

UEM Sunrise (5148)

Trend Reversal Ahead?



Technical Highlights

After making several unsuccessful attempts to challenge its 52-week high, the stock lost momentum and entered a consolidation phase. However, recently, the stock has shown signs of a trend reversal by exhibiting a pattern of higher highs and higher lows. This trend reversal is promising, as the stock began to rise after breaking out of a double-bottom pattern in early September. Furthermore, the stock continued to surge and closed significantly higher at RM0.980, approaching the crucial resistance level at RM0.985.

Momentum indicators are showing a bullish signal. The RSI indicator rebounds back upward after a few days of neutral movement, and is approaching the overbought territory. Similarly, the MACD continue to inch upward after the occurrence of a golden cross back in early September.

If the stock is able to continue its positive movement and breaks through the crucial resistance level at RM0.985, RM1.11 would be the next resistance target to challenge. On the flip side, if it falls back to RM0.925, which is the neckline of the double bottom pattern, this could signal a false trend reversal, with a correction down to RM0.840.

Entry – RM0.950 – RM0.980
Stop Loss – RM0.915
Target Price – RM0.985 – RM1.11

Technical

Resistance 1 (RM)	0.985
Resistance 2 (RM)	1.11
Support 1 (RM)	0.925
Support 2 (RM)	0.840
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.980
52-week High (RM)	1.26
52-week Low (RM)	0.675

Company Profile

UEM Sunrise Bhd is a property developer that develop various types of real estate projects that ranges from industrial, commercial, residential, healthcare to mixed used properties.

Powerwell (0217)

Nearing Pattern & Key Resistance Break-out



Technical Highlights

The stock has remained in consolidation mode despite several rebounds throughout the period. Recently, the trading momentum of the stock started to pick up, pushing the stock to close at a higher high. Yesterday, the stock surged and formed a large green candle with a closing price of RM0.415, marking the first time the share price traded above its 20-EMA line during the whole consolidation period. Interestingly, the closing price is also just on the verge of breaking through the RM0.420 level, which is both the crucial resistance level (extended from the last closing price of the recent sell-off) and the pennant pattern breakout indication level. If the RM0.42 level breakout happens, we believe there may be more upside potential in store for the stock.

Momentum indicators are positive as indicated by both the recent exhibition of golden cross in the MACD indicator and the upward-pointing RSI line.

A good entry point could be placed at the price range of RM0.400 to RM0.415. If the stock manages to challenge the RM0.420 crucial resistance and move up further, it could potentially challenge the next resistance at RM0.470. On the flip side, if it dips to RM0.395, this could signal the commencement of a correction phase.

Entry – RM0.400 – RM0.415
Stop Loss – RM0.365
Target Price – RM0.420 – RM0.470

Technical

Resistance 1 (RM)	0.420
Resistance 2 (RM)	0.470
Support 1 (RM)	0.395
Support 2 (RM)	0.365
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.415
52-week High (RM)	0.555
52-week Low (RM)	0.214

Company Profile

Powerwell Holdings Bhd principally engages in the business of distributing power 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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