

Technical Analysis – Dubai Financial Market

18-July-2016

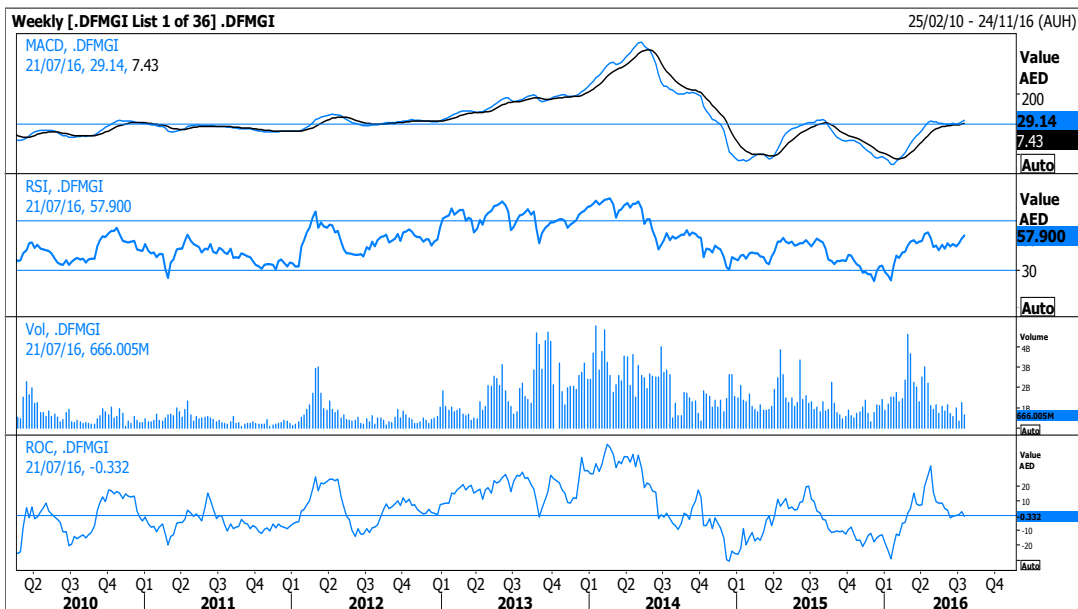
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,535.20. The failure to break below the support line at 3,200 point and the recent close above the horizontal line at 3,380 point would suggest that additional strength is underway. Eyes now have shifted towards the resistance level at 3,600 point, knowing that a cross over it will confirm a positive continuation pattern and establish a new bull trend in an attempt to reach 3,750 point before 4,000 point. On the counter side, only losing 3,200 point would change the tone and allow a slippage to 3,100 point. Weekly and daily RSI indicators are positive at present.

Medium-term investors can stay in the market as the index is closing above 3,200 point, while long-term investors can enter above 3,600 point.



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Reuters Ticker: <EMAR.DU>

Weekly [DFMGI List 1 of 36] EMAR.DU 06/06/13 - 22/09/16 (AUH)

Price AED

10.577
8.4
7
6.5
5.95

Price AED

6.850
6.550
6.439
6.118

Auto

MACD, EMAR.DU
21/07/16, 0.131, 0.080

RSI, EMAR.DU
21/07/16, 59.189

Vol, EMAR.DU
21/07/16, 13.961M

ROC, EMAR.DU
21/07/16, 1.481

Value AED

59.189

Auto

Volume

13.961M

Value

1.481

Auto

Q3 13 Q4 13 Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16 Q2 16 Q3 16

RSI	59.189
MACD	0.080
ROC	1.481
M10	6.440
M50	6.120
M100	6.550
S1	6.500
S2	6.070
S3	5.950
R1	7.000
R2	7.500
R3	8.400

Reuters Ticker: <UPRO.DU>

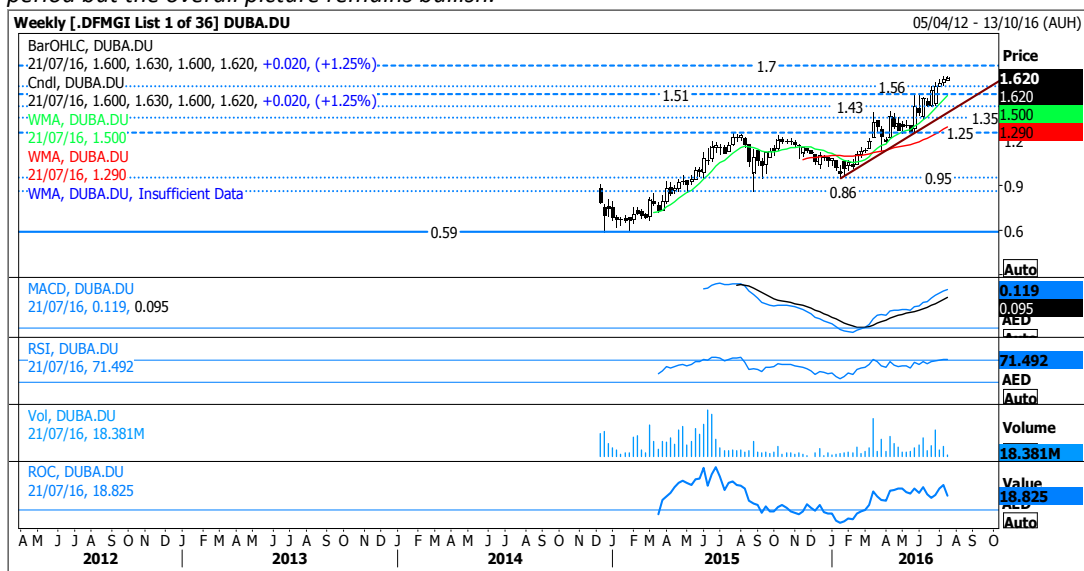
Weekly [TASI List 1 of 175] UPRO.DU		24/05/12 - 13/10/16 (AUH)	
CndI, UPRO.DU 21/07/16, 0.759, 0.776, 0.750, 0.771, +0.015, (+1.98%) WMA, UPRO.DU 21/07/16, 0.737 WMA, UPRO.DU 21/07/16, 0.734 WMA, UPRO.DU 21/07/16, 0.845		Price AED	Auto
MACD, UPRO.DU 21/07/16, -0.007, -0.013		Value AED	-0.007
RSI, UPRO.DU 21/07/16, 53.450		Value AED	53.450
Vol, UPRO.DU 21/07/16, 84.155M		Volume	84.155M
ROC, UPRO.DU 21/07/16, -5.825		Value AED	-5.825

RSI	53.450
MACD	-0.013
ROC	-5.825
M10	0.735
M50	0.735
M100	0.845
S1	0.670
S2	0.514
S3	0.320
R1	0.907
R2	1.030
R3	1.180

Dubai Parks and Resorts

Reuters Ticker: <DUBA.DU>

Price closed at AED1.620. The stock continued to print new highs and jumped over the horizontal level at AED1.510, while the next level of resistance comes at AED1.700. However, a firm close above AED1.70 would call for an advance towards AED2.000. On the counter side, it is noticed that the RSI indicators are residing in the overbought territory, which could trigger some selling on the short-term period but the overall picture remains bullish.



RSI	71.492
MACD	0.095
ROC	18.825
M10	1.500
M50	1.290
M100	1.700
S1	1.560
S2	1.430
S3	1.350
R1	1.700
R2	2.000
R3	2.150

Dar Al Takaful

Reuters Ticker: <DTKF.DU>

Price closed at AED1.100. The stock eroded its MAs and witnessed a noticeable rally that led to levels last seen in 2014, helped by an increase in trading activity. Eyes have shifted towards the resistance level at AED1.270, while above it will promote AED1.42. However, it will not be surprised if some weaknesses take place on the short-term after a prolonged positive move that led the RSI indicators to read above 70%, knowing that the nearby support levels come at AED0.900 and AED0.840.



RSI	84.749
MACD	0.057
ROC	106.379
M10	0.765
M50	0.580
M100	0.575
S1	0.900
S2	0.840
S3	0.700
R1	1.270
R2	1.420
R3	1.530

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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