

DATE : 29 SEPT 2017
PUBLICATION : NEW STRAITS TIMES
SECTION : BUSINESS
HEADLINE : NEW OIL PRICE UPCYCLE SEEN
CATEGORY : MENTION
MEASUREMENT : 40CM²
TONE : NEUTRAL
REMARKS : NIL

US\$64.50 RESISTANCE

New oil price upcycle seen

KUALA LUMPUR: Maybank Investment Bank Bhd (Maybank IB) expects Brent crude oil prices to start a new “up-cycle” following its recent swing to a new high of US\$59.49 (RM251.79) since July last year.

The potential uptrend could be a catalyst to propel share prices of oil and gas stocks such as Serba Dinamik Holdings Bhd and Pantech Group Holdings Bhd, said the research house in a note.

Maybank IB had earlier anticipated that Brent crude oil price to swing towards its critical resistance at US\$58.40.

It now expects the new up-cycle to have a new resistance level of US\$64.50.

“While the daily chart has turned positive, we are still waiting for confirmation on its weekly chart to validate the longer-term uptrend. That said, our cycle analysis suggests that a minor pullback could take place after this latest run-up. On the flip side, the support level is at US\$53.80 and US\$49.90,” it said.

For Serba Dinamik, Maybank IB believes the trend continues to favour the bull despite recent pullback.

“Once the RM2.30 level is taken out, the breakout run should lift share price towards RM2.48 and RM2.60.” **Amir Hisyam Rasid**