

FPP

# BizNewz

January - May 2024

MANAGEMENT • INVESTMENT • ECONOMICS • ENTREPRENEURSHIP • TECHNOLOGY

USEFUL  
INFORMATION  
IN CHOOSING  
ROBO-ADVISORY

Muscle

Memory!

Bunga Raya,  
BUKAN BUNGA BIASA.

Gold

SECRET  
OF DARTS

SAVING: 999 @ 916

AKU, DIA  
NICU SIRI 8



Publication Date  
1 June 2024



In securities investment, the question that always arises among investors, as well as traders, is what securities to buy and when is the best time to sell and take a profit.

In stock investment, before deciding to buy the stocks it is necessary to have a trading plan. A trading plan gives a rough idea of how an investor or a trader executes trades. Usually every morning before and after trading hours start at 9.00 a.m., several investment banks will share their trading ideas on selected stocks. The research material is either in the form of fundamental analysis or technical analysis.

Short-term traders need to have their own trading plan since a trading plan is a roadmap for how to trade, and no trades should be placed without a well-researched plan. There are some basic ideas to remember so that traders do not get stuck in the same hole.

Traders need to identify the objectives of the investment whether short-term, intermediate-term or long-term. Usually traders more focus on short-term goals. Misplacing the objective causes traders to buy the wrong stocks and also make the wrong decision to sell the stocks.

There are times when traders need to avoid the mentality from intraday trade to swing trading, which eventually leads them to have to hold the stocks at paper loss since the stock price keeps on dropping.

Traders can fall in love with the stocks they want to buy but do not fall in love with the stocks for a long time. Due to certain circumstances sometimes good stocks may encounter difficulty in their business and incur losses over time. This led to a drop in the stock price and a negative return.

Traders need to understand that everything that goes up must come down and everything that goes down will definitely go up. Therefore, always remember one of the premises of technical analysis that is history will repeat itself.

The concept of diversifying the capital is indeed necessary, but remember, do not misunderstand the concept of "Do not put all the eggs in one basket". Even if the eggs are placed in many baskets, we will face problems when we want to lift the baskets later, because in reality is that we only have two hands to lift the existing baskets. Proper planning and diversification are necessary to reduce the risk'

**Application of Support and Resistance in Trading Plan.**

Most trading experts in the market recommend that no capital is risked until a trading plan is made. A basic trading plan includes entry and exit rules, as well as risk management and position sizing rules. The trader may add additional rules at their discretion to control when and how they trade.In

In Malaysia, Investment banks on a daily basis will distribute trading ideas on selected stocks to help out their clients in decision making and trading plans. One of the indicators being used to help in a trading plan is support and resistance.



Chart 1: Trading Plan for Unisem (M) Berhad

Target Price 2	RM3.85
Target Price 1	RM3.75
Entry Level	RM3.65
Stop Loss	RM3.50

Table 1: Trading Plan for Unisem (M) Berhad

Chart 1 and Table 1 above show the application of support and resistance in forming a trading plan for stock Unisem (M) Berhad on 30th April 2024. It gives an idea of entry price (buy price) at RM3.65, target price or take profit price at RM3.75 and RM3.85 and stop loss or cut loss at RM3.50. Traders need to have trading plans before they hit the buy button so that they know when to buy, when to take profit, and when to cut loss when there is a loss.

**References**

Trading Plan: Definition, How It Works, Rules, and Examples. (2022, July 16). Investopedia. Retrieved April 30, 2024, from <https://www.investopedia.com/terms/t/trading-plan.asp>



BizNewz 2024  
Faculty of Business and Management  
Universiti Teknologi MARA Cawangan Terengganu, Kampus Dungun  
Sura Hujung, 23000 Dungun, Terengganu, MALAYSIA  
Tel: +609-8400400  
Fax: +609-8403777  
Email: [biznewzuitm@gmail.com](mailto:biznewzuitm@gmail.com)