

Technically Speaking

26 June 2023

PHIL. STOCK EXCHANGE INDEX (PSEi)

In Short

"The PSEi finally closed below the 6,400 support area after three (3) attempts in the past. Given that the decline was relatively subdued, it might be a good idea to take a closer look at the current price action by way of the hourly chart. In the said chart, note how a sharp bounce occurred after the market deteriorated last June 19. This was followed by another minor downturn and a relief rally instead of a single significant drop. As such, we believe that the current market decline may be taking the path of a zig-zag pattern that may be contained within a downtrend channel. Next stop is the 6,330 area. A major reversal at this point can only start if the index will trade above the 6,500 area."

Technical Indicators



BULL



BEAR

Volume, P.SAR, SMA(50/200), RSI, MACD

Price



6,394

Trend



DOWN

Target



6,330

Hourly Chart



Trade Idea for the Week

KEEPR
BUY
Target Price
2.16
Stop Level
1.44

Upside Potential

38%

Buy Price

1.57

Downside Potential

8%

After rising from its October 2022 lows, KEEP R is now consolidating within what seems to be a falling wedge. The uptrend line drawn and the wedge-like pattern allows us to identify a flag formation. KEEP R is currently trading at 1.52. But if it breaks above its consolidation pattern, we may enter the stock at 1.57. Based on the measurement of the flag pole's height, our target is set at 2.16. Place your stop at 1.44, or just below the wedge formation to manage risks.

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