

Seng Fong (5308)

Breaking Out From Downtrend



Technical Highlights

The stock has shown resilience by staying above the major support level of RM1.00, forming a triangle pattern during this consolidation phase. Last week, it broke out of this pattern, followed by a healthy pullback to the trendline. This was confirmed yesterday when the stock surged by 7%, signalling strength after the pullback. Additionally, a bullish W pattern has emerged, with the stock currently trading above all three key EMAs.

Momentum indicators further support this positive trend. The MACD is trending upward with increasing buying volume, and the RSI remains strong at 66, with room to rise. After few months of neutral activity, buying volume has spiked, suggesting renewed investor confidence.

For an ideal entry point, a range between RM1.18 and RM1.22 presents a good opportunity as the bullish W pattern nears its completion. The first resistance level to watch is RM1.25, and if it breaks, the next target to challenge would be the 52-week high of RM1.35. However, a downside risk exists if the stock falls below RM 1.10, which could drop back to the major support at RM1.00.

Entry – RM1.18 – RM1.22

Stop Loss – RM1.10

Target Price – RM1.25 – RM1.35

Technical

Resistance 1 (RM)	1.25
Resistance 2 (RM)	1.35
Support 1 (RM)	1.14
Support 2 (RM)	1.10
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.23
52-week High (RM)	1.35
52-week Low (RM)	0.52

Company Profile

Seng Fong Holdings Berhad processes and exports rubber products. They serve customer worldwide.

Dagang Nexchange (4456)

Uptrend Back in Focus



Technical Highlights

The stock peaked in June 2024 before entering a downtrend phase that lasted until September. During this pullback, it formed a bullish wedge pattern, and just yesterday, the stock broke out with a 12% gain—the highest volume seen since its June peak. Currently, the stock is trading above the 20-day EMA and is testing the 50-day and 200-day EMAs, indicating a potential shift in trend.

Momentum is also turning positive. The RSI now stands at 58, steadily rising after four months of neutral movement. The MACD has also started climbing, backed by strong volume, indicating a renewed bullish momentum in the stock.

The ideal entry range would be between RM0.365 to RM0.375, with the first resistance at RM 0.420. If the stock breaks through this level, it could challenge RM0.480, a level close to its 52-week high. Should it push beyond RM 0.480, the stock could potentially test its 52-week high. On the downside, if the stock falls below RM0.335, it would signal a false breakout and trigger a correction.

Entry – RM0.365 – RM0.375

Stop Loss – RM0.335

Target Price – RM0.420 – RM0.480

Technical

Resistance 1 (RM)	0.420
Resistance 2 (RM)	0.480
Support 1 (RM)	0.360
Support 2 (RM)	0.335
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.375
52-week High (RM)	0.525
52-week Low (RM)	0.330

Company Profile

Dagang NeXchange Berhad operates Information communication technology and corporate. They engaged in supplying, delivering, installation, testing, and maintenance of IT hardware.

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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