

VS Industry (6963)

Multiple Positive Signals in Play



Technical Highlights

The stock initially rebounded strongly after experiencing a period of consolidation from its 52-week high. However, it lost momentum and reversed direction, falling sharply. Recently, it started to recover and closed with an uptrend pattern. Last Friday, a Marubozu candle was formed as the stock successfully broke through both the crucial RM1.16 resistance level (extended from the recent sell-off point) and the pennant pattern break-out indication level. This indicates a strong and supportive uptrend pattern. Furthermore, the breakout pattern confirms the uptrend signal, as it is accompanied by the classic W pattern.

Momentum indicators are positive. This is evident from the continued acceleration of the RSI reading and the recent occurrence of a golden cross in the MACD indicator for the stock. As for the short-term bullishness, it is ascertained by the stock trading above all its EMA lines recently and sharp upward-pointing 20-EMA line.

With the uptrend pattern accompanied by multiple positive indicators, we think the stock can put its first resistance level of RM1.24 to the test. Attempting the next resistance level at RM1.33 (52-week high) will be the next target if technical indicators remain strong after a successful breakout of the first resistance. Conversely, if the stock falls back to RM1.08 (recent low), this could signal a false come-back.

Entry – RM1.15 – RM1.18

Stop Loss – RM0.98

Target Price – RM1.24 – RM1.33

Technical

Resistance 1 (RM)	1.24
Resistance 2 (RM)	1.33
Support 1 (RM)	1.08
Support 2 (RM)	0.995
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.18
52-week High (RM)	1.33
52-week Low (RM)	0.712

Company Profile

VS Industries Bhd is a company that principally engages in manufacturing and assembling plastic molded and electronics parts and other components such as speaker and remote controls.

Hiap Teck Ventures (5072)

Two Breakout Supports the Uptrend?



Technical Highlights

Since July, the stock was in a consolidation phase as it dipped and traded below all of its EMA lines. Recently, it started to pick up from its 52-week low with growing momentum, leading to an upward movement and a breakout through the neckline of the inverse head and shoulder pattern. Last Friday, the stock continued its upward movement and closed at a higher price of RM0.345, breaking through the crucial RM0.34 resistance level. This resistance breakout, along with the recent inverse head and shoulder pattern breakout, suggests that the stock could experience further upside movement in the future.

Momentum is strong as indicated by the growing RSI indicator and upward-pointing 20 EMA line. Similarly, the stock is likely to experience short-term bullishness as the MACD indicator recently exhibited a golden cross.

A good recommended entry point would be in the range of RM0.325 to RM0.345. If the stock could challenge its first resistance at RM0.360, it could potentially attempt to challenge the next resistance at RM0.450. On the flip side, if it dips below RM0.320, this could signal the commencement of a correction phase.

Entry – RM0.325 – RM0.345
Stop Loss – RM0.290
Target Price – RM0.360 – RM0.450

Technical

Resistance 1 (RM)	0.360
Resistance 2 (RM)	0.450
Support 1 (RM)	0.320
Support 2 (RM)	0.290
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.345
52-week High (RM)	0.495
52-week Low (RM)	0.290

Company Profile

Hiap Teck Venture Bhd principally engages in the business of importing, exporting, and dealing in the steel 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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