

Technical Analysis - Oil Market

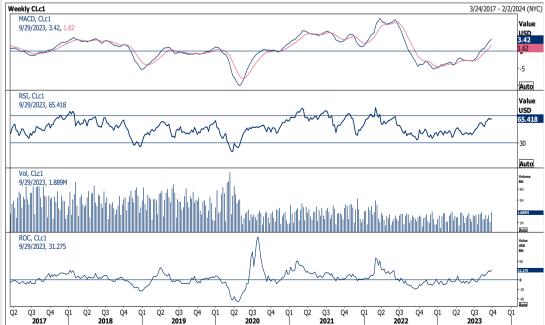
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US Crude Oil

US Crude oil <CLc1> closed at USD90.79. As was expected in our last analysis, the price fulfilled and exceeded our target level at USD93.75 by posting a high of USD95.03 before easing down. The bias remains towards the bulls as it continues to close above all MAs on the weekly chart, knowing that further momentum above USD95.03 would promote a jump to USD97.65 and maybe higher to USD100.00. However, a break below the support level at USD85.50 would lead to USD83.00.

Medium-term and long-term investors can stay with a stop-loss below USD83.00 and USD78.50, respectively.





Raed Diab

Vice President +(965) 2233 6908 rdiab@kamcoinvest.com

Definitions

Technical Analysis: Aims to identify the direction of prices and reveal any indication of possible changes as soon as possible, so it can be used as much as possible in making buying and selling decisions in the most appropriate time in order to minimize risk and maximize profits.

Trend: The general direction of a market or of the price of an asset.

Resistance: A chart point or range that caps an increase in the level of a stock or index over a period of time.

Support: The price level which, historically, a stock has had difficulty falling below. It is thought of as the level at which a lot of buyers tend to enter the stock.

Breakout: A signal that prices are beginning to trend, either upward or downward.

Bull: An investor who thinks the market, a specific security or an industry is likely to rise.

Bear: An investor who thinks the market, a specific security or an industry is likely to decline.

Channel: is two parallel trend lines either rising or declining.

Consolidation Area: is a sideways movement in prices that interrupts or reverse a trend.

Moving Average (MA): The most common applications of MAs are to identify the trend direction and to determine support and resistance levels.

MACD (Moving Average Convergence-Divergence): A trend-following momentum indicator that shows the relationship between two moving averages of prices.

Relative Strength Index: A technical momentum indicator (ranges from 0 to 100) that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions of an asset.

Overbought: A situation in which the price of a security has risen to such a degree that an oscillator has reached its upper bound. This is generally interpreted as a sign that the price of the asset is becoming overvalued and may experience a pullback.

Oversold: A situation in which the price of a security has fallen to such a degree that an oscillator has reached its upper bound. This is generally interpreted as a sign that the price of the asset is becoming undervalued and may represent a buying opportunity for investors.

Fibonacci: A term refers to areas of support or resistance and to help identify strategic places for transactions to be placed, target prices or stop losses.

On Balance Volume (OBV): is a simple running total of up day (added) and down day (subtracted) volume. If OBV is moving with price, it confirms the current trend. Divergences between OBV and price indicates the price may be due for a reversal.

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Kamco Investment Company - K.S.C. (Public) Al-Shaheed Tower, Khalid Bin Al-Waleed Street- Sharq P.O. BOX: 28873, Safat 13149, State of Kuwait Tel: (+965) 2233 6600 Fax: (+965) 2249 2395

Email: kamcoird@kamcoinvest.com Website: www.kamcoinvest.com