

Technical Analysis – Boursa Kuwait

07-June-2021

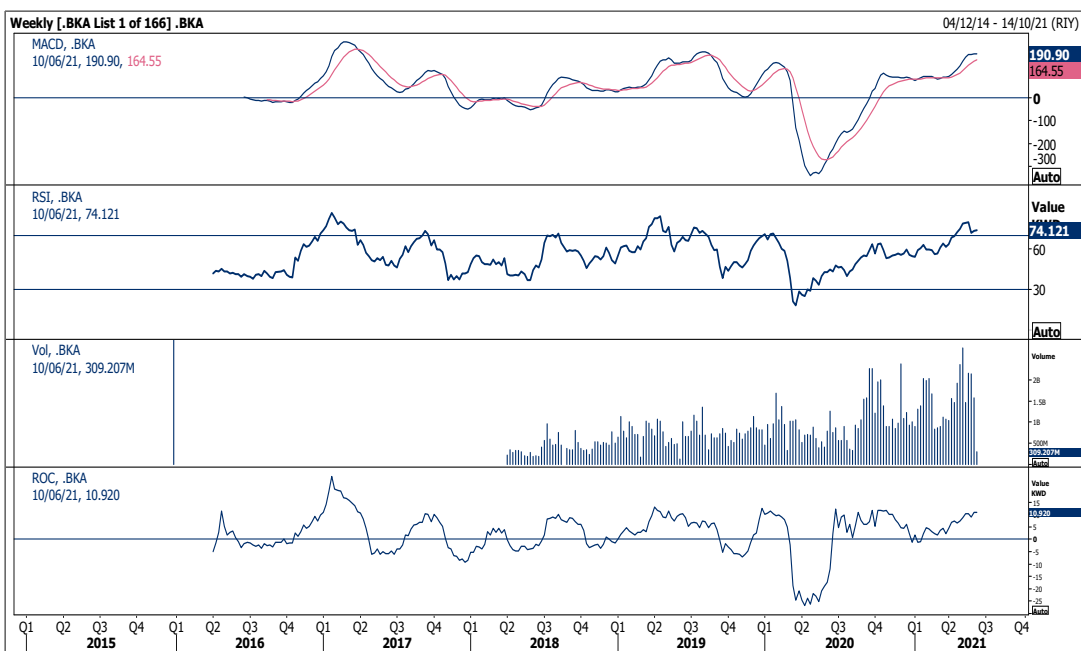
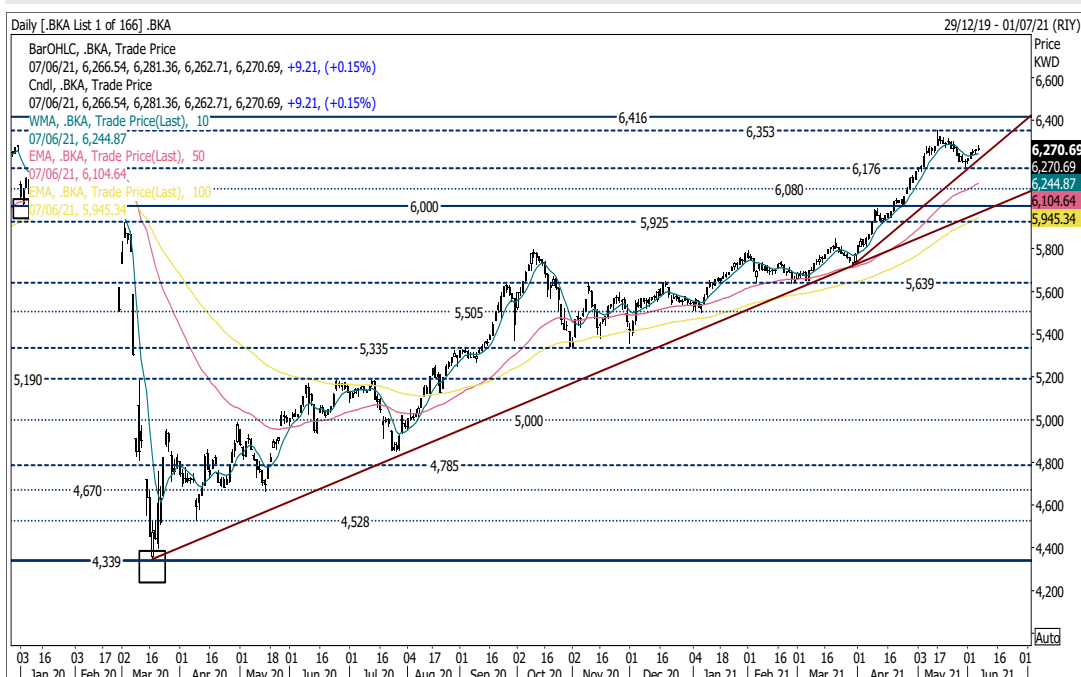
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Boursa Kuwait

All Share Index <.BKA> closed at 6,270.69 point. Although the overall picture of the market remains positive, but the bulls need to show strength above the resistance area at 6,353 point (high of last month)-6,416 point (all-time high) to call for another leg up towards 6,600 point. On the other side, a break below the recent support level at 6,176 point would delay any upward potential and trigger further weaknesses to the support zone at 6,080 point-6,000 point.

Medium-term and long-term investors can stay in the market with a stop-loss below 5,750 point and 5,600 point, respectively.



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Mabane Co.

Reuters Ticker: <MABK.KW>

Price closed at KWD0.715. The stock retreated from the high of this year at KWD0.761 but remains within the positive territory; however, managing to print a foothold above KWD0.761 should be enough to target the all-time high at KWD0.827. On the counter side, a dip below the support level at KWD0.675 is more likely to be the first negative sign that would lead to KWD0.622 and maybe lower to KWD0.584.



RSI	56.731
MACD	21.600
ROC	8.426
M10	0.725
M50	0.675
M100	0.660
S1	0.675
S2	0.622
S3	0.584
R1	0.761
R2	0.827
R3	0.900

Mobile Telecommunications Co. (ZAIN)

Reuters Ticker: <ZAIN.KW>

Price closed at KWD0.594. The stock has posted a top at KWD0.641 before easing down. The picture looks ambiguous as to where it could move from here, knowing that a break below the support line at KWD0.566 would allow further slippage to take place to KWD0.500. However, only a firm close above KWD0.641 will re-activate the buying momentum and lead to KWD0.680 before KWD0.730.



RSI	43.252
MACD	1.100
ROC	-3.883
M10	0.598
M50	0.608
M100	0.588
S1	0.566
S2	0.500
S3	0.450
R1	0.641
R2	0.680
R3	0.730

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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