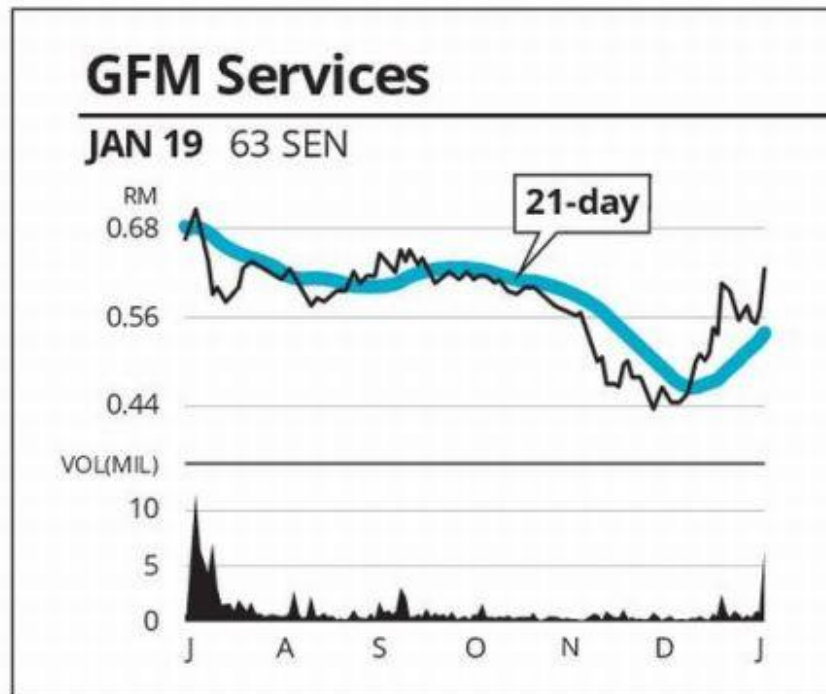


Eye On Stock, GFM Services

The Star Online, Business News
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GFM Services Bhd (Code: 0039), which made its debut on the Ace Market of Bursa Malaysia on Jan 9, 2017, saw an eventful first year of trading.

With a debut price of 46 sen, the counter moved steadily higher to a historical intra-day high of 77.5 sen on April 6.

However, that set a stage for a downtrend for the next eight months, whereby it descended to an intra-day low of 43.5 sen on Dec 12 or 5% under its debut price.

Since then, however, the stock has been moving higher in tandem with the local market rally and yesterday closed at a day's high of 63 sen.

At this price level, it has met with the uppermost 200-day simple moving average, and only needs a nudge in the right direction for a convincing breach of the immediate resistance and arrive within earshot of the recent peak of 66 sen.

The counter looked in danger of returning to a downtrend based on the recent correction but the daily moving average convergence/divergence histogram has pulled back in an upwards trajectory.

The slow-stochastic momentum index is also headed strongly northbound, with some distance to go before it enters overbought territory.

Meanwhile, the 14-day relative strength index is also shooting skywards and has crossed into the lower regions of the overbought area, with room left to go.

The stock is supported by the descending trend line that it breached in the first week of January. It proved to be a reliable support when, in the midst of a correction on Wednesday, the counter bounced off of it to restart the upwards momentum.

The support rests at the 52-53 sen level.

However, should the share price fall below this immediate support, there's a risk of it descending a longer way towards the 47-sen mark to close a trading gap left behind on Dec 29.

Past that, the counter could return to debut levels or below in the 43-46 sen range.

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

SOURCE:

<https://www.thestar.com.my/business/business-news/2018/01/20/eye-on-stock-gfm-services/>