

# Berjaya Food (5196)

## Uptrend Signals in Place



### Technical Highlights

After hitting its 52-week high in early April, the stock slipped into a consolidation phase. It reached a 52-week low in early September before renewed buying interest sparked a sharp recovery. This upward trend led to a recent breakout from the pennant pattern. However, until recently, the reversal signal remained uncertain as the stock hovered below its 50-day EMA line. Last Friday's significant upward close, which pushed the stock above the medium-term EMA, has now confirmed the trend reversal.

Momentum indicators are supportive of the trend reversal. The RSI is climbing sharply toward the overbought zone, signalling strong buying interest. Additionally, the MACD displayed a golden cross last Friday, reinforcing the build-up of bullish momentum.

Waiting for the stock to fall back to the range between RM0.440 and RM0.485 would present a good entry opportunity. If momentum continues, the stock could challenge its first resistance at RM0.505. A breakout above this level could set the stage for a test of the next resistance at RM0.570. On the flipside, a dip below RM0.440, the recent support level, could suggest a false reversal and the start of another consolidation phase.

**Entry** – RM0.440 – RM0.485  
**Stop Loss** – RM0.390  
**Target Price** – RM0.505 – RM0.570

#### Technical

Resistance 1 (RM)	0.505
Resistance 2 (RM)	0.570
Support 1 (RM)	0.440
Support 2 (RM)	0.355
MACD	Positive
RSI	Positive

#### Stock Information

Last Close (RM)	0.485
52-week High (RM)	0.700
52-week Low (RM)	0.350

#### Company Profile

Berjaya Food Berhad is principally engages in the business of developing and operating a chain of restaurants in Malaysia.

# Lotte Chemical Titan (5284)

## Pattern Breakout Ahead?



### Technical Highlights

After reaching its 52-week high, the stock entered a sharp correction phase, followed by a strong rebound as buying interest picked up in late May. The stock then slipped back into consolidation as the buying momentum cooled off. However, last Friday, renewed buying interest drove the stock to close significantly higher at RM0.975, marking a key resistance level for a potential triangle pattern breakout. With this surge in buying interest, the stock appears poised to initiate a breakout, signalling a bullish move ahead.

Momentum indicators are supportive of the pattern breakout. The RSI indicator is rebounding sharply from oversold levels, indicating a strong accumulation of buying interest. Likewise, the sharply upward-pointing 20 EMA and MACD lines further reinforce the short-term bullish outlook for the stock.

A range between RM0.940 and RM0.975 would be an ideal entry point. If the stock successfully breaks out above the key resistance level at RM0.975, it could target the next resistance level at RM1.04. A further breakout from this level could propel the stock towards the higher resistance at RM1.17. Conversely, if the stock drops below the recent support level at RM0.955, it could mean a return back to the consolidation phase.

**Entry** – RM0.940 – RM0.975  
**Stop Loss** – RM0.935  
**Target Price** – RM0.975 – RM1.04

### Technical

<b>Resistance 1 (RM)</b>	0.975
<b>Resistance 2 (RM)</b>	1.04
<b>Support 1 (RM)</b>	0.955
<b>Support 2 (RM)</b>	0.930
<b>MACD</b>	Positive
<b>RSI</b>	Positive

### Stock Information

<b>Last Close (RM)</b>	0.975
<b>52-week High (RM)</b>	1.57
<b>52-week Low (RM)</b>	0.930

### Company Profile

Lotte Chemical Titan Holding Berhad specialises in offering polyethylene, ethylene, benzene, toluene and other chemical.

## 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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