

EP Manufacturing (7773)

Flag Pattern Breakout



Technical Highlights

The stock entered a correction phase, dipping to its 52-week low in late August. Upon reaching its trough, the stock rebounded sharply as strong trading momentum returned. Subsequently, the stock traded sideways within the RM0.605 to RM0.660 range as trading momentum remained neutral. Yesterday, a spike in trading momentum sent the stock significantly higher and triggered a flag pattern breakout. These signals indicate the potential for a trend reversal in the stock ahead.

Momentum indicators are favourable. The RSI is spiking up after a period of relatively muted movement, indicating the return of strong buying interest. Additionally, the golden cross displayed in the MACD yesterday further confirms the stock's positive momentum.

Looking at the price range between RM0.620 to RM0.630 would provide a good entry opportunity. The first resistance target to watch would be at RM0.660. If there is any further breakout above this point, it could potentially push the stock toward challenging its next resistance target at RM0.740. On the flip side, if the stock dips below the crucial support at RM0.610, it could signal a false breakout and a return to consolidation.

Entry – RM0.620 – RM0.630
Stop Loss – RM0.590
Target Price – RM0.660 – RM0.740

Technical

Resistance 1 (RM)	0.660
Resistance 2 (RM)	0.740
Support 1 (RM)	0.610
Support 2 (RM)	0.555
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.630
52-week High (RM)	0.820
52-week Low (RM)	0.600

Company Profile

EP Manufacturing Berhad is a Malaysian based company primarily involves in manufacturing engineering plastic products, moulds, dies, and bicycles.

Naim Holdings (5073)

Triangle Pattern Breakout



Technical Highlights

The stock showed an upward trend between mid-January and mid-July. After reaching its 52-week high, the stock fell into a consolidation phase as the trading momentum cooled off considerably. However, the consolidation phase proved short-lived, lasting only 2 months, before renewed buying strength drove the stock into recovery and initiated an upward trend. Yesterday, a large green candle formed at the close as strong trading interest pushed the stock higher, triggering a triangle pattern breakout. Supported by these positive technical signals, the breakout suggests potential for further upward movement in the stock.

Momentum indicators are supportive of the pattern breakout. The RSI is picking up from the recent downtrend movement, indicating the accumulation of strong buying interest. Meanwhile, the MACD is just on the verge of initiating a golden cross, further supporting the formation of bullish momentum.

For an ideal entry range, it lies between RM1.10 to RM1.12. If the stock could challenge its first resistance level at RM1.16, any breakout beyond this point could form a stage for the stock to challenge a higher resistance level at RM1.24. Conversely, the stock could enter into a correction phase if it dips below RM1.07, its crucial support level.

Entry – RM1.10 – RM1.12
Stop Loss – RM1.03
Target Price – RM1.16 – RM1.24

Technical

Resistance 1 (RM)	1.16
Resistance 2 (RM)	1.24
Support 1 (RM)	1.07
Support 2 (RM)	0.985
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.12
52-week High (RM)	1.63
52-week Low (RM)	0.700

Company Profile

Naim Holdings Bhd is a company specializes in providing construction and civil engineering services, property development and property investment.

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 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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