

Hextar Industries (0161)

Fresh Move Beyond the Triangle



Technical Highlights

The stock has been moving in a downtrend since 2023, reaching its bottom in June 2024. Since then, it has started to rebound steadily. Notably, we have identified a symmetrical triangle pattern forming, and last week, the stock broke out from this pattern in the squeeze zone, gaining 5.2% by the closing. This upward movement may have been influenced by the company's recent announcement of securing exclusive rights to bring in the Luckin Coffee chain. Additionally, the stock has moved above all three key EMAs, signalling strength in its trend.

Momentum indicators further reinforce this positive outlook. The RSI currently stands at 74 and continues to move upward. Likewise, the MACD confirmed a golden cross last month, reinforcing the positive trajectory. Moreover, buying volume has surged to its highest level since May 2023.

An ideal entry point lies between RM0.485 to RM0.500 range, particularly after a slight pullback. The first resistance is at RM0.530, and a breakout above this level could see the stock testing RM0.565. If both levels are surpassed, there is potential for the stock to reach RM0.620. On the downside, a dip below RM0.440 would invalidate the breakout and likely initiate a correction phase.

Entry – RM0.485 – RM0.500

Stop Loss – RM0.440

Target Price – RM0.530 – RM0.565 – RM0.620

Technical

Resistance 1 (RM)	0.530
Resistance 2 (RM)	0.565
Support 1 (RM)	0.465
Support 2 (RM)	0.440
MACD	Positive
RSI	Neutral

Stock Information

Last Close (RM)	0.505
52-week High (RM)	0.520
52-week Low (RM)	0.330

Company Profile

Hextar Industries Bhd manufactures agro-chemicals. The company offers fertilizers and chemicals related products, as well as energy solutions and agriculture systems.

SKB Shutters (7115)

Falling Wedge Breakout



Technical Highlights

The stock reached a peak of RM1.20 in July 2024 before entering a downtrend, forming a falling wedge pattern. Last week, it broke out of this pattern with its highest trading volume since July 2024. Following this breakout, the stock is now trading above all three key EMAs, signalling a potential trend reversal.

Momentum indicators are looking good. The RSI, currently at 63, has rebounded from the neutral momentum of last month and continues to move upward. Similarly, the MACD is trending higher, further highlighting the stock's bullish momentum.

An ideal entry point would be after a slight pullback to the range of RM0.865 to RM0.895, where buying interest appears concentrated. The first resistance level is at RM0.945, and a successful breakout could see the stock testing RM1.040. However, it's worth noting that this second resistance has historically been a strong resistance, potentially posing a challenge. Conversely, if the stock falls below RM0.805, it could indicate a false breakout and likely trigger a correction phase.

Entry – RM0.865 – RM0.895
Stop Loss – RM0.805
Target Price – RM0.945 – RM1.040

Technical

Resistance 1 (RM)	0.945
Resistance 2 (RM)	1.040
Support 1 (RM)	0.830
Support 2 (RM)	0.805
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.900
52-week High (RM)	1.200
52-week Low (RM)	0.535

Company Profile

The SKB Shutters Corporation Berhad manufactures roller shutters and trades roller shutters parts. SKB Shutters also manufactures and provide repair services for motor components and manufactures bicycle alloy rims.

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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