

Gamuda (5398)

Regaining Upward Momentum Again



Technical Highlights

Since 2024, the stock has been moving upward steadily, reaching a 52-week high of RM5.38. After hitting this peak, it underwent a healthy pullback and found strong support at the 200-day EMA. The stock has also rebounded twice from this level. This Tuesday, it successfully broke out from the downtrend line with strong volume and is now approaching the 20-day and 50-day EMAs, the key levels to watch in the coming sessions.

Momentum indicators suggest improving conditions. The RSI has bounced back from the oversold zone and now stands at 49. Meanwhile, the MACD has successfully formed a golden cross, reinforcing the potential for a trend reversal. If the momentum continues to build, the stock could see further upside in the near term.

An ideal entry for this stock would be between RM4.28 and RM4.38. The first key resistance to watch is RM4.50, which aligns with the zone of 20-day and 50-day EMAs. A successful breakout above this level could push the stock toward the next resistance at RM4.68. If the stock manages to break through both of these resistance levels, the next target will be RM4.90. On the downside, if the stock trades below RM4.13, it has the potential of revisiting the 200-day EMA. At that point, the focus will be on whether the bullish pressure can sustain and hold above the support. This setup offers an attractive risk-reward ratio of 3.

Entry – RM4.28 – RM4.38

Stop Loss – RM4.13

Target Price – RM4.50 – RM4.68– RM4.90

Technical

Resistance 1 (RM)	4.50
Resistance 2 (RM)	4.68
Support 1 (RM)	4.15
Support 2 (RM)	3.96
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	4.38
52-week High (RM)	5.38
52-week Low (RM)	2.48

Company Profile

Gamuda Berhad provides earthwork construction, manufactures and supplies road surfacing materials, and operates quarry and road laying projects.

Sunway Construction (5263)

Price Action Getting Hotter



Technical Highlights

Since 2024, the stock has been moving upward steadily, reaching RM5.18 before entering a five-month consolidation phase. It later broke out from this range, setting a new 52-week high at RM5.30. However, after hitting this peak, the stock faced selling pressure and declined, eventually finding strong support near RM3.30. Last week, it successfully broke out from the downtrend line with four consecutive green candles, signalling renewed buying momentum. Additionally, the stock appears to be forming a bullish W pattern; however, it is now facing the key resistance level at RM3.89, which also aligns with all three key EMAs.

Momentum indicators are looking good. The RSI has rebounded from the oversold zone and now stands at 45. Meanwhile, the MACD has successfully formed a golden cross, further reinforcing the potential of a trend reversal. If momentum continues to strengthen, the stock could push higher in the coming sessions.

An ideal entry point for this stock would be between RM3.70 and RM3.82. The first resistance to watch is RM3.89, and if the stock successfully breaks above this level, the next target will be RM4.27. If it manages to clear both of these resistance levels, the next upside target will be RM4.66. On the downside, if the stock trades below RM3.42, it would indicate further downside potential, as bearish momentum could extend. This setup offers an attractive risk-reward ratio of 3.2.

Entry – RM3.70 – RM3.82

Stop Loss – RM3.42

Target Price – RM3.89 – RM4.27 – RM4.66

Technical

Resistance 1 (RM)	3.89
Resistance 2 (RM)	4.27
Support 1 (RM)	3.56
Support 2 (RM)	3.42
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	3.82
52-week High (RM)	5.30
52-week Low (RM)	2.49

Company Profile

Sunway Construction Group Berhad provided construction and engineering services. The company offer its services throughout Malaysia.

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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