

TH Plantation (5112)

Reversal Signal Emerging



Technical Highlights

After peaking at RM0.785 in late November 2024, the stock entered a prolonged consolidation phase, forming a steep falling triangle pattern. Recently, a surge in buying interest fueled a breakout above this formation, confirmed by a strong bullish candle. This breakout, coupled with the stock's recent upward momentum, signals a potential trend reversal, setting the stage for further upside if follow-through buying persists.

Momentum indicators are supportive of the stock's trend reversal. The RSI continues to pick up, signalling sustained buying interest. Meanwhile, the formation of a golden cross and the stock's position above the 20-EMA validate the strengthening momentum in the short term.

A recommended entry point can be set at the range between RM0.615 and RM0.630. The first resistance to watch is RM0.645, and a successful breakout could push the stock toward the second target of RM0.685. On the flip side, if the stock falls below RM0.580, it would indicate a false trend reversal and the commencement of a consolidation phase. Stop loss wise, it can be placed slightly lower than the stock's first support level at RM0.575.

Entry – RM0.615 – RM0.630

Stop Loss – RM0.575

Target Price – RM0.645 – RM0.685

Technical

Resistance 1 (RM)	0.645
Resistance 2 (RM)	0.685
Support 1 (RM)	0.580
Support 2 (RM)	0.550
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.630
52-week High (RM)	0.885
52-week Low (RM)	0.545

Company Profile

TH Plantation Berhad specialises in cultivating palm oil, processing FFB, marketing CPO, PO as well as providing management services.

Pesona Metro (8311)

Reaching New All-time High?



Technical Highlights

The stock has been on the uptrend pattern since early February last year. After reaching its 52-week high, the stock underwent a minor correction before renewed buying interest propelled it back into an uptrend continuation. Yesterday, the spike in buying interest (3.2x higher than its average 90-day total trading volume) drove the stock significantly higher, forming a large bullish candle and confirming the triangle breakout. Notably, this breakout is reinforced by a W-pattern formation, strengthening the bullish outlook. Given these signals, we think the stock could revisit its 52-week high and potentially establish a new peak.

Momentum indicators are favourable. The RSI accelerates toward the overbought zone, indicating buying interest continues to build up. On yesterday's closing, a golden cross was formed in the MACD, signalling the bullish outlook for the stock ahead.

A good entry opportunity can be observed in the range between RM0.315 to RM0.325. The first resistance level to watch would be at RM0.345, the stock's 52-week high. If the stock successfully breaches above and beyond this point, this would form a stage for the stock to test its new all-time high at RM0.365. Conversely, if the stock falls toward its recent support at RM0.295, this could mean a false pattern breakout and potentially consolidate towards the lower support level of RM0.270.

Entry – RM0.315 – RM0.325
Stop Loss – RM0.290
Target Price – RM0.345 – RM0.365

Technical

Resistance 1 (RM)	0.345
Resistance 2 (RM)	0.365
Support 1 (RM)	0.295
Support 2 (RM)	0.270
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.325
52-week High (RM)	0.345
52-week Low (RM)	0.160

Company Profile

Pesona Metro Holdings Bhd principally involves in planning, designing, financing, and constructing public buildings and amenities, students' hostels, laboratories and infrastructure projects.

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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