

RGB International (0037)

Falling Wedge Pattern Breakout



Technical Highlights

The stock recently formed a falling wedge pattern as it consolidated into a tighter trading range. Yesterday, a surge in trading activity, with volume spiking to 3.3x its 90-day average, pushed the stock to close 4% higher than its opening price. This volume-driven rally triggered a breakout from the falling wedge pattern. We think the stock appears primed for further upside potential.

Momentum indicators reinforce the strength of this pattern breakout. The RSI is picking up after a period of relatively muted movement, indicating renewed trading interest. Meanwhile, both the upward-pointing MACD and 20-day EMA lines confirm the short-term bullishness of the stock.

Waiting for a slight pull-back to the price range between RM0.385 to RM0.400 provides a good entry opportunity. The first resistance level lies at RM0.415. A potential breach above this point could set the stage for the stock to test RM0.460, the next target resistance level. Conversely, a false pattern breakout could happen if the stock descends below its recent support level of RM0.365.

Entry – RM0.385 – RM0.400
Stop Loss – RM0.345
Target Price – RM0.415 – RM0.460

Technical

Resistance 1 (RM)	0.415
Resistance 2 (RM)	0.460
Support 1 (RM)	0.365
Support 2 (RM)	0.300
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.400
52-week High (RM)	0.492
52-week Low (RM)	0.251

Company Profile

RGB International Bhd is a company specializes in manufacturing, refurbishing, and servicing casino equipment, amusement and electronic gaming machines.

Hiap Teck (5072)

Pattern Breakout is Underway?



Technical Highlights

The sharp decline in the trading momentum pushed the stock into a consolidation phase from early July to late August. After hitting its trough, the stock regained momentum and started to pick up as trading interest recovered. An ascending triangle pattern was formed as the stock moved upward gradually within the zone. Yesterday, the stock closed higher with robust trading volume, edging closer to confirming a breakout from the triangle pattern. With multiple positive signals in place, we believe the breakout is imminent.

Momentum indicators are strong and in favour of the pattern breakout. The RSI remains in acceleration mode, signalling sustained buying interest. Additionally, the golden cross formation in the MACD yesterday reinforces the short-term bullish outlook.

An ideal entry range lies between RM0.340 to RM0.350. If the stock could trigger the triangle pattern breakout, we think this could propel the stock to test the first resistance level at RM0.370. If the stock manages to break through this, it may attempt to test the subsequent resistance at RM0.430. On the downside, a dip below RM0.310 could signal a return to consolidation mode.

Entry – RM0.340 – RM0.350
Stop Loss – RM0.290
Target Price – RM0.370 – RM0.430

Technical

Resistance 1 (RM)	0.370
Resistance 2 (RM)	0.430
Support 1 (RM)	0.310
Support 2 (RM)	0.275
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.350
52-week High (RM)	0.495
52-week Low (RM)	0.290

Company Profile

Hiap Teck Venture Bhd principally engages in importing, exporting and dealing in steel products, metal hardware and building materials

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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