

## Technical Analysis – Saudi Stock Exchange

05-October-2020

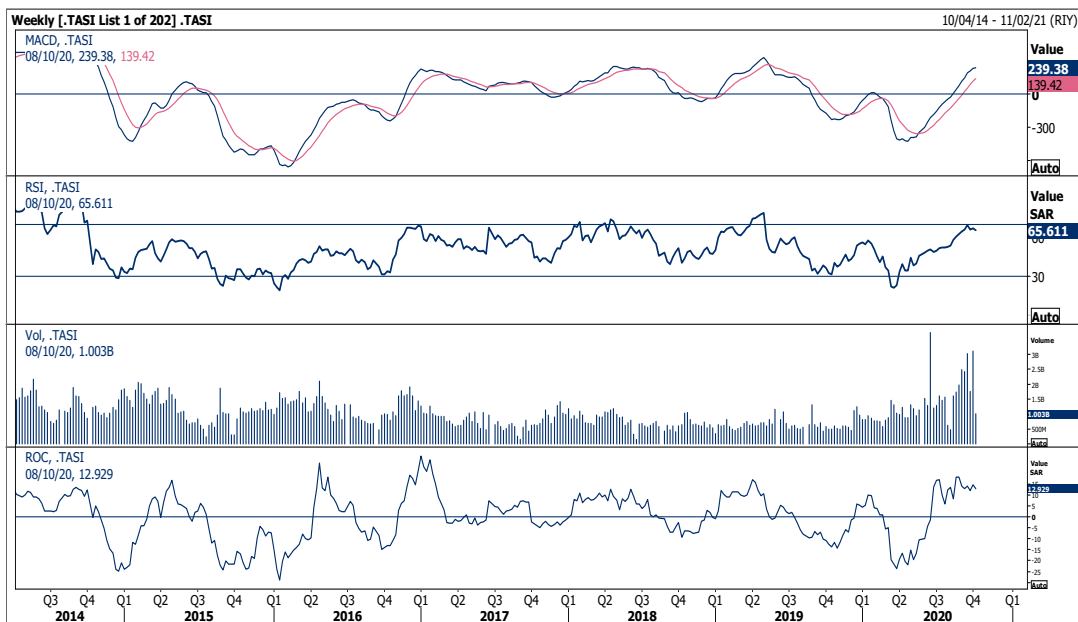
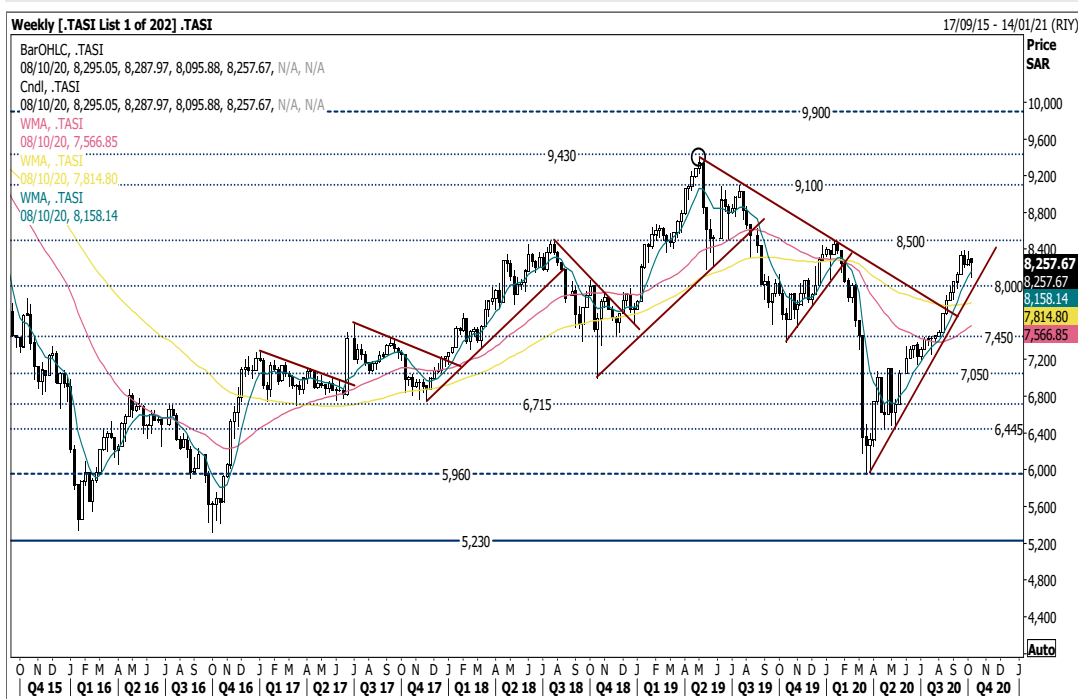
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### Saudi Stock Exchange

**Tadawul All Share Index <.TASI> closed at 8,257.67 point.** The recent downward move is considered to be a natural correction after a prolonged positive move; however, further negative move cannot be neglected and a fall below the support level at 8,000 point would lead to 7,710 point and maybe lower to 7,450 point. On the other side, a jump over the resistance area at 8,390 point-8,500 point will re-activate the buying potential and should then target 9,100 point.

Medium-term and long-term investors can stay in the market with a stop-loss below 7,560 point and 7,810 point, respectively.



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## City Cement Co.

Reuters Ticker: &lt;3003.SE&gt;

**Price closed at SAR20.30.** The stock did well after hitting a low of SAR10.58 last March but the challenge for the bulls at present is to overcome the strong resistance level at SAR21.00, which if broken will call for an advance to SAR27.30. However, the picture will remain positive as long as the price is closing above the support line at SAR16.30, while a fall below it will change the tone and lead to SAR13.26.



RSI	70.030
MACD	0.86
ROC	24.540
M10	18.70
M50	16.15
M100	15.50
S1	16.30
S2	13.26
S3	10.58
R1	21.00
R2	27.30
R3	32.30

## Yanbu Cement Co.

Reuters Ticker: &lt;3060.SE&gt;

**Price closed at SAR34.00.** The stock retreated after finding resistance at SAR36.85 and further weaknesses could target SAR31.00; however, a break below it would shift the focus towards the bears and lead to SAR24.80. On the counter side, managing to surpass SAR36.85 will promote SAR41.95 but a firm close above this is needed to confirm the formation of a positive continuation pattern and lead to SAR52.25.

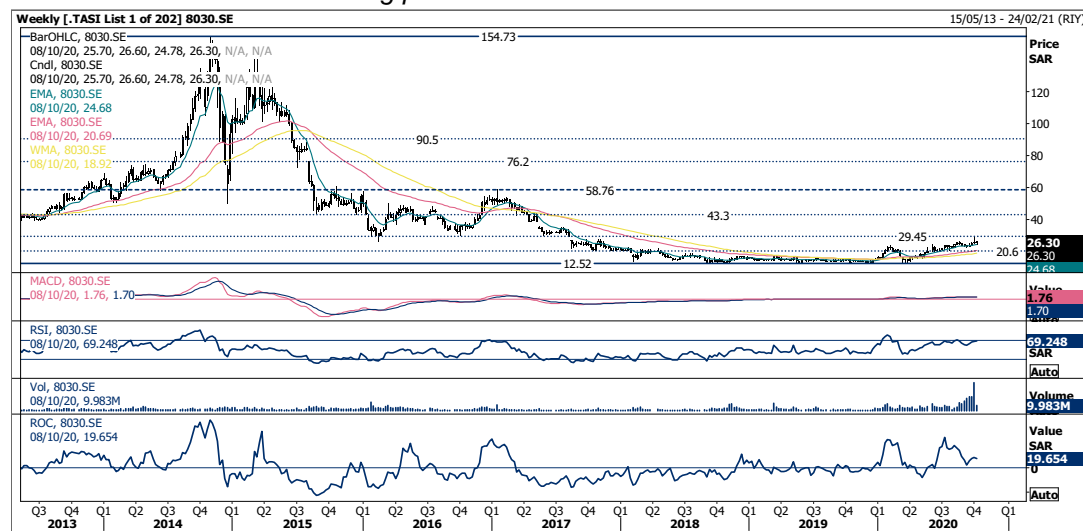


RSI	60.060
MACD	0.41
ROC	18.674
M10	33.10
M50	31.45
M100	31.75
S1	31.00
S2	24.80
S3	21.90
R1	36.85
R2	41.95
R3	52.25

## The Mediterranean & Gulf Insurance & Reinsurance Co.

Reuters Ticker: &lt;8030.SE&gt;

**Price closed at SAR26.30.** The stock is leaning more towards the bulls at present and a break above the recent high at SAR29.45 will call for a gradual increase to SAR43.30 and maybe higher to SAR58.76. However, back below the support line at SAR20.60 could call for a re-test of the strong support level at SAR12.52 (low of year 2018) but a break below this is not favored on the coming period.



RSI	69.248
MACD	1.70
ROC	19.654
M10	24.70
M50	20.70
M100	18.90
S1	20.60
S2	15.00
S3	12.52
R1	29.45
R2	43.30
R3	58.76

## Al Alamiya for Cooperative Insurance Co.

Reuters Ticker: &lt;8280.SE&gt;

**Price closed at SAR26.30.** The bias remains positive and bulls need to print a foothold above the recent high at SAR29.70 to anticipate additional gains towards the strong resistance level at SAR39.75. However, the support level at SAR19.60 should arrest any attempts to go down but a dip below it will trigger SAR14.00, while losing this will most likely put pressure back on last March low at SAR11.14.



RSI	83.569
MACD	0.97
ROC	55.437
M10	22.00
M50	19.40
M100	19.55
S1	19.60
S2	14.00
S3	11.14
R1	29.70
R2	39.75
R3	47.50

## 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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