


Supportline: Crest Builder

CONSTRUCTION

Wednesday, 20 Mar 2019

CREST Builder Holdings Bhd  broke free of the resistance on Monday to an intra-day high of RM1.18.

The counter has been on an uptrend since early February, adding nearly 40% to its value in a little over six weeks.

With Monday's extended advance, the share price has risen to levels last seen in August 2017.

The ongoing rally has put the share price at a distance from the key simple moving averages (SMA), reflecting the strength of the uptrend.

Given the strong positive price action, there is reason to believe the share price will continue moving further afield.

The technical indicators also support this view as there is continued growth in the indices.

The slow-stochastic momentum index is pushing upwards of 71 points with the percent K oscillator at a "buy" position to the percent D oscillator.

The 14-day relative strength index shows strong momentum as it travels higher in extended overbought mode at 86 points.

The daily moving average convergence/divergence line shows a sharp angle of ascent and is outpacing the signal line, suggesting a strengthening of the current positive trend.

The overwhelming evidence of a sustained uptrend suggests that the share price will attempt to challenge its next target of RM1.22

The RM1.14 mark is a resistance-turned support although a stiffer support could be found lower in the chart at RM1.10.

Should the stock undergo a sharper retreat, it could subside below the RM1.10 mark and move between the RM1.04 and RM1.10 range.

In the event of a sharper price retreat, the short-term 14- and 21-day SMAs are rapidly rising at the RM1-RM1.02 level, which represents further reinforcement at this trading level.

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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