

TOMEI (7230)

Preparing for a Breakout Rally



Technical Highlights

The stock has been on a steady uptrend since mid-2023, consistently bouncing back from the uptrend line more than 5 times. Yesterday's impressive 4.1% gain propelled the stock to the ceiling of its downtrend line, creating anticipation for a breakout with sufficient buying momentum. Additionally, the stock has also formed a bullish W-pattern inside the trendline, further enhancing the breakout potential. It is currently trading above the 20-day EMA and is nearing the 50-day and 200-day EMAs.

Momentum indicators are also aligning positively. The RSI is at 52 and continues to climb after rebounding from oversold territory, while the MACD has confirmed a golden cross since late November and remains on an upward trajectory. Trading volume also has been steadily increasing.

The ideal entry strategy is to target a range between RM1.48 and RM1.52, while closely monitoring the W-pattern and potential breakout above the downtrend line. If the breakout materialises, the stock could test the first resistance at RM1.63. A successful move beyond this level would shift the focus to the second resistance at RM1.75, a historically significant support zone that may present some challenges. Conversely, if the stock falls below RM1.41, this would signal a breach of the uptrend line, potentially marking the start of a corrective phase.

Entry – RM1.48 – RM1.52
Stop Loss – RM1.41
Target Price – RM1.63 – RM1.75

Technical

Resistance 1 (RM)	1.63
Resistance 2 (RM)	1.75
Support 1 (RM)	1.43
Support 2 (RM)	1.37
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.53
52-week High (RM)	2.16
52-week Low (RM)	1.22

Company Profile

Tomei Consolidated Bhd designs and manufactures and retails jewelry and refines gold and silver.

SFP TECH (0251)

Consolidation Zone Nears Critical Test



Technical Highlights

The stock has been in a downward trend over the past 18 months, declining from RM1.190 to RM0.585. However, it has recently started showing signs of recovery, supported by increased buying momentum as the stock traded near the macro downtrend line. The stock is currently positioned above its 20-day and 50-day EMAs, signalling potential strength for a breakout from the downtrend. That said, it remains within a consolidation zone, with the key level to watch at RM0.740—aligned with the 200-day EMA. A breakout above this level could signal further upside potential.

Momentum indicators are showing positive signs. The RSI stands at 55 and has consistently remained above the neutral 50 zone for several months. Meanwhile, the MACD remains in positive territory and is on the verge of forming a golden cross, which could solidify the stock's bullish outlook.

The ideal strategy for this stock is an entry range of between RM0.680 to RM0.700. Should the stock break above the RM0.740 resistance, it could rally toward RM0.825. Sustained momentum may even drive it to the third target at RM0.910. On the downside, if the stock falls below RM0.600—near its 52-week low—it could signal a return to a downward trend.

Entry – RM0.680 – RM0.700

Stop Loss – RM0.600

Target Price – RM0.740 – RM0.825 – RM0.910

Technical

Resistance 1 (RM)	0.740
Resistance 2 (RM)	0.825
Support 1 (RM)	0.650
Support 2 (RM)	0.600
MACD	Positive
RSI	Neutral

Stock Information

Last Close (RM)	0.700
52-week High (RM)	1.020
52-week Low (RM)	0.585

Company Profile

SFP Tech Holdings Berhad provides customized sheet metal fabrication, CNC machining, equipment automation assembly processes, and automated equipment solutions. SFP Tech Holdings serves customers worldwide.

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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Published & Printed By:

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