

Greatech Technology (0208)

Positive Trend Movement Ahead



Technical Highlights

After reaching its 52-week high, the stock made several rebound attempts, each at a lower peak, signalling the start of a consolidation phase. It continued to trend downward towards its 52-week low before recovery was observed as buying interest returned. Since then, the recovery has strengthened, with the stock forming higher highs and higher lows. This upward movement recently broke through the neckline of a double-bottom pattern, indicating the beginning of a new upward trend. Yesterday, the stock closed higher with an open-low-close high candle and is approaching the key resistance level at RM2.25, further affirming the building of positive momentum.

Momentum indicators are favourable. The RSI is trending upward as buying interest gains traction, while short-term bullishness is evident with the MACD pointing upward and the stock trading above all its EMA lines.

Waiting for a pull-back to the range between RM2.15 and RM2.21 would provide a good entry opportunity. If the stock continues to trend upward and breaks through the crucial first resistance level at RM2.25, this could push the stock toward challenging its next resistance level at RM2.41. Conversely, a dip below the RM2.11 support level might signal the start of a consolidation phase.

Entry – RM2.15 – RM2.21
Stop Loss – RM2.01
Target Price – RM2.25 – RM2.41

Technical

Resistance 1 (RM)	2.25
Resistance 2 (RM)	2.41
Support 1 (RM)	2.11
Support 2 (RM)	1.96
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	2.21
52-week High (RM)	2.92
52-week Low (RM)	1.91

Company Profile

Greatech Technology Berhad is an automation solution provider in the area of factory automation.

Sime Darby (4197)

Breaking Out of Consolidation?



Technical Highlights

Multiple downtrend swings sent the stock to its low before it began to pick up as trading momentum returned. Although the stock showed improvement in mid-September, it soon appeared to lose traction, trending downward and potentially signalling a false trend reversal. However, we see this as unlikely, as the trading momentum of the stock remains strong. Buoyed by the strong buying volume, the stock closed significantly higher yesterday, breaking through the pennant pattern. With these multiple positive technical signals in place, the stock appears poised for further upside potential.

Momentum indicators are strong and supportive of the uptrend movement of the stock ahead. The RSI indicator is rising toward its overbought zone, signalling renewed buying interest. Likewise, the upward-trending MACD is approaching a golden cross, confirming the stock's short-term bullish potential.

An ideal entry lies within the RM2.39 to RM2.45 range. If trading momentum persists, the stock may challenge its nearby resistance at RM2.49. A successful breakout at this level would set the next resistance target at RM2.66. Conversely, a drop below the recent support at RM2.35 could indicate a false pattern breakout

Entry – RM2.39 – RM2.45
Stop Loss – RM2.28
Target Price – RM2.49 – RM2.66

Technical

Resistance 1 (RM)	2.49
Resistance 2 (RM)	2.66
Support 1 (RM)	2.35
Support 2 (RM)	2.26
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	2.45
52-week High (RM)	2.83
52-week Low (RM)	2.15

Company Profile

Sime Darby Berhad is a conglomerate that offers assembling and distribution services for industrial, motors and logistic sectors as well as healthcare, insurance and retail segments.

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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