

Technically Speaking

Philippine Stock Exchange Index (PSEi)

Technical Indicators:

BULL	P. SAR	Price	6,098	Trend	DOWN	Resistance	6,200	Support	5,800
BEAR	RSI, MACD, Volume, SMA(50/200)								



In Short

The PSEi has been trading within a slim range, moving between 6,188 and 5,955 in the past 2 weeks. Despite the small movements, the PSEi was able to form higher lows, allowing it to trade near the resistance of the 4-month downtrend channel (see blue parallel lines). As previously highlighted, we remain keen on the possibility of a breakout or a reversal of the current downtrend. The likelihood of this scenario occurring may increase if the newly formed uptrend line (see blue arrow) remains unbroken. However, we note that the indicators that we monitor continue to signal soft momentum, which means that the local benchmark may continue to be vulnerable to downside pressures.

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Trade Idea for the Week: Security Bank Corporation (SECB)

🔄 Price 73.25	✓ Buy 79.70	🎯 Target 99.30 +25%	⊖ Stop 71.35 -10%
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In Short

SECB's long term trend is down, unable to catch up with its bigger banking peers' recovery since the pandemic. However, looking at the price action of the stock in the past 6 months, the stock formed a falling wedge pattern – a bullish reversal pattern. The stock is currently trading at 73.25. If it breaks out of the identified pattern, we may open a position at 79.70 as we anticipate that the stock could revisit its 6-month high of 99.30. Plotting the stop level for this trade idea at 71.35, we note that the risk-to-reward ratio is below 3:1, hence we suggest to limit your exposure on this stock.