

Truong Thanh Furniture Corporation (TTF/HSX)

Jan. 04, 2016

Chart



Factor	Value	Signal
Price (1,000)	29	
MACD(12,26)	1.02	On upward trend
Stochastic(15.3)	96.7	Extremely overbought
RSI(15)	76.7	Overbought
ADX(14)	24.1	Strong uptrend

Comments

TTF jumped above its all- time high at 26.8 (adjusted price) on 30/12/2015, after two weeks of accumulating closely below this level.

Trading volume has been positive again in two recent sessions and higher than the average level of the most recent 20 sessions. MACD has also crossed above the signal line, which showed the possibility that TTF is returning to the uptrend after the accumulation period.

However, the Stochastic and RSI technical indicators have showed that TTF is extremely overbought. Additionally, the growth driver of TTF (indicated through trading volume on weekly chart) on the rally beginning from the early Oct. 2015 has been weakened when compared to the earlier period.

The above technical signals have indicated that the upward momentum of TTF may continue. However, trading volume has not improved during the surging of price is a sign need to be cautious.

Actions

Medium-term holding investors may continue to hold, expecting that TTF can retest the next resistance level at 31.6. In case that TTF could not maintain its upward momentum and fall off the 26.7-27 range, investors may reduce the holding proportion.

The current status of TTF may be not too attractive for short-term investors. Because TTF has moved rather far from the buying range (also, the cutting-loss level) which is the resistance level breaking point of 26.8. Meanwhile, the next resistance level is at around 31.6. Therefore, the risk/reward ratio is not too good.

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