

FSBM (9377)

Breaking Out From Downtrend



Technical Highlights

The stock has been in a steady decline since June, forming a clear downward trendline. However, things took a turn yesterday when it finally broke out of this pattern with a strong surge in buying interest, marking the highest volume since July. Currently, the stock is trading comfortably above the 20-day EMA, showing early signs of recovery, though it is approaching a key test nears the 50-day and 200-day EMAs - levels that could make or break this momentum.

Momentum indicators are supporting this breakout. The MACD has just completed a golden cross, a classic bullish signal, while the RSI is showing a promising upward slope. As the strength is building, we might be on the verge of a more significant move if the momentum continues.

While considering an entry, a favourable zone would be between RM 0.25 and RM 0.26, offering a solid risk-reward ratio. Should today trading deliver another green candle, we could see the price aiming for RM 0.30, with RM 0.32 as the next target. If there's a surge of large buy orders near RM 0.32, the stock might witness a rapid, sharp upward move. On the flip side, if this breakout falters, the stock could retrace back to RM 0.225, signalling a potential correction.

Entry – RM0.250 – RM0.260
Stop Loss – RM0.225
Target Price – RM0.300 – RM0.320

Technical

Resistance 1 (RM)	0.300
Resistance 2 (RM)	0.320
Support 1 (RM)	0.235
Support 2 (RM)	0.225
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.260
52-week High (RM)	0.450
52-week Low (RM)	0.195

Company Profile

FSBM Holdings Berhad distributes computers, computer related products, education related products and provides installation and maintenance services.

KNM Group (7164)

Triangle Tightens, Big Move Ahead?



Technical Highlights

The stock has been quietly consolidating in a triangle pattern for quite some time. After moving in a tight range, it is currently trading close to both the 20-day and 50-day EMAs, but remains below the 200-day EMA. The price action is getting compressed, hinting that a breakout could be right around the corner.

Momentum indicators are looking green, though the MACD remains neutral, pointing slightly upward. On the bright side, the RSI has finally bounced back after a period of decline, signaling a potential shift in strength. If the momentum builds, it could further support the breakout case.

Waiting for confirmation of the breakout, an ideal entry point will be between RM 0.070 and RM 0.075. Should the stock break above this range, it could quickly move towards RM 0.095, the first major resistance. It could challenge the next resistance at RM 0.125, if it holds steady above this level. However, if the breakout fails, we may see the stock retrace back to the RM 0.065 - RM 0.055 zone, potentially continuing its consolidation phase.

Entry – RM0.070 – RM0.075
Stop Loss – RM0.055
Target Price – RM0.095 – RM0.125

Technical

Resistance 1 (RM)	0.095
Resistance 2 (RM)	0.125
Support 1 (RM)	0.065
Support 2 (RM)	0.055
MACD	Neutral
RSI	Positive

Stock Information

Last Close (RM)	0.075
52-week High (RM)	0.175
52-week Low (RM)	0.060

Company Profile

KNM Group Berhad designs, manufactures, and maintain process equipment, pressure vessels, heat exchangers, tanks and more for oil and gas and petrochemical industries.

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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