

# Pos Malaysia (4634)

## Trend Reversal Ahead?



### Technical Highlights

The stock remained in consolidation mode despite a brief rally in early May. Following a false trend reversal signal, it entered a deep correction phase, reaching a 52-week low in late August. Since then, it has traded sideways, forming a triangle pattern. Yesterday, a surge in buying interest drove the stock significantly higher, breaking through the triangle pattern. This breakout lifted the stock above its 20-day EMA, signaling strong support for the breakout and the onset of a trend reversal.

Momentum indicators are supportive of the trend reversal movement. The RSI has rebounded sharply from the sideways movement, indicating that buying interest has returned and is building up swiftly. Meanwhile, a golden cross displayed in the MACD indicator yesterday also further ascertains another positive signal for upward momentum.

An ideal entry range lies between RM0.320 and RM0.330. If the stock continues upward with sustained momentum post-breakout, it could gain strength to test its first resistance at RM0.355, with a subsequent target at RM0.385. With RM0.310 as a key support level, any move below this point would indicate a false breakout, suggesting that consolidation may continue.

**Entry** – RM0.320 – RM0.330  
**Stop Loss** – RM0.290  
**Target Price** – RM0.355 – RM0.385

#### Technical

Resistance 1 (RM)	0.355
Resistance 2 (RM)	0.385
Support 1 (RM)	0.310
Support 2 (RM)	0.280
MACD	Positive
RSI	Positive

#### Stock Information

Last Close (RM)	0.330
52-week High (RM)	0.540
52-week Low (RM)	0.310

#### Company Profile

Pos Malaysia Berhad specialises in providing postal and related services, printing and insertion as well as sales of digital certificates.

# UWC (5292)

## Recovery Signals In Place



### Technical Highlights

The stock had experienced multiple attempts to break out of the consolidation pattern for the past months, but none of them were successful as the stock continued to trend downward. In mid-August, the stock experienced a significant market correction as buying interest faded. However, after reaching its 52-week low, renewed trading momentum drove the stock higher, enabling it to break through the neckline of a double-bottom pattern at RM2.19. This double-bottom breakout, backed by rising trading interest, signals the start of a trend reversal, suggesting further upside potential.

Momentum indicators support this trend reversal. The RSI indicator is gaining momentum and heading toward its overbought territory, indicating sustained buying interest. Additionally, the upward-trending MACD and the stock trading above its 20-day EMA suggest that a bullish trend is underway.

A range between RM2.17 and RM2.22 would be a good entry point. Should the stock maintain strong upward momentum, it may test its first resistance at RM2.43, with RM2.65 as the next target upon a successful breakout. Conversely, a drop below the recent support at RM2.10 would signal a possible false breakout, potentially resuming the consolidation phase.

**Entry** – RM2.17 – RM2.22  
**Stop Loss** – RM2.00  
**Target Price** – RM2.43 – RM2.65

#### Technical

Resistance 1 (RM)	2.43
Resistance 2 (RM)	2.65
Support 1 (RM)	2.10
Support 2 (RM)	1.86
MACD	Positive
RSI	Positive

#### Stock Information

Last Close (RM)	2.22
52-week High (RM)	3.79
52-week Low (RM)	1.76

#### Company Profile

UWC Berhad principally engages in the business of providing laser cutting and punching, bending, welding, milling, turning and painting services.

## 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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Registration No. 198401000672 (113193-W)  
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,  
50480 Kuala Lumpur  
Telephone: (603) - 6203 7227  
Website: [www.mercurysecurities.com.my](http://www.mercurysecurities.com.my)  
Email: [mercurykl@mersec.com.my](mailto:mercurykl@mersec.com.my)