

Eye on stock

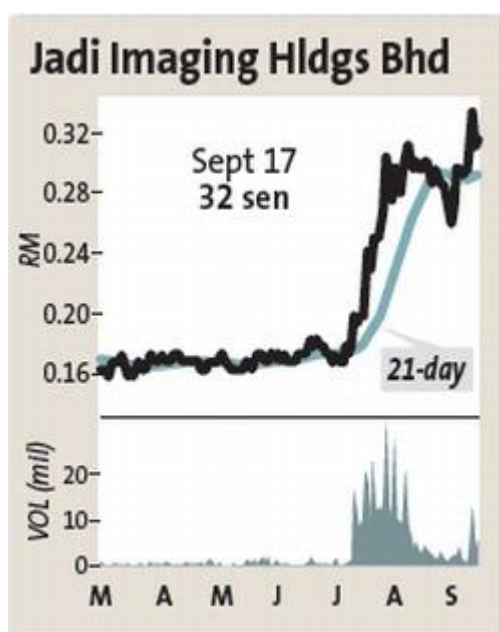
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By K.M. Lee

JADI Imaging Holdings Bhd shares hit a 42-month high of 33 sen on Tuesday before turning range-bound on profit-taking activity alternated with bargain hunting interest, undergoing a healthy consolidation.

It finished up one sen at 32 sen yesterday.

Based on the daily bar chart, this stock is on a new leg of upward trend. While the bulls had paused for a breather after the recent rally, investors can consider accumulating more, especially on weakness. After all, the prevailing trend still is constructive. Apparently, the oscillator per cent K had peaked out temporarily at the 80% level and slipped below the oscillator per cent D of the daily slow-stochastic momentum index to trigger a short-term sell yesterday.



In stark contrast, the daily moving average convergence/divergence histogram continued to expand positively against the daily trigger line to stay bullish. It flashed a buy on Tuesday.

The past week saw the 14-day relative strength index retracing slightly from an earlier reading of 79 to the 59 points in mid-week before ticking up again, ending at approximately 64 points yesterday.

Analysis on the technical indicators suggest the bulls are poised to challenge the all-time peak of 35 sen, established on Feb 26, 2007, of which a decisive clearance will open the windows for more scaling in the unknown territory. Initial target is set at 38 sen, followed by the 44 sen – 45 sen band or higher until buying momentum fizzles out. The immediate support line is envisaged at the 31 sen level. An additional floor is pegged at the 21-day

simple moving average of 29.5 sen.

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

Source: The Star, Business News, <http://biz.thestar.com.my>