

Genting Malaysia (4715)

Inverse Head and Shoulder Breakout



Technical Highlights

The stock has been on a downtrend pattern since early Mar 2024. After reaching its trough (52-week low) in mid-Nov 2024, the stock started to rebound as it traded above both its 20- and 50-day EMA lines. After a brief consolidation phase where buying interest softened, the stock continued on its positive path, forming a series of higher highs and higher lows patterns. Yesterday, the resurgence of buying momentum drove the stock higher and triggered an inverse head and shoulder breakout. Given these positive signals, we believe the stock has the potential for further upside in the future.

Momentum indicators are supportive. The RSI continues to trend upward toward the overbought zone, indicating buying interest is accumulating strongly. Meanwhile, both the upward-pointing 20-day EMA and MACD lines ascertain the stock's bullish outlook.

A range between RM2.24 and RM2.27 represents an ideal entry opportunity. The first resistance can be set at RM2.37, and a successful breakout above this point could form a stage for stock to challenge further resistance targets at RM2.51. Conversely, if the stock dips below RM2.17, it would indicate a false pattern breakout and potentially consolidate toward its lower support level at RM2.07.

Entry – RM2.24 – RM2.27
Stop Loss – RM2.14
Target Price – RM2.37 – RM2.51

Technical

Resistance 1 (RM)	2.37
Resistance 2 (RM)	2.51
Support 1 (RM)	2.17
Support 2 (RM)	2.07
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	2.27
52-week High (RM)	2.76
52-week Low (RM)	2.10

Company Profile

Genting Malaysia Berhad operates a tourist resort in Genting Highlands which include hotels, restaurants, casinos and recreational and amusement facilities.

Luxchem (5143)

Breaking Free from Downtrend



Technical Highlights

After reaching its 52-week high in early May 2024, the stock underwent a broad market correction driven by fading buying interest. Subsequently, a modest recovery was observed as buying interest returned, but price action remained range-bound in a sideways consolidation phase. Yesterday, the reignition of buying interest (6.6x higher than its average 90-day volume) triggered a sharp rally with the formation of a bullish large green candle. This bullish candle not only confirmed a triangle pattern breakout but also propelled the stock above all its EMA lines. Given the favorable technical signals, we believe these indicate a potential breakout from the stock's downtrend pattern.

Momentum indicators are showing strength. The RSI spikes upward from sideways movement, indicating the resurgence of buying momentum. Meanwhile, the formation of the golden cross at yesterday's closing ascertained the build-up of the stock's positive momentum.

For an entry point, a range between RM0.505 and RM0.515 would be ideal. The first resistance level to challenge is RM0.535, with the potential for a move to RM0.550 if it breaks through. Should the bullish momentum hold, the stock may aim for another resistance at RM0.580. Inversely, a drop below RM0.485 could invalidate the pattern breakout and the start of a correction phase.

Entry – RM0.505 – RM0.515

Stop Loss – RM0.465

Target Price – RM0.535 – RM0.550 – RM0.580

Technical

Resistance 1 (RM)	0.535
Resistance 2 (RM)	0.550
Support 1 (RM)	0.485
Support 2 (RM)	0.455
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.515
52-week High (RM)	0.665
52-week Low (RM)	0.470

Company Profile

Luxchem Corporation Bhd is a company specialises in supplying industrial chemicals.

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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