

# Salcon (8567)

## Breakout Confirmed, Trend Reversal Ahead?



### Technical Highlights

After hitting its 52-week high of RM0.475 in Jul 24, the stock entered a prolonged downtrend, bottoming out at RM0.245 in Jan 25. Since then, it has been moving within a five-month consolidation range, struggling to break above the key resistance level of RM0.290. However, yesterday, the stock successfully broke out of this range with the highest buying volume since Jul 24. Notably, the price movement resembles a reverse head and shoulders pattern, a strong bullish signal. With this breakout, the stock is now trading above all three key EMAs, indicating a potential shift in trend.

Momentum indicators is looking good. The RSI has climbed to 67 and the MACD recently also has formed a golden cross.

An ideal entry range for this stock is RM0.290 to RM0.300. The first resistance to watch is RM0.325, and if it successfully breaks through this level, the next target would be RM0.350. On the downside, a drop below RM0.250 would indicate a failed breakout, potentially leading to further downside pressure.

**Entry** – RM0.290 – RM0.300  
**Stop Loss** – RM0.250  
**Target Price** – RM0.325 – RM0.350

#### Technical

<b>Resistance 1 (RM)</b>	0.325
<b>Resistance 2 (RM)</b>	0.350
<b>Support 1 (RM)</b>	0.265
<b>Support 2 (RM)</b>	0.250
<b>MACD</b>	Positive
<b>RSI</b>	Positive

#### Stock Information

<b>Last Close (RM)</b>	0.300
<b>52-week High (RM)</b>	0.375
<b>52-week Low (RM)</b>	0.220

#### Company Profile

Salcon Berhad designs, builds, operates, and maintains municipal potable water, sewerage, and industrial wastewater facilities. The company also designs, builds and commissions palm oil mills, as well as provides mechanical and electrical engineering services for general industries.

# Chin Hin (5273)

## Breakout Play in Motion



### Technical Highlights

Yesterday, the stock broke out of two key patterns—a downtrend pattern and a 40-day consolidation zone—with the highest buying volume since Oct 24. This strong breakout was accompanied by a bullish candle, signalling increased buying interest. As a result, the stock has successfully traded above the 20-day EMA and is now testing the 50-day EMA, though it still remains below the 200-day EMA, which serves as a major resistance level.

Momentum indicators support this upward move. The RSI has been steadily rising, reaching 56, while the MACD continues trending upward, suggesting that bullish momentum is building. A continuation of this strength could indicate further upside in the near term.

An ideal entry range for this stock is RM2.18 to RM2.22. The first resistance level to watch is RM2.30, and if it clears this, the next target would be RM2.40, which aligns closely with the 200-day EMA. On the downside, a break below RM2.07 would indicate that the stock failed to sustain its breakout, potentially leading to further consolidation or downside pressure.

**Entry** – RM2.18 – RM2.22  
**Stop Loss** – RM2.07  
**Target Price** – RM2.30 – RM2.40

### Technical

Resistance 1 (RM)	2.30
Resistance 2 (RM)	2.40
Support 1 (RM)	2.12
Support 2 (RM)	2.07
MACD	Positive
RSI	Positive

### Stock Information

Last Close (RM)	2.22
52-week High (RM)	3.65
52-week Low (RM)	2.04

### Company Profile

Chin Hin Group Berhad provides building materials and services. The company offers steel mesh reinforcement, metal roofing systems, aerated autoclaved cement block, fire-rated doors, pre-cast concrete products, and cement.

## 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"><li>- current high less the current low;</li><li>- the absolute value of the current high less the previous close;</li><li>- the absolute value of the current low less the previous close;</li></ul>
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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