

Vetece (0319)

Momentum Building for Stock Breakout



Technical Highlights

The stock has recently been on a five-day downtrend but has shown signs of recovery after bouncing off a key support level at RM0.380. Yesterday, the price reached the ceiling of the downward trendline with strong volume, signalling potential upward momentum. While the stock is currently trading below its 200-day EMA, it is quickly approaching its 20- and 50-day EMAs, which could serve as key hurdles in the near term.

Momentum indicators are also pointing in a favorable direction. The RSI has bounced off the oversold zone and is now trading at 39. Similarly, the MACD is on the verge of forming a golden cross if the buying momentum sustains.

The ideal entry point for this stock lies in the range of RM0.420 to RM0.440, with the first level of resistance at RM0.445. Should the stock manage to break through this resistance, the next target would be RM0.510. If the upward momentum persists, the stock could continue its climb toward RM0.555. However, if it falls below RM0.380, a trend reversal is likely, and the stock could head back into a downtrend.

Entry – RM0.420 – RM0.440

Stop Loss – RM0.380

Target Price – RM0.445 – RM0.510 – RM0.555

Technical

Resistance 1 (RM)	0.510
Resistance 2 (RM)	0.555
Support 1 (RM)	0.380
Support 2 (RM)	0.350
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.435
52-week High (RM)	0.635
52-week Low (RM)	0.325

Company Profile

Vetece Holdings Berhad offers comprehensive end-to-end software services, specializing in consulting, design, development, testing, operation, and maintenance.

Notion VTEC (0083)

Bouncing Back from Bearish Formation



Technical Highlights

The stock formed a bearish M-shaped pattern but has managed to hold above the key support zone at RM1.04. It has since bounced back, gaining over 10%, which indicates a potential reversal of the bearish trend. Furthermore, the stock has broken out of its downtrend recently and is currently trading above the 200-day EMA. However, it is now approaching a challenge with the 20-day and 50-day EMAs, which may act as resistance levels in the short term.

Momentum indicators are also looking good. The RSI has risen from 32 to 44 and continues to head upward. Similarly, the MACD is on the verge of forming a golden cross, provided buying momentum sustains in the coming week.

An ideal entry point for this stock would be between RM1.14 and RM1.17, with the first resistance at RM1.23. If the stock successfully breaks this resistance, the next target would be RM1.30, followed by RM1.43 if buying pressure persists. Conversely, if the stock falls below RM1.04, it could indicate a false breakout and could move downward toward the previous consolidation zone near RM0.90.

Entry – RM1.14 – RM1.17

Stop Loss – RM1.04

Target Price – RM1.23 – RM1.30 – RM1.43

Technical

Resistance 1 (RM)	1.23
Resistance 2 (RM)	1.30
Support 1 (RM)	1.11
Support 2 (RM)	1.04
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	1.17
52-week High (RM)	2.45
52-week Low (RM)	0.85

Company Profile

Notion VTEC is a metal processing company that provides products and services that include designing and developing high precision cutting tools, provides machining services, and designs air chuck assemblies.

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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