

Technical Analysis – Dubai Financial Market

09-July-2023

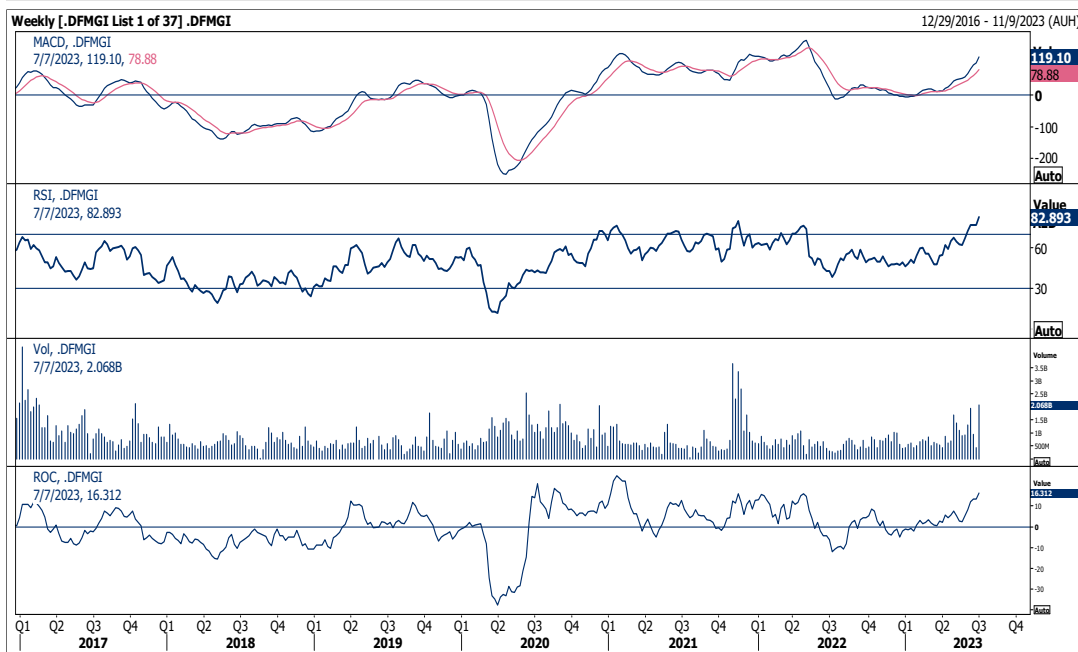
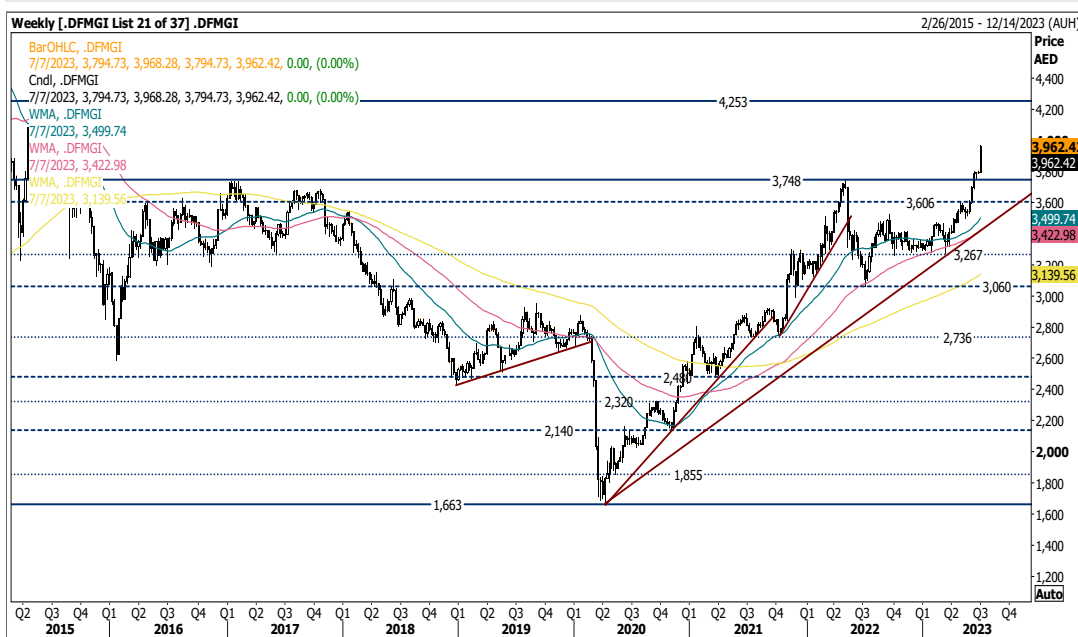
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,962.42 point. The index has travelled far from its MAs on the weekly chart and recorded levels last seen in August-2015. The next target level comes at around 4,000 point, which if broken would seal a more constructive outlook and open the road to re-test 4,253 point (high of April-2015). On the other side, attempts to move down on the short-term period cannot be ignored as part of a natural correction but should not be aggressive, knowing that a break back below 3,748 point could lead to 3,606 point and maybe lower to 3,470 point.

Medium-term and long-term investors can stay in the market with a stop-loss below 3,470 point and 3,140 point, respectively.



Raed Diab

Vice President

+(965) 2233 6908

rdiab@kamcoinvest.com

Emaar Properties

Reuters Ticker: <EMAR.DU>

Price closed at AED6.880. The break above the horizontal line at AED6.600 (high of last year) was the turning point for inching upwards, while the stock shows promise for further advance to AED7.410, knowing that above this should target the strong resistance level at AED8.230. On the counter side, back below AED6.170 could lead to AED5.750, while a fall below this would re-test the support level at AED5.080.



RSI (W)	68.299
MACD (W)	0.109
ROC (W)	22.859
MA50 (W)	5.870
MA100 (W)	5.480
MA200 (W)	5.050
S1	6.170
S2	5.750
S3	5.080
R1	7.410
R2	8.230
R3	9.000

Emirates Integrated Telecommunications Co.

Reuters Ticker: <DU.DU>

Price closed at AED5.320. The stock has corrected upwards after posting a strong bottom at AED4.950, while eyes now have shifted to the first resistance level at AED5.380 (found here the upper level of the descending trend line), which if broken would target AED5.930. On the negative side, only below AED4.950 would change the tone and allow a slippage back to AED4.330 (low of year 2020).



RSI (W)	54.580
MACD (W)	-0.117
ROC (W)	5.347
MA50 (W)	5.450
MA100 (W)	5.700
MA200 (W)	5.910
S1	4.950
S2	4.550
S3	4.330
R1	5.380
R2	5.930
R3	6.450

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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Kamco Investment Company - K.S.C. (Public)

Al-Shaheed Tower, Khalid Bin Al-Waleed Street- Sharq

P.O. BOX : 28873, Safat 13149, State of Kuwait

Tel: (+965) 2233 6600 Fax: (+965) 2249 2395

Email : kamcoird@kamcoinvest.com

Website : www.kamcoinvest.com