

# Volcano Berhad (0232)

## Wedge Pattern Breakout



### Technical Highlights

The stock has undergone a significant U-shaped recovery since January 2024, with a neckline forming at RM0.83. After reaching this level, it began to move downward, forming a bullish falling wedge pattern. Yesterday, the stock broke out from the wedge and is currently trading above both the 20-day and 50-day EMAs, although it remains below the 200-day EMA. Additionally, there is potential for a cup-and-handle pattern to form, as the "cup" was completed between January and July 2024. If the stock rises back to the RM0.83 neckline, this bullish pattern could materialise.

Momentum indicators support a positive outlook, with the RSI currently at 55, signalling a bounce from oversold conditions. Meanwhile, the MACD also confirmed strength last week with a golden cross and continues to move upward, indicating a growing bullish momentum.

A strategic entry point would be in the RM0.63 to RM0.64 range. The first resistance lies at RM0.63, and a breakthrough here could lead to testing the key neckline resistance at RM0.83. However, if the stock falls to RM0.60, a deeper correction could push prices down to the major buying volume support around RM0.53.

**Entry** – RM0.63 – RM0.64  
**Stop Loss** – RM0.60  
**Target Price** – RM0.73 – RM0.83

#### Technical

Resistance 1 (RM)	0.73
Resistance 2 (RM)	0.83
Support 1 (RM)	0.62
Support 2 (RM)	0.60
MACD	Positive
RSI	Positive

#### Stock Information

Last Close (RM)	0.68
52-week High (RM)	0.99
52-week Low (RM)	0.53

#### Company Profile

Volcano Berhad provides brand identification and injection molding solutions. The company offers metal and non-metal, nameplates and plastic injection molded parts for electrical and electronic, automotive, food, furniture, aerospace, and label industries.

# TDM Berhad (2054)

## Approaching Key Levels



### Technical Highlights

The stock has been on an upward trend since January 2024 but experienced a downtrend from March to September, forming a bullish falling wedge. Last week, it broke out of this pattern and completed a successful pullback, setting the stage for a strong move. Yesterday, the stock surged 7% with rising buying volume and is now testing the 20-day and 200-day EMAs. A breakout above these levels could signal a significant upward push.

Momentum indicators are flashing green, with the RSI at 54 and trending upward, showing renewed buying interest. The MACD is also moving higher, further supported by the increasing buying volume.

An entry point lies between RM0.210 and RM0.220. The first resistance to watch is RM0.230, with the potential to reach RM0.255 if it breaks through. A successful move past this point could even challenge near the 52-week high. On the downside, a fall below RM0.195 could indicate a false breakout, leading to a correction towards RM0.160, which has previously acted as a strong consolidation zone.

**Entry** – RM0.210 – RM0.220  
**Stop Loss** – RM0.195  
**Target Price** – RM0.230 – RM0.255

### Technical

<b>Resistance 1 (RM)</b>	0.230
<b>Resistance 2 (RM)</b>	0.255
<b>Support 1 (RM)</b>	0.205
<b>Support 2 (RM)</b>	0.195
<b>MACD</b>	Positive
<b>RSI</b>	Positive

### Stock Information

<b>Last Close (RM)</b>	0.215
<b>52-week High (RM)</b>	0.340
<b>52-week Low (RM)</b>	0.163

### Company Profile

TDM Berhad manages oil palm plantations, trades palm oil and related products. The company also provides consultancy and management services to specialist medical centers, operates in property development, and develops computer systems.

## 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"><li>- current high less the current low;</li><li>- the absolute value of the current high less the previous close;</li><li>- the absolute value of the current low less the previous close;</li></ul>
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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## Published & Printed By:

MERCURY SECURITIES SDN BHD  
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