



Technical Trading Ideas

METRONIC GLOBAL

BUY

PP7004/11/2004

MCI: 127.93

22 July 2004



The share price of **MTRONIC (0043, RM0.330)** has returned to the RM0.315-0.335-support area and closed right at the 50%-FR of the RM0.265–RM0.395-upmove. We believe contra-liquidation has culminated in an attractive entry price waiting to be tapped. A decisive push above the C1'-line (RM0.350 and declining) would suggest a bullish flag-breakout with measurement objective of *at least* RM0.465. **BUY with a target of RM0.465 (+40.9%)** and stop loss below RM0.260 (-21.2%).

- The correction is almost complete as the overnight share price was just below RM0.333, the 61.8%-FR of the sharp 33.9%-run up from a low of RM0.295 on July 9 to a high of RM0.395 on July 15 in five sessions. The RM0.315-0.335-support area should hold given the waning selling pressure. A flag breakout above RM0.350 would signal the beginning of the next leg of advance.
- We anticipate support at the 21-day BMB (RM0.313 and rising). A tag of the 21-day BUB (RM0.376 and sideways) would signal up-trend continuation.
- The daily indicators we track are positive except for the daily Slow Stochastic. The weekly indicators are not so relevant due to the stock's short price history.

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