



Headline : Immediate hurdle for Deleum at RM1.07, says AllianceDBS Research  
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## **Immediate hurdle for Deleum at RM1.07, says AllianceDBS Research**

AllianceDBS Research said the immediate hurdle for Deleum Bhd was at RM1.07 and that Deleum had on August 20 traded higher to RM1.07 before closing at RM1.05 (up 3 sen or 2.94%).

In a note yesterday, the research house said Deleum continued to trade below the 20-day and 50-day moving average lines.

“Following the up close on 20 Aug 2015, the stock is expected to test higher again with immediate hurdle at RM1.07. “A crossover of RM1.07 should see further price rise to the next overhead resistance zone, RM1.15 – RM1.20.

“The support is pegged at 97 sen. A fall below 97 sen would put pressure on the stock down to the subsequent support zone, 80 sen – 86 sen,” it said.

AllianceDBS Research said stock volume traded on August 20 was 230,000 shares compared to the 3-month average volume of 160,000 shares. The research house said that indicators wise, the MACD was below the 9-day moving average line with the sell signal remains intact.

It said the relative strength index indicated that the stock was currently in the neutral zone.

For the remainder of FY15, Deleum said its operating environment is even more challenging as oil prices continue to slump and are not expected to recover anytime soon.

“Management continues to monitor the situation and had adopted measures to address the impact of lower oil prices through cost containment and moderating capital expenditure,” the group pledged. Deleum (fundamental: 1.3; valuation: 2.4)’s share price went up two sen or 2% to RM1.02 today, giving it a market capitalisation of RM400 million.