

Engtex Group (5056)

Momentum Building, Breakout Ahead



Technical Highlights

The stock has been shaping a solid triangle pattern and is currently positioned in the squeeze zone. Yesterday, a strong bullish candle pushed the price to the upper boundary of the triangle, signalling potential strength ahead. Today will be a key moment to see if it can break out of the pattern. The stock is also trading above a macro uptrend line that has been in place since January 2024, where it has consistently rebounded each time it touches the line.

Momentum indicators are looking strong as well. The RSI is trending upward, having recently bounced back from oversold levels, signaling growing strength. The MACD is also on the verge of forming a golden cross and selling pressure has been gradually declining, giving additional confidence in the stock's potential upward movement.

An entry point at the current price could offer a good opportunity, though waiting for a confirmed breakout provides more certainty. The first resistance level is RM0.660, with a potential move up to the second resistance level of RM0.740 (near 52-week high) if it breaks through. On the downside, a drop to RM0.555 may start a correction, invalidating both the triangle pattern and the macro uptrend.

Entry – RM0.590 – RM0.600
Stop Loss – RM0.555
Target Price – RM0.660 – RM0.740

Technical

| | |
|--------------------------|----------|
| Resistance 1 (RM) | 0.660 |
| Resistance 2 (RM) | 0.740 |
| Support 1 (RM) | 0.580 |
| Support 2 (RM) | 0.555 |
| MACD | Positive |
| RSI | Positive |

Stock Information

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|--------------------------|-------|
| Last Close (RM) | 0.600 |
| 52-week High (RM) | 0.749 |
| 52-week Low (RM) | 0.340 |

Company Profile

Engtex Group Berhad distributes and wholesales pipes, valves and fitting (PVF), plumbing materials, and general hardware products.

MNRB (6459)

Inverse Head & Shoulders Pattern



Technical Highlights

The stock is showing signs of forming an inverse head and shoulders pattern, with the second shoulder currently taking shape and heading towards the neckline. Yesterday's 3.2% gain, marked by a strong bullish candle, added further confidence on this pattern. Additionally, the stock is trading above all three key EMAs, reinforcing the strength of its current bullish trend.

Momentum indicators are also showing positive signals. The RSI is climbing sharply, while the MACD is starting to turn upward after a long period of neutrality, suggesting fresh momentum is building up. Meanwhile, buying volume has also picked up this month, pointing to increasing interest.

Current entry points seem reasonable, with close attention being the first resistance level at RM2.36, aligning with the neckline of the pattern. Should the inverse head and shoulders complete its formation, the next target would be RM2.61, with the potential to reach a new 52-week high. On the downside, if the stock pulls back to the RM2.19 level (which is the shoulder), it may drop to RM 2.09, signaling the start of a correction phase.

Entry – RM2.25 – RM2.30
Stop Loss – RM2.09
Target Price – RM2.36 – RM2.61

Technical

| | |
|--------------------------|----------|
| Resistance 1 (RM) | 2.36 |
| Resistance 2 (RM) | 2.61 |
| Support 1 (RM) | 2.19 |
| Support 2 (RM) | 2.09 |
| MACD | Positive |
| RSI | Positive |

Stock Information

| | |
|--------------------------|------|
| Last Close (RM) | 2.28 |
| 52-week High (RM) | 2.61 |
| 52-week Low (RM) | 1.06 |

Company Profile

MNRB Holdings Bhd underwrites all classes of general reinsurance business. Main type of reinsurance business are proportional and non-proportional treaty reinsurance and facultative reinsurance.

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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