

Technical Analysis – Boursa Kuwait

14-December-2020

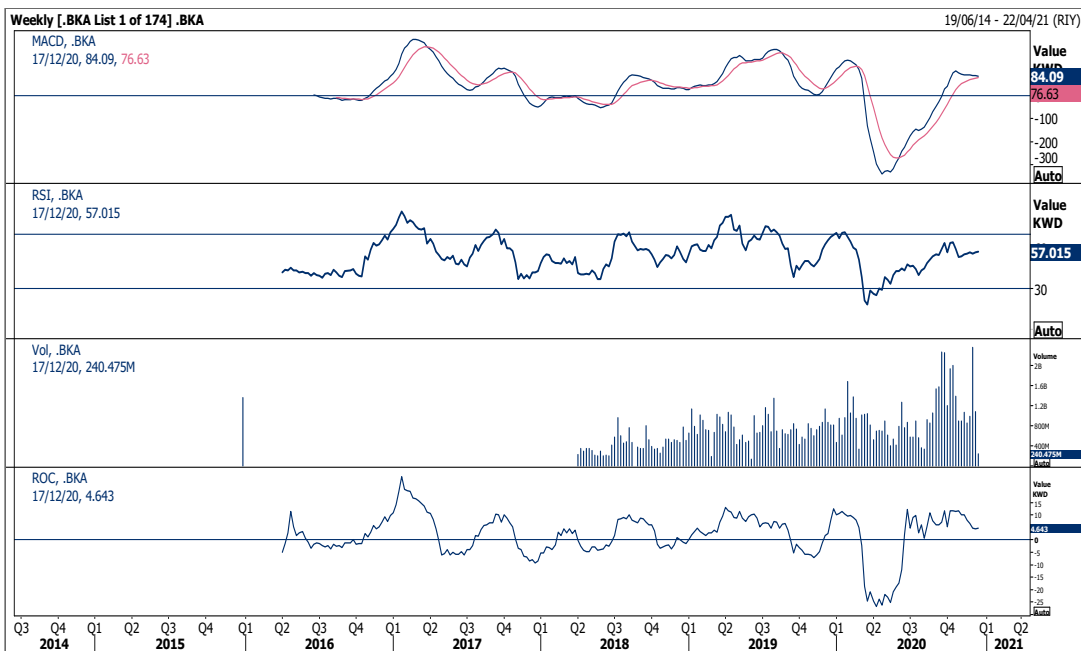
In this Report...

ALL SHARE INDEX.....	1
ALAFCO.....	2
JAZEERA.....	2
MEZZAN.....	3
ZAIN.....	3

Boursa Kuwait

All Share Index <.BKA> closed at 5,571.65 point. The technical picture remains positive as no negative reversal pattern has been spotted on the daily chart, but bulls need to cross over the high of last month at 5,640 point to confirm another leg up to the strong resistance level at 5,800 point, knowing that only above this will confirm a positive continuation pattern. On the other side, a fall below the first support level at 5,520 point will call for a slippage to 5,440 point and maybe lower to 5,335 point but only a close below this will shift the sentiment towards the bears.

Medium-term and long-term investors can stay in the market with a stop-loss below 5,500 point and 5,440 point, respectively.



ALAFCO Aviation Lease and Finance Co.

Reuters Ticker: <ALAF.KW>

Price closed at KWD0.217. The stock has managed to erode all the MAs on the weekly chart and approached the upper-end of the 16-months ascending trend line. Further strength could still take place to KWD0.240, while above this will target KWD0.270. However, back below KWD0.199 will allow some correction to the next support level at KWD0.177 but an aggressive move down is not favored on the coming period.



RSI	65.241
MACD	-2.4
ROC	37.342
M10	0.183
M50	0.188
M100	0.200
S1	0.199
S2	0.177
S3	0.138
R1	0.240
R2	0.270
R3	0.305

Jazeera Airways Co.

Reuters Ticker: <JAZK.KW>

Price closed at KWD0.729. The stock encounters a resistance level at KWD0.750 (near the 50% level of the Fibonacci Retracement from KWD1.110-KWD0.372), which if broken would seal a more constructive outlook and lead to KWD0.825 (61.8% level). On the counter side, the nearby support levels are located at KWD0.700 and KWD0.640 but only below this will delay any upward momentum and lead to KWD0.595.



RSI	63.707
MACD	-16.7
ROC	25.690
M10	0.650
M50	0.615
M100	0.730
S1	0.700
S2	0.640
S3	0.515
R1	0.750
R2	0.825
R3	0.912

Mezzan Holding Co.

Reuters Ticker: <MEZZ.KW>

Price closed at KWD0.613. The stock looks neutral at present and needs to show clear signals to anticipate the next direction, knowing that a firm close above the first overhead resistance level at KWD0.665 would promote KWD0.700 before KWD0.726. However, a fall below the horizontal line at KWD0.580 will lead to the strong support level at KWD0.550, while only losing this will deepen the bearish move and target KWD0.500.



RSI	53.253
MACD	11.3
ROC	-1.763
M10	0.610
M50	0.600
M100	0.575
S1	0.580
S2	0.550
S3	0.500
R1	0.665
R2	0.700
R3	0.771

Mobile Telecommunications Co. (ZAIN)

Reuters Ticker: <ZAIN.KW>

Price closed at KWD0.608. The stock could not sustain its upward move after forming a temporarily top at KWD0.630 but remains within the positive territory. Further weaknesses could lead to KWD0.566, knowing that a dip below it will change the tone and allow additional correction to take place to KWD0.500. On the positive side, only above KWD0.630 will re-activate the buying momentum and target KWD0.680 before KWD0.730.



RSI	57.024
MACD	16.4
ROC	5.923
M10	0.610
M50	0.575
M100	0.560
S1	0.566
S2	0.550
S3	0.450
R1	0.630
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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