

Lay Hong (9385)

Breaking Free From Downtrend



Technical Highlights

The stock underwent a prolonged correction, retracing from its 52-week high to approach its 52-week low. During this consolidation, a pennant pattern took shape. Yesterday, a surge in buying interest (2.7x its 90-day average volume) propelled the stock higher, breaking out of the pennant pattern and closing above both its 20-day EMA and 50-day EMA. These bullish signals suggest an impending trend reversal, with potential for further upside in the near term.

Momentum indicators are supportive of the trend reversal. The RSI continues to pick up sharply, indicating sustained buying interest. Meanwhile, MACD has recently displayed a golden cross, supporting the build-up of the stock's bullish outlook.

An ideal entry point for this stock would be in the RM0.345 to RM0.350 range. The first resistance level to watch is RM0.365 and a successful breakout above this could lead the stock to rally toward RM0.400. On the flip side, if the stock trades below RM0.330, which also marks the 52-week low, this could indicate a false breakout and invalidate the trend reversal.

Entry – RM0.345 – RM0.350
Stop Loss – RM0.320
Target Price – RM0.365 – RM0.400

Technical

Resistance 1 (RM)	0.365
Resistance 2 (RM)	0.400
Support 1 (RM)	0.330
Support 2 (RM)	0.300
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.350
52-week High (RM)	0.456
52-week Low (RM)	0.330

Company Profile

Lay Hong Berhad through its subsidiaries mainly provides poultry farming, processes and market poultry.

Affin Bank (5185)

Rebound to Continue?



Technical Highlights

The stock has been range-bound since mid-September 2024, with multiple breakout attempts failing due to a lack of sustained buying momentum. However, after testing its recent low, renewed buying interest has driven a strong rebound. At yesterday's close, the stock successfully broke out of its triangle pattern while also reclaiming its position above the 20-day EMA. With these favourable technical signals, we believe this lays a foundation for the stock to continue its rebounding trajectory in the near term.

Momentum indicators are showing strength. The RSI accelerates, signalling the build-up of the stock's positive momentum. Similarly, yesterday's strong buying strength also confirmed the golden cross in the MACD, indicating the stock would remain in a positive trajectory in the near term.

A recommended entry point lies in the range of RM2.80 to RM2.83. The first resistance level is at RM2.90, and if the stock successfully breaks through, it could climb to RM2.97. Beyond this, the stock has the potential to rally further to RM3.09, a key level where the previous downtrend began. On the downside, if the stock falls below RM2.74, it could mean a false breakout and the commencement of a correction phase.

Entry – RM2.80 – RM2.83

Stop Loss – RM2.70

Target Price – RM2.90 – RM2.97 – RM3.09

Technical

Resistance 1 (RM)	2.90
Resistance 2 (RM)	2.97
Support 1 (RM)	2.74
Support 2 (RM)	2.60
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	2.83
52-week High (RM)	3.33
52-week Low (RM)	2.38

Company Profile

Affin Bank Berhad is a bank that offer loans, deposits, investment, online-banking, asset management, underwriting, life and general insurance facilities and financing services.

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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MERCURY SECURITIES SDN BHD
Registration No. 198401000672 (113193-W)
L-7-2, No 2, Jalan Solaris, Solaris Mont’ Kiara,
50480 Kuala Lumpur
Telephone: (603) - 6203 7227
Website: www.mercurysecurities.com.my
Email: mercurykl@mersec.com.my