

TH Plantations (5112)

Riding the Trendline Again



Technical Highlights

The stock has been trading along a strong macro uptrend line since September 2022, consistently rebounding off this support over six times. Yesterday, it once again tested the trendline and saw a sharp recovery, closing 3.6% higher. Adding to the bullish outlook, the stock is currently trading within a bullish wedge pattern and is approaching a breakout point. With prices just touching the 20-day EMA and nearing both the 50-day and 200-day EMAs, there's clear room for upward momentum.

Momentum indicators are aligning positively as well. The RSI, currently at 45, is showing signs of strengthening as it trends upward. Meanwhile, the MACD has recently formed a golden cross and is continuing its upward trajectory.

For potential entry, a buying range between RM0.560 and RM0.570 appears attractive. The immediate resistance to watch is RM 0.585, and a successful breakout above this level could propel the stock towards RM0.640, aligning it above all three key EMAs. Beyond RM 0.640, gains may slow down as this zone, which previously served as strong support, has now turned into a resistance. On the downside, if the stock falls below RM0.530, it would signify a breakdown of the macro uptrend and could signal the start of a deeper correction.

Entry – RM0.560 – RM0.570
Stop Loss – RM0.530
Target Price – RM0.585 – RM0.640

Technical

Resistance 1 (RM)	0.585
Resistance 2 (RM)	0.640
Support 1 (RM)	0.550
Support 2 (RM)	0.530
MACD	Positive
RSI	Positive

Stock Information

Last Close (RM)	0.570
52-week High (RM)	0.885
52-week Low (RM)	0.480

Company Profile

TH Plantations Bhd cultivates palm oil, processes FFB, markets CPO, PO, and FFB, as well as provides management services.

United U-Li (7133)

Potential Breakout Above Trendline



Technical Highlights

The stock has been trading steadily upward along a robust trendline for the past 14 months, rebounding sharply each time it touches support. Now, it is forming an inverse head and shoulders pattern above this trendline and is currently in the process of completing the second shoulder. A successful bounce from this level could set the stage for a significant breakout. It is now trading above 200-day EMA but remains below the 20 and 50-day EMAs, which it could surpass upon a successful breakout.

Momentum indicators are positive. The RSI is at 41, showing neutral strength with upward potential. The MACD formed a golden cross in early September and continues to rise with volume, indicating strengthening bullish momentum.

The entry point would be around RM1.79, capitalising on a potential rebound from the second shoulder of the pattern. If the inverse head and shoulders pattern does not complete as expected, a secondary entry around RM1.76, closer to the macro uptrend line, presents a favourable risk-reward opportunity. The first key resistance is RM1.88, and a breakout above this would open the path towards the next resistance at RM2.06. On the downside, a drop below RM1.68 would invalidate the pattern and signal the beginning of a deeper correction.

Entry – RM1.76 – RM1.82
Stop Loss – RM1.68
Target Price – RM1.88 – RM2.06

Technical

Resistance 1 (RM)	1.88
Resistance 2 (RM)	2.06
Support 1 (RM)	1.74
Support 2 (RM)	1.68
MACD	Positive
RSI	Neutral

Stock Information

Last Close (RM)	1.79
52-week High (RM)	2.30
52-week Low (RM)	1.39

Company Profile

United U-Li Corp Bhd manufactures and trades cable support systems, integrated ceiling systems, steel roof battens, electrical lighting and fittings, and related industrial metal products.

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 recognisable 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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