

Technical Pulse

20th June 2016

SINGAPORE | TECHNICAL ANALYSIS | UPDATE

United Engineers Ltd - Daily timeframe (Update from 13th Jan 2016)



Current Sentiment: **Bearish**

Support 1: 2.09

Resistance 1: 2.23

Support 2: 1.88

Resistance 2: 2.38

The long term downtrend has returned after price tested the 50% Fibonacci retracement level on 18/03/16. Subsequently, price fell and formed a new downtrend line which is currently capping price down.

The firm bearish rejection off the downtrend line since 31/05/16 caused price to take tumble. Moreover, the bleeding didn't stop and **price closed significantly below the confluence of uptrend line and 200 day moving average on 17/06/16, signalling weakness.**

Expect price to carry on moving in the downtrend and test the 2.09 support area followed by 1.88.

Hong Leong Fin Ltd - Weekly timeframe



Current Sentiment: **Bearish**

Support 1: 2.08

Resistance 1: 2.25

Support 2: 1.95

Resistance 2: 2.41

Price remained steadily in the long term downtrend here with the help of 50% Fibonacci retracement level and 60 weekly moving average.

The glaring bearish rejection off the 60 weekly moving average on the week ending 17/06/16 broke the uptrend line drastically, indicating immense selling pressure. Additionally, the bearish break was backed by increasing volume.

Expect price to fall further to test the 2.08 support area followed by 1.95.

SIA Engineering Ltd - Weekly timeframe



Current Sentiment: **Bearish**

Support 1: 3.52

Resistance 1: 3.84

Support 2: 3.34

Resistance 2: 3.91

The 20 and 60 weekly moving average succeeded in resisting price down and kept the long term downtrend intact.

The bearish rejection off the 3.91 resistance area and 60 weekly moving average formed an evening star pattern, implying a trend reversal to the downside next. Moreover, price also broke and closed below the uptrend line. **Expect price to fall next to test the 3.52 support area followed by 3.31.**

Note: Our current fundamental view on SIA Engineering is a neutral rating with a fair value of \$3.51

Red line = 20 day moving average, blue line = 60 day moving average, Green line = 200 day moving average

Source: Bloomberg, Phillip Securities Research Pte Ltd

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