

Technical Analysis – Dubai Financial Market

06-January-2025

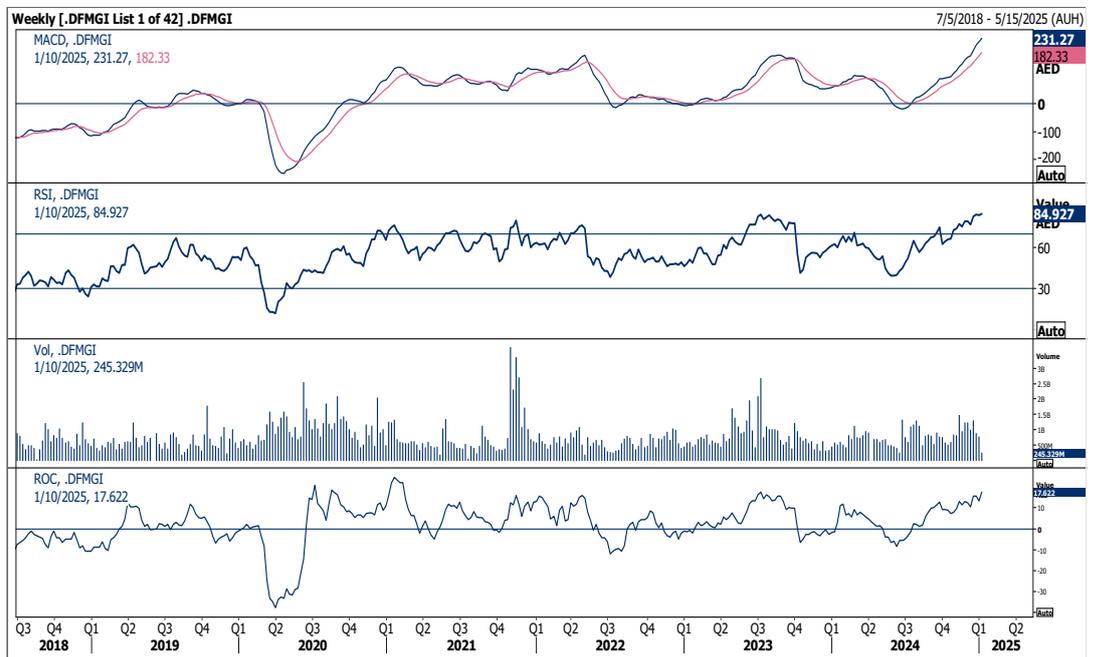
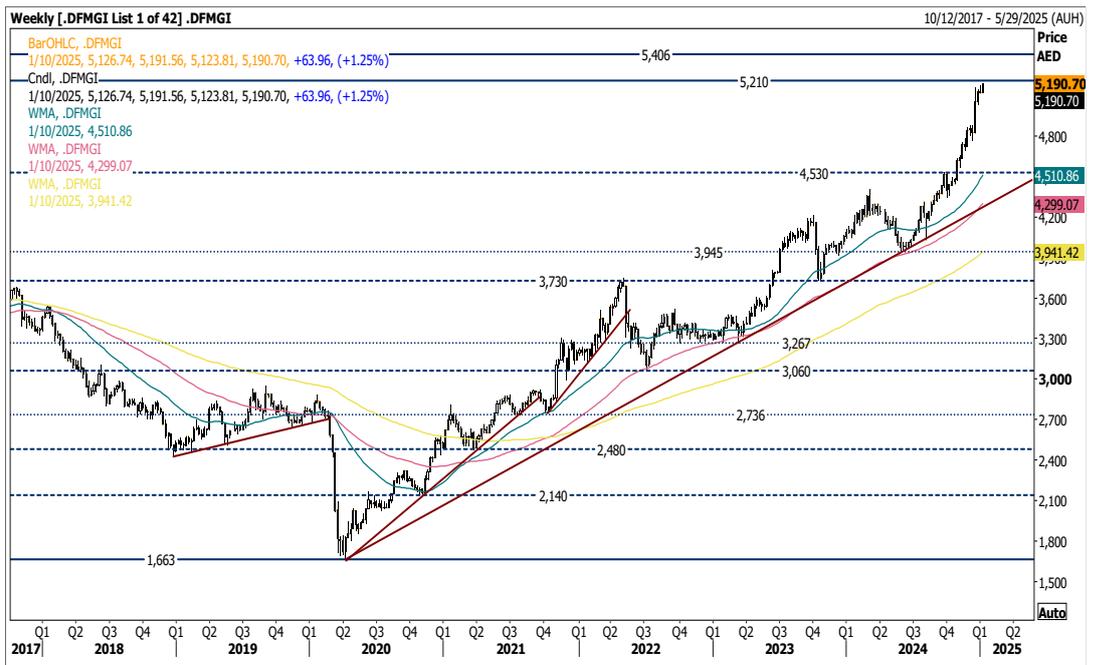
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 5,190.70 points. The index has travelled far away from its MAs on the weekly chart and keeps on recording new highs for this period, knowing that eyes now have shifted to the resistance level at around 5,210 point, which if broken would increase the chances of reaching 5,406 point (high of year 2014). On the other side, it is not surprised to see a move down after a prolonged bullish move, while a move back below 5,000 point could trigger a fall to 4,770 point before 4,690 point.

Medium-term and long-term investors can stay in the market with a stop-loss below 4,300 points and 3,900 points, respectively.



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Air Arabia

Reuters Ticker: <AIRA.DU>

Price closed at AED3.11. The stock continues its move up, hitting a new historical high at AED3.15, supported by its close above all MAs on the weekly chart. Further momentum could target AED3.45 before AED3.60. However, some weaknesses could be seen in the short-term period due to the overbought status of the weekly RSI indicator, knowing that the nearby support levels are located at AED2.81 and AED2.60.



RSI (W)	70.997
MACD (W)	0.101
ROC (W)	16.479
MA50 (W)	2.770
MA100 (W)	2.720
MA200 (W)	2.480
S1	2.810
S2	2.600
S3	2.200
R1	3.150
R2	3.450
R3	3.600

Emirates Integrated Telecommunications Co.

Reuters Ticker: <DU.DU>

Price closed at AED7.50. The price has reached levels last seen in December 2007 with its continuous move within the ascending trend line, while a break above the recent peak at AED7.65 is expected to target AED8.06 (all-time high) and maybe higher to AED8.80. On the other side, a sharp downward move is not favored but some attempts to move down could be seen to AED7.13, while below this would lead to AED6.66.



RSI (W)	71.228
MACD (W)	0.386
ROC (W)	11.111
MA50 (W)	6.550
MA100 (W)	6.180
MA200 (W)	6.000
S1	7.130
S2	6.660
S3	5.900
R1	7.650
R2	8.060
R3	8.800

Union Properties

Reuters Ticker: <UPRO.DU>

Price closed at AED0.404. The stock maintains a close within the positive territory but still finds difficulties crossing above the strong resistance level at AED0.468, knowing that a successful jump above this would lead to AED0.555. However, a break below AED0.394 could delay any upward move and lead to AED0.355 but only below the strong support line at AED0.325 would change the overall positive tone.



RSI (W)	61.159
MACD (W)	0.007
ROC (W)	19.527
MA50 (W)	0.365
MA100 (W)	0.345
MA200 (W)	0.325
S1	0.394
S2	0.325
S3	0.270
R1	0.468
R2	0.555
R3	0.650

Emaar Development

Reuters Ticker: <EMAARDEV.DU>

Price closed at AED13.85. The stock could be due to a natural downward correction after a noticeable increase that led the weekly RSI indicator reaching the overbought zone, knowing that the nearby support levels are located at AED11.65, AED10.60 and AED9.70. On the counter side, a break above AED14.90 (all-time high) could open the space for further advance to AED17.50.



RSI (W)	89.064
MACD (W)	0.990
ROC (W)	64.294
MA50 (W)	9.700
MA100 (W)	8.510
MA200 (W)	6.990
S1	11.650
S2	10.600
S3	9.700
R1	14.900
R2	17.500
R3	19.000

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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