21 Jun 2019
The Star, Malaysia

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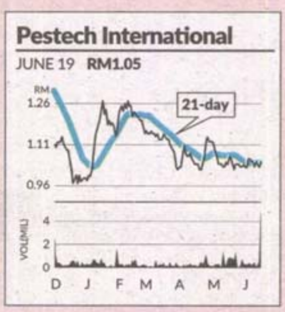
SUPPORTLINE by FONG MIN YUAN



PESTECH International Bhd's strong advance in Wednesday trading seemed to have fizzled by market close as the share price returned to its consolidation channel.

In intra-day trade, the share price crossed above the 100-day simple moving average (SMA) in a bullish turn for the stock. There was a sudden surge in buying interest as a fresh buying lead entered the market.

Following the correction, the share price became submerged under the 100-day SMA in a consolidation phase, with Wednesday's intra-day breach being the strongest crossing.

Wednesday's rally serves as a possible indicator for the stock's recovery although profit-taking took it to a lower advance of RM1.05, near the 50-day SMA, by market close. A positive performance over the coming sessions will indicate if there is any sustained interest.

Should there be a follow-up in buying, the stock faces its next resistance at RM1.18. Overhead, the 200-day SMA, which has remained intact since May 2018 continues to fall and exert downwards pressure near RM1.21.

The technical indicators are mixed. While the 14-day relative strength index shows improving momentum at 54 points, the slow-stochastic remains weak at 32 points.

A session of follow-up buying could turn the slow-stochastic to a positive trajectory, signalling the start of a possible rally. The daily moving average convergence/divergence line has crossed into a "buy" signal and continues to rise, indicating that a positive trend has taken root.

Over the immediate term, the stock is seeing some support near a convergence of moving averages at RM1.04. Lower still is the share price's recent low of RM1.

The comments above do not represent a recommendation to buy or sell.

Note: This article first appeared in StarBiz Premium Plus yesterday.

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SUMMARIES

Pestech International JUNE 19 RM1.05 1-day ainAi . L i - u.M.F M

PESTECH International Bhd's strong advance in Wednesday trading seemed to have fizzled by market close as the share price returned to its consolidation channel. In intra-day trade, the share price crossed above the 100-day simple moving average (SMA) in a bullish turn for the stock. There was a sudden surge in buying interest as a fresh buying lead entered the market.