

# Range Trader

**KELIVE**  
RESEARCH

19 February

## Autron

**Trading Buy**

STI: 1888.51

Commerce Index: 604.8

Last done: \$0.41

**Accumulation signs within the current triangular consolidation raises the prospect of a subsequent upside break**

- **Currently in a triangular consolidation**
- **Signs of accumulation since late January**
- **Supported by the 15-day & 60-day moving averages**
- **Daily stochastics turning up from oversold, daily MACD tilting positive**
- **Look for initial rise to \$0.445**
- **If \$0.445 clears subsequently (triangular break) → \$0.47 to \$0.485**

The stock has been caught within a 4-month triangular consolidation pattern after touching a high of \$0.47 last year. But signs of accumulation emerged since late January:

The 1<sup>st</sup> accumulation sign occurred on January 28<sup>th</sup>, when volume transacted was 21.8mil shares. Although the stock ended off that day's high of \$0.42 to finish at \$0.40, the 'buy-up' volume was stronger, mostly at the \$0.405 level. We thus view the candlestick pattern on that day as an inverted hammer – an indication of accumulation.

The 2<sup>nd</sup> accumulation sign occurred 5 trading days later on 6<sup>th</sup> February with a volume transaction of 29.8mil shares. Most of the shares transacted were at \$0.40, with the 'buy-up' volume once again coming in stronger. We see the time lapse between the 1<sup>st</sup> & 2<sup>nd</sup> suspected accumulation days as an attempt to weed out the weaker short-term traders.

**Indicator Readings**

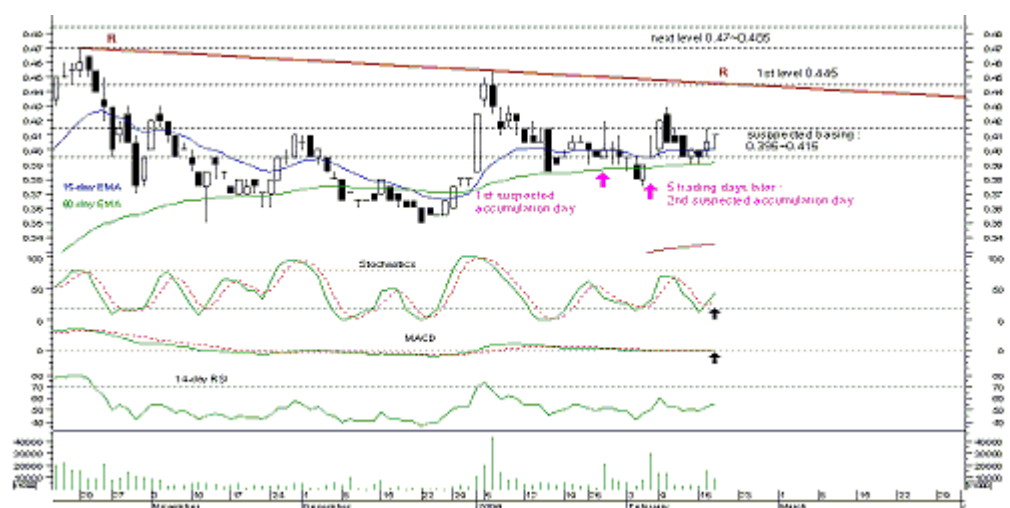
Daily Indicators	
15-day EMA	0.40
60-day EMA	0.39
200-day EMA	0.336
14-day RSI	55.39
Daily Stochastics	44.4

**Weekly Indicators**

12-week EMA	0.395
40-week EMA	0.343
8-week RSI	59.1
Weekly Stochastics	42.1

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**Chart: Daily Candlesticks**



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The stock's volume matrix for the past 20 trading days shows possible accumulation at \$0.395 to \$0.415. The hourly charts shows that the stock's rise from \$0.375 to \$0.43 that occurred from February 3<sup>rd</sup> to 10<sup>th</sup> had taken the form of a 5-wave up move. Following a pullback from \$0.43 down to \$0.39 in the past week, wave pattern points to the possibility of another upside move.

The stock is currently supported by its 15 & 60 days moving averages. The daily stochastics is turning up from oversold levels, with the daily MACD tilting to a positive cross.

Technically, there is upward bias to \$0.445, testing the upper limit of the current triangular consolidation. If this level clears subsequently, a triangular upside break would occur, with the next technical level seen at \$0.47~0.485. This 2<sup>nd</sup> level is seen with a mid-term view in mind.

The technical view would be invalidated if the stock falls below \$0.39.

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### Triangular Consolidation: Daily Candlesticks

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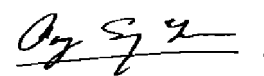
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+20% or more	Buy
+10% to 20%	Trading Buy
-10% to +10%	Market Perform
-10% to -20%	Trading Sell
-20% or less	Sell



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