

Eastern & Oriental (3417)

Uptrend Supported; Resistance Capped



Technical Highlights

The stock has been in an upward trajectory since August 2024, consistently rebounding off its uptrend line with each touch. So far, it has bounced back three times but remains capped by a key resistance at RM1.01, with three unsuccessful attempts to break above it. Recently, buying momentum has steadily increased, and the stock is now trading above all three key EMAs. Adding to this positive outlook, the stock is nearing a squeeze zone, showing a potential breakout just around the corner.

Momentum indicators are also looking good. The RSI stands at a healthy 53 and is trending upwards. Meanwhile, the MACD is on the brink of forming a golden cross, if the buying activity persists in the coming weeks.

An ideal trading strategy would be entering between RM0.93 and RM0.95, with a first resistance target at RM1.01 and a second at RM1.12, near its 52-week high. However, if the stock drops below RM0.90, which coincides with its 200-day EMA, it could indicate a reversal into a correction phase.

Entry – RM0.93 – RM0.95
Stop Loss – RM0.90
Target Price – RM1.01 – RM1.12

Technical

Resistance 1 (RM)	1.01
Resistance 2 (RM)	1.12
Support 1 (RM)	0.91
Support 2 (RM)	0.86
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.95
52-week High (RM)	1.15
52-week Low (RM)	0.57

Company Profile

Eastern & Oriental Berhad operates its property management, investment, and management. The company also provides hotel catering and management.

Cahaya Mata Sarawak (2852)

Breaking Free from Downtrend



Technical Highlights

The stock had been in a downtrend since October 2024 and unable to break out of its downward trendline. However, last week, it traded within a squeeze zone, and this week, it has finally broken out of the downtrend pattern with strong volume and successfully to hold above the 20-day EMA. The stock now looks poised to challenge the 50-day and 200-day EMAs in the near term.

Momentum indicators are also showing positive signs. The RSI is currently at 51 and is trending upward, indicating balanced but growing buying interest. Additionally, the MACD also formed a golden cross last week and continues its upward trajectory.

An ideal strategy would involve entering between RM1.18 and RM1.20. The first resistance is near the 50-day and 200-day EMAs at RM1.26, with a second resistance level at RM1.34. If the stock manages to break past these levels, it could potentially target a third resistance zone at RM1.42. Conversely, if the stock drops below RM1.13, it would indicate a false breakout and resuming its downward momentum.

Entry – RM1.18 – RM1.20

Stop Loss – RM1.13

Target Price – RM1.26 – RM1.34 – RM1.42

Technical

Resistance 1 (RM)	1.26
Resistance 2 (RM)	1.34
Support 1 (RM)	1.16
Support 2 (RM)	1.11
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.20
52-week High (RM)	1.50
52-week Low (RM)	0.91

Company Profile

Cahaya Mata Sarawak Berhad manufactures building materials and offer construction services and software. The company produces cement, steel wire, mesh and pipes, install water distribution infrastructure and more.

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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