

Mah Sing Group (8583)

Trend Reversal Pattern Breakout?



Technical Highlights

The stock appeared to be consolidating as it traded in a pattern of lower highs and lower lows after reaching its 52-week high of RM1.85. We believe the trend reversal became apparent when the closing price surged yesterday and formed a large green candle, breaking through the bullish pennant pattern with increasing momentum. The promising signal of the trend reversal was further supported by the closing price trading above its 20-EMA line.

MACD reading finally showed a golden cross after multiple months of hovering around the oversold territory, signalling momentum is positive in the short term. Similarly, the upward-pointing RSI line and 20-EMA line confirm the short-term bullishness going forward.

If the buying momentum continues to grow after the pattern break-out, we think this shall give the stock the strength to test its first resistance at RM1.74. If the stock continues its climb, it may test the next resistance at RM1.85, which is just not far away. However, if it falls below RM1.58 (based on the recent low), it could signal the beginning of a correction phase.

Entry – RM1.63 – RM1.67
Stop Loss – RM1.48
Target Price – RM1.74 – RM1.85

Technical

Resistance 1 (RM)	1.74
Resistance 2 (RM)	1.85
Support 1 (RM)	1.58
Support 2 (RM)	1.44
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.67
52-week High (RM)	1.96
52-week Low (RM)	0.750

Company Profile

Mah Sing Group Bhd is a property developer company that develops commercial, residential (high-rise and landed) as well as industrial properties.

Adventa (7191)

Volume-Driven Pattern Breakout



Technical Highlights

The stock has been experiencing a significant downtrend, trading consistently lower than all of its EMA lines. However, the trend may be reversing as indicated by a surge in trading volume yesterday, which was 3.4 times higher than the average 3-month total trading volume. This surge caused the stock to gap up and triggered a pennant pattern break-out. These positive technical signals suggest that the stock's bullish trend is likely to continue in the short term.

The stock's momentum is strong, as evidenced by a spike in the RSI. The RSI is about to enter overbought territory, indicating further potential for upward movement. Additionally, the recent golden cross in the MACD indicator confirms the stock's positive bullish trend.

With the stock gapping up and finally trading above the 50-EMA line, we anticipate the stock will regain momentum and challenge the first resistance at RM0.335 and the subsequent resistance at RM0.410. On the flip side, if the stock dips below RM0.305, this could signal that the downtrend may continue.

Entry – RM0.300 – RM0.320
Stop Loss – RM0.270
Target Price – RM0.335 – RM0.410

Technical

Resistance 1 (RM)	0.335
Resistance 2 (RM)	0.410
Support 1 (RM)	0.305
Support 2 (RM)	0.270
MACD	Neutral
RSI	Positive

Stock Information

Last Close (RM)	0.320
52-week High (RM)	0.410
52-week Low (RM)	0.270

Company Profile

Adventa Bhd manufactures and distributes sterile surgical and medical examination gloves and distributes medical and hospital related products.

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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