

Technical Analysis – Abu Dhabi Securities Exchange

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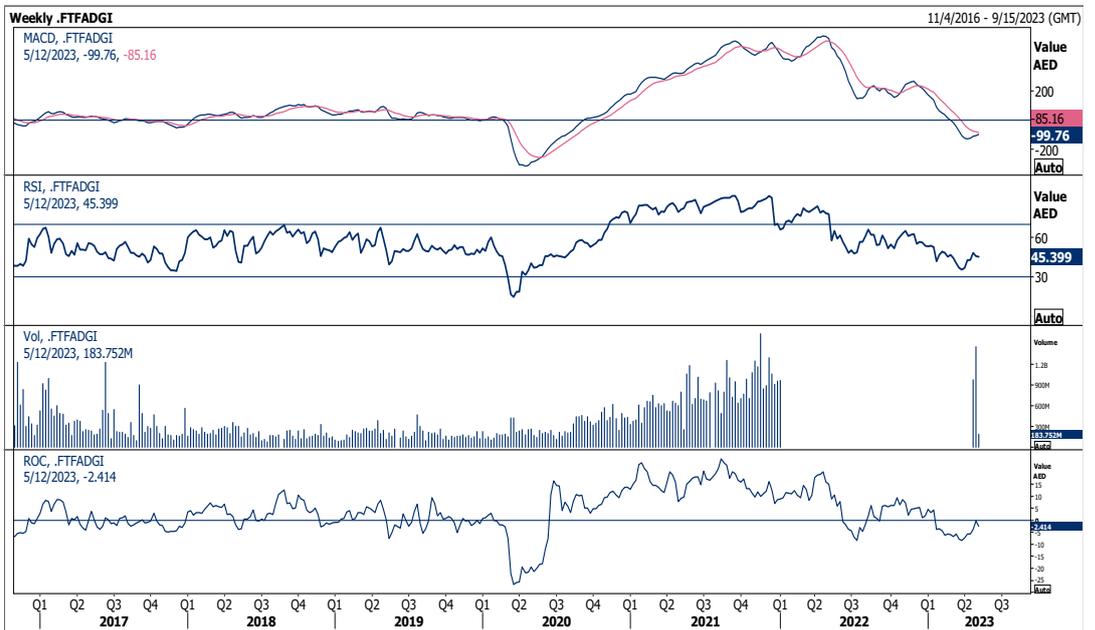
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Abu Dhabi Securities Exchange

FTSE ADX General Index <.FTFADGI> closed at 9,691.35 point. Given the support from its close above the 200-MA on the weekly chart, the stock is not expected to witness an aggressive move down, while there could be sideways movement on the short-term period until a clear signal emerge. A break below the strong support line at 9,155 point could shift the tone downwards and lead to 8,700 point before 8,300 point. On the other side, re-gaining strength above 10,100 point would target 10,365 point, while above this will most likely lead to a re-test of the all-time high at 10,671 point.

Medium-term investors should be aware as the index is closing near the 100-MA, while long-term investors can stay in the market with a stop-loss below 9,300 point.



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First Abu Dhabi Bank

Reuters Ticker: <FAB.AD>

Price closed at AED14.000. Although the technical picture of the stock is bearish as it closes below MAs on the weekly chart, bulls should watch out as the price is near the upper level of the descending trend line, which if broken would decrease the downside risk and call for an advance to AED15.680 before AED18.540. However, a fall below the recent support level at AED12.800 is expected to re-instate the bearish tone and lead to AED10.240.



RSI	40.802
MACD	-1.150
ROC	-0.709
MA50	15.585
MA100	17.365
MA200	16.620
S1	12.800
S2	10.240
S3	7.690
R1	15.680
R2	18.540
R3	21.660

Abu Dhabi Islamic Bank

Reuters Ticker: <ADIB.AD>

Price closed at AED10.840. The stock has posted a new history high at AED11.900 before easing down but maintains a close above MAs on the weekly chart and within the 3-years ascending trend line, knowing that a firm close above AED11.900 would allow another leg up towards AED14.000. On the other side, losing the support level at AED10.000 could delay any upward move and lead to AED9.280 before AED8.440.



RSI	60.428
MACD	0.395
ROC	14.226
MA50	9.775
MA100	9.010
MA200	7.460
S1	10.000
S2	8.440
S3	7.000
R1	11.900
R2	14.000
R3	16.000

Emirates Telecommunications Group Co.

Reuters Ticker: <EAND.AD>

Price closed at AED23.480. The price is still finding difficulties to initiate a positive sign as it needs to cross over the upper end of the descending trend line and above the resistance level at AED25.100, a case if happens should accelerate the upward momentum and lead to AED28.920. However, a dip below the recent bottom at AED22.060 could trigger a fall to the next line of defense at AED19.180.



RSI	44.947
MACD	-0.611
ROC	-11.994
MA50	24.600
MA100	26.715
MA200	24.820
S1	22.060
S2	19.180
S3	16.100
R1	25.100
R2	28.920
R3	34.250

Abu Dhabi National Oil Co. for Distribution

Reuters Ticker: <ADNOCDIST.AD>

Price closed at AED4.340. The stock could be leaning more towards the bulls at present as it maintains a close above the horizontal line at AED4.110, while losing this could put pressure once again on the strong support level at AED3.800. On the counter side, a firm close above the resistance area at AED4.720-AED5.010 is required to confirm a positive continuation pattern and target 5.600.



RSI	49.226
MACD	-0.024
ROC	-2.691
MA50	4.385
MA100	4.325
MA200	4.135
S1	4.110
S2	3.800
S3	3.270
R1	4.720
R2	5.010
R3	5.600

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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