

Technical Analysis – Kuwait Stock Exchange

17-November-2015

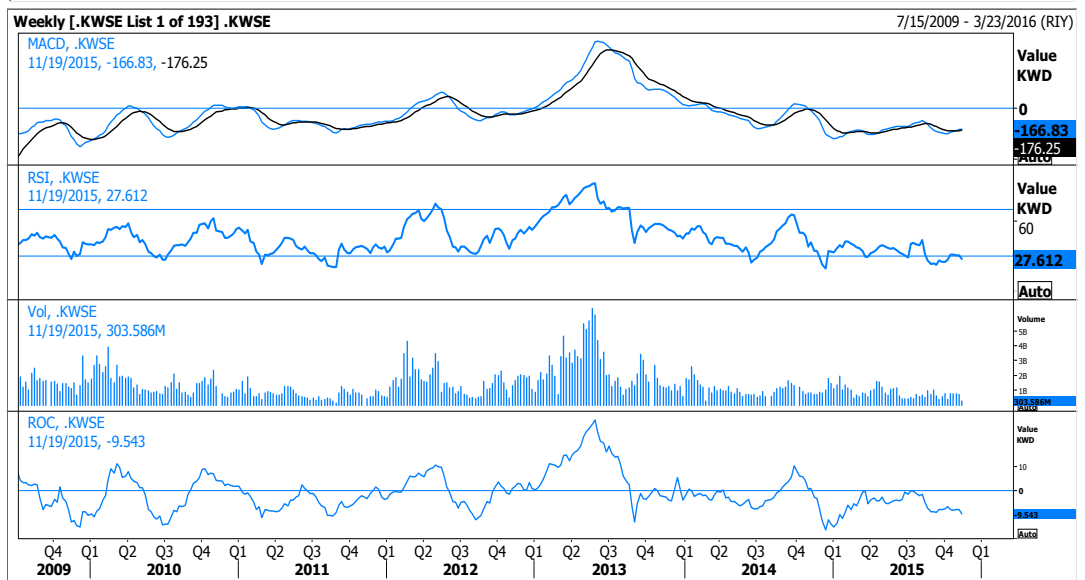
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Kuwait Stock Exchange

Kuwait Stock Exchange Price Index <.KWSE> closed at 5,699.78. A temporarily triple bottom has been formed on the weekly chart at around 5,660 point (slightly above the critical support level at 5,618 point), which is usually a sign of reversal but needs confirmation. However, to call for a base there and gain more confidence, the index should be able to print a firm close above the resistance line at 5,816 point, knowing that managing to do so would enhance further potential towards 5,900 point (38.2% level of the Fibonacci Retracement from 6,300 point-5,650 point) and maybe 6,000 point (50% level). On the counter side, we still believe that an aggressive bearish move would only be seen once the index trades below the horizontal line at 5,618 point, a case if happens will trigger an initial level at 5,400 point. Both daily and weekly RSI indicators are looking neutral at present.

Short-term investors can still enter the market at levels near 5,618 point, while medium-term and long-term investors can enter the market only above 5,800 point and 6,200 point, respectively.



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Injazzat Real Estate Development Co.

Reuters Ticker: <INJA.KW>

Price closed at KWD0.082. The stock has done quite good since it reached KWD0.063 on last August, eroding its MAs along with a positive divergence of the MACD. Given these factors, further strength is still expected on the coming period towards KWD0.092 before KWD0.097; however, above the last line would bring back to focus the resistance area at KWD0.108-KWD0.116. On the counter side, below KWD0.072 would delay the upside potential and trigger KWD0.066.



RSI	71.913
MACD	-0.10
ROC	17.143
M10	0.072
M50	0.070
M100	0.072
S1	0.072
S2	0.066
S3	0.059
R1	0.086
R2	0.097
R3	0.108

Kuwait Real Estate Co.

Reuters Ticker: <KREK.KW>

Price closed at KWD0.060. The stock has been swinging within a tight range of KWD0.058-KWD0.063 since September and needs to break either level to clear the picture. However, chances of some rebounds are more likely due to the continuous failure to dip below KWD0.058, knowing that managing to surpass KWD0.063 would initially promote KWD0.068 and maybe more towards KWD0.078, while a fall below KWD0.058 would increase the downside risk towards KWD0.052.



RSI	36.593
MACD	-2.70
ROC	-15.493
M10	0.061
M50	0.066
M100	0.072
S1	0.058
S2	0.052
S3	0.046
R1	0.063
R2	0.068
R3	0.078

KGL Logistics Co.

Reuters Ticker: <LOGK.KW>

Price closed at KWD0.069. The price saw some relief after it found an initial resistance line at KWD0.081 but further attempts to inch upwards cannot be ruled out. However, a cross over KWD0.081 would call for a more constructive outlook, aiming for KWD0.092 before KWD0.108. On the negative side, the nearby support level is located at KWD0.060, which should prevent a slippage back to KWD0.051.



RSI	49.995
MACD	-8.00
ROC	0.000
M10	0.062
M50	0.071
M100	0.095
S1	0.060
S2	0.051
S3	0.046
R1	0.081
R2	0.108
R3	0.118

Soor Fuel Marketing Co.

Reuters Ticker: <SOOR.KW>

Price closed at KWD0.114. The price shows promise for some gains on the coming period as it broke above its first MA along with a positive RSI status. Attention has shifted towards the nearby resistance line at KWD0.116, which if cleared would allow the price to shoot up higher to an initial target at KWD0.130. On the counter side, only a dip below KWD0.104 (history low) would trigger further weaknesses towards KWD0.090 before KWD0.075.



RSI	49.985
MACD	-4.00
ROC	-5.000
M10	0.110
M50	0.116
M100	0.126
S1	0.104
S2	0.090
S3	0.075
R1	0.116
R2	0.130
R3	0.142

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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