0.395 resistance level of the pattern with sustained trading volume and momentum, we believe this will give the stock the strength to challenge its subsequent RM0.48 resistance level. Conversely, consolidation happens if the stock dips below its RM0.380 support level.

**Entry** – RM0.380 – RM0.390  
**Stop Loss** – RM0.330  
**Target Price** – RM0.395 – RM0.480

#### Technical

Resistance 1 (RM)	0.395
Resistance 2 (RM)	0.480
Support 1 (RM)	0.380
Support 2 (RM)	0.325
MACD	Positive
RSI	Positive

#### Stock Information

Last Close (RM)	0.390
52-week High (RM)	0.480
52-week Low (RM)	0.175

#### Company Profile

Bina Puri Holdings Bhd is a construction company that operates as a commission agent, contractor of earthworks, road and building construction and manufacturer of polyol and bricks.

## 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"><li>- current high less the current low;</li><li>- the absolute value of the current high less the previous close;</li><li>- the absolute value of the current low less the previous close;</li></ul>
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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