

# Guan Chong (5272)

## Potential Bullish Rebound



### Technical Highlights

After reaching its 52-week high in early May, the stock entered a consolidation phase as multiple market corrections pushed it significantly lower. Recently, the stock began to rebound gradually from its low as buying interest resumed. However, weak buying strength prevented the stock from breaking out of consolidation, forming a triangle pattern as it traded within the range of RM2.72 to RM3.06. Yesterday, a spike in buying interest drove the stock higher, triggering a breakout from the triangle pattern. This breakout signals a potential bullish rebound in the stock's movement ahead.

Momentum indicators are showing strength and supportive of pattern breakout. The RSI is picking up, showing buying interest is accumulating. Similarly, MACD displayed a golden cross, suggesting the formation of a bullish trend movement in the stock.

A good entry opportunity can be observed in the range between RM2.72 to RM2.77. The first resistance level to watch would be at RM2.81. If the stock successfully breaches above and beyond this point, this would form a stage for the stock to test its subsequent resistance at RM2.96. Conversely, if the stock falls toward its recent support at RM2.65, the consolidation phase could resume.

**Entry** – RM2.72 – RM2.77  
**Stop Loss** – RM2.55  
**Target Price** – RM2.81 – RM2.96

#### Technical

Resistance 1 (RM)	2.81
Resistance 2 (RM)	2.96
Support 1 (RM)	2.65
Support 2 (RM)	2.49
MACD	Positive
RSI	Neutral

#### Stock Information

Last Close (RM)	2.77
52-week High (RM)	4.43
52-week Low (RM)	1.55

#### Company Profile

Guan Chong Berhad principally engages in manufacturing cocoa-derived food ingredients.

# Paramount Corp (1724)

## Positioning for Uptrend Movement?



### Technical Highlights

In mid-July, the stock started to recover from its low as buying interest started to pick up. During this recovery period, the stock seemed to have found support at its long-term EMA line (200-day). The stock continued to move in a sideways pattern as buying interest stayed neutral. Yesterday, driven by the return of strong buying interest (evidenced by the sharp upward-pointing RSI line), the stock closed higher and initiated a triangle pattern breakout. These bullish signals suggest the potential for a positive uptrend in the stock ahead.

Momentum indicators are looking favourable. The stock is nearing the formation of a golden cross in the MACD, indicating the buildup of bullish momentum. Additionally, with the stock now trading above its 20-day EMA, the short-term bullish outlook is further confirmed.

A good entry point lies in the range between RM1.03 and RM1.05. The first resistance to watch is RM1.06, and if it breaks, the stock could aim for the next target at RM1.21, a recent high point that act as key resistance level. Conversely, if the stock moves in the opposite direction toward its RM 1.03 support level, this could mean a false pattern breakout and the commencement of a consolidation phase.

**Entry** – RM1.03 – RM1.05  
**Stop Loss** – RM0.990  
**Target Price** – RM1.07 – RM1.14

### Technical

<b>Resistance 1 (RM)</b>	1.07
<b>Resistance 2 (RM)</b>	1.14
<b>Support 1 (RM)</b>	1.03
<b>Support 2 (RM)</b>	0.960
<b>MACD</b>	Positive
<b>RSI</b>	Positive

### Stock Information

<b>Last Close (RM)</b>	1.05
<b>52-week High (RM)</b>	1.26
<b>52-week Low (RM)</b>	0.864

### Company Profile

Paramount Corporation Berhad is primarily involved in property development and investment of residential and commercial properties.

## 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 recognizable 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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