

MBSB (1171)

Falling Wedge Breakout



Technical Highlights

The stock has been forming a falling wedge pattern, and just yesterday, it broke out from this squeeze zone with the highest buying volume seen since May 2024. This breakout indicates a strong buying interest and marks a potential shift in momentum. Meanwhile, the stock is currently trading above its 20-day EMA, but faces upcoming challenges as it approaches the 50-day and 200-day EMAs.

Momentum indicators further support this positive outlook. The RSI has rebounded from oversold levels and is now trending upward, currently at 52. Similarly, the MACD has started moving upward after months of neutral movement.

An ideal entry point lies in the range of RM0.745 to RM0.755. The first resistance level is at RM0.770, and if the stock successfully breaks through, it could climb to RM0.800. Beyond this, the stock has the potential to rally further to RM0.870, a key level where the previous downtrend began. On the downside, if the stock falls below RM0.715, it could start a correction. This setup offers a risk-reward ratio of 1.8.

Entry – RM0.745 – RM0.755

Stop Loss – RM0.715

Target Price – RM0.770 – RM0.800 – RM0.870

Technical

Resistance 1 (RM)	0.770
Resistance 2 (RM)	0.800
Support 1 (RM)	0.730
Support 2 (RM)	0.715
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.745
52-week High (RM)	0.950
52-week Low (RM)	0.715

Company Profile

MBSB Bhd provides financial services. The company grants loans on the security of freehold and leasehold residential properties, as well as offers investment banking, development financing, and asset management services.

Sealink (5145)

Strong Rebound Momentum



Technical Highlights

In early 2024, the stock began an uptrend, reaching a peak at RM0.425 before reversing into a downtrend. During this decline, the stock formed a falling wedge pattern, which it successfully broke out from just last week. Following the breakout, the stock made a pullback earlier this week, but it bounced back strongly yesterday with a 5% gain. The stock is now trading above all the three key EMAs.

Momentum indicators are showing continued strength. The RSI, which bounced from 52, has climbed to 60, reflecting growing bullish momentum. Similarly, the MACD is steadily moving upward and trading volume has surged to its highest level since August.

An ideal entry for this stock lies in the range of RM0.310 to RM0.320. The first resistance is at RM0.340, and a successful breakout could lead to RM0.370. Beyond this, the stock has the potential to approach near its 52-week high of RM0.405. On the downside, if the stock falls below RM0.280, it may enter a correction, with the main support zone at RM0.210.

Entry – RM0.310 – RM0.320

Stop Loss – RM0.280

Target Price – RM0.340 – RM0.370 – RM0.405

Technical

Resistance 1 (RM)	0.340
Resistance 2 (RM)	0.370
Support 1 (RM)	0.300
Support 2 (RM)	0.280
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.320
52-week High (RM)	0.425
52-week Low (RM)	0.145

Company Profile

Sealink International Bhd provides a wide range of shipping services. The company's services include ship catering, shipbuilding and repair, and letting of 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">- 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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