

Technical Analysis – Abu Dhabi Securities Exchange

18-March-2020

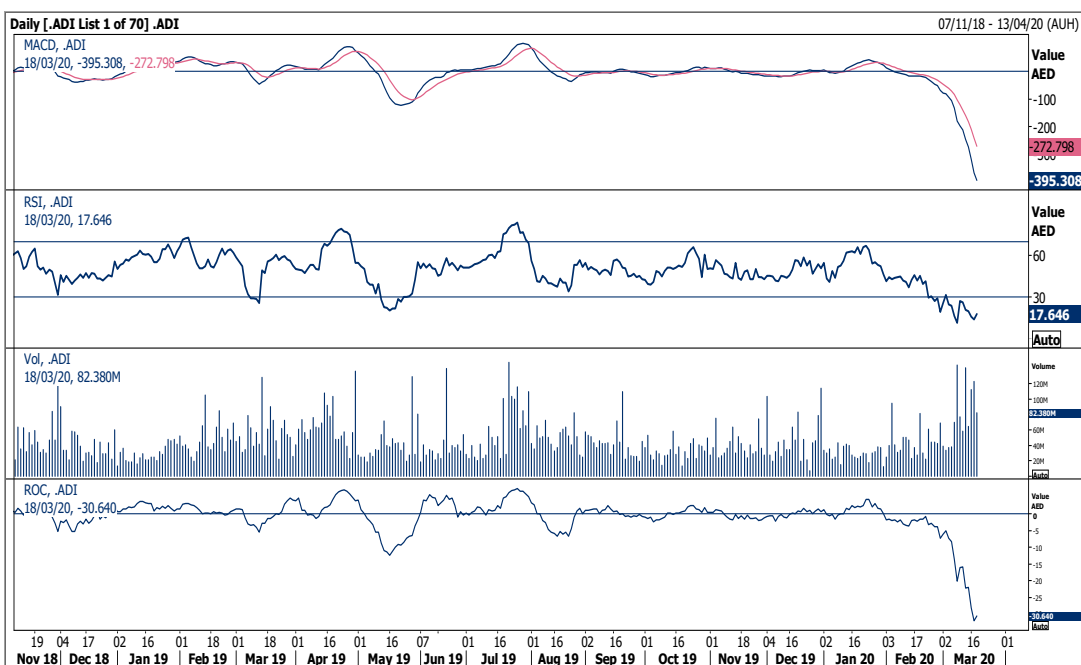
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Abu Dhabi Securities Exchange

ADX General Index <.ADI> closed at 3,399.612 point. The market fell sharply and broke below the low of year 2016 at 2,731 point and reached levels last seen in year 2013. Chances of seeing some upward natural correction, in an attempt to reach the resistance level at 4,000 point, are higher now due to the oversold status of the RSI indicators but unlikely to be a strong recovery. However, a dip below the support level at 3,230 point would lead to 3,100 point before the psychological level at 3,000 point, which is expected to reverse the tone.

Medium-term and long-term investors can only enter the market when the index manages to print a firm close above 5,000 point.



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First Abu Dhabi Bank

Reuters Ticker: <FAB.AD>

Price closed at AED8.170. The stock has seen a steep fall and approached the support level at AED8.000. Short-term upward momentum is expected to take place as the weekly RSI indicator has reached the oversold territory and reading below the 20-level, knowing that the nearby resistance levels are located at AED10.000 and AED11.000. However, further weaknesses below AED8.000 could lead to the last defense level at AED6.860.

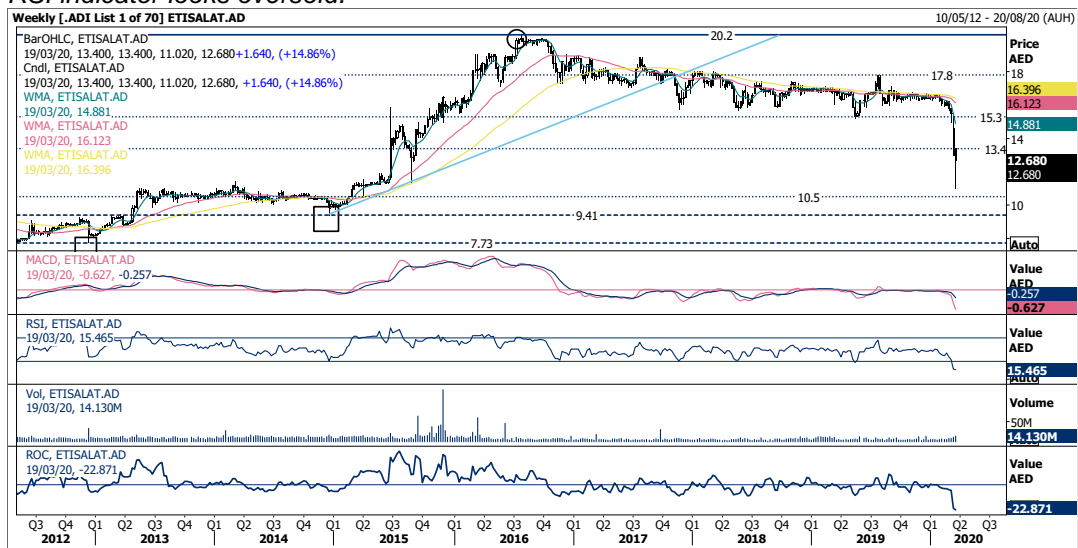


RSI	12.290
MACD	-0.300
ROC	-45.966
M10	12.735
M50	14.665
M100	14.710
S1	8.000
S2	7.600
S3	6.860
R1	10.000
R2	11.000
R3	13.120

Emirates Telecommunications Group Co.

Reuters Ticker: <ETISALAT.AD>

Price closed at AED12.680. The stock has reached year 2015 levels as the bearish tone continues. The next line of support comes at AED10.500 before the strong one at AED9.410, which is expected to arrest further slippage. On the counter side, we will not be surprised if some short-term buying activity takes place to AED13.400 and AED15.300 as the weekly RSI indicator looks oversold.



RSI	15.465
MACD	-0.257
ROC	-22.871
M10	14.880
M50	16.125
M100	16.400
S1	10.500
S2	9.410
S3	7.730
R1	13.400
R2	15.300
R3	17.800

Dana Gas

Reuters Ticker: <DANA.AD>

Price closed at AED0.565. The stock saw a brief relief after finding support at AED0.540 but remains within the negative territory. Additional strength could still be seen after an aggressive downward move on the last couple of weeks, knowing that the nearby resistance levels come at AED0.680, AED0.730 and AED0.800. However, losing AED0.540 will most likely trigger a fall to AED0.470 and maybe lower to AED0.370.



RSI	17.100
MACD	-0.026
ROC	-39.182
M10	0.790
M50	0.905
M100	0.940
S1	0.540
S2	0.470
S3	0.370
R1	0.730
R2	0.800
R3	0.980

ALDAR Properties

Reuters Ticker: <ALDAR.AD>

Price closed at AED1.550. The fall below the low of year 2019 at AED1.430 was short lived after it recorded a low of AED1.350, knowing that a firm close below this will re-instate the bearish tone and call for a slippage to AED1.220 before AED0.970. On the counter side, a jump over AED1.770 will lead to AED1.980 but only above this will decrease the downside risk and promote AED2.370.



RSI	22.391
MACD	0.001
ROC	-28.899
M10	1.965
M50	2.120
M100	2.000
S1	1.350
S2	1.220
S3	0.970
R1	1.770
R2	1.980
R3	2.370

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 lower 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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