

Technical Analysis – Dubai Financial Market

20-January-2020

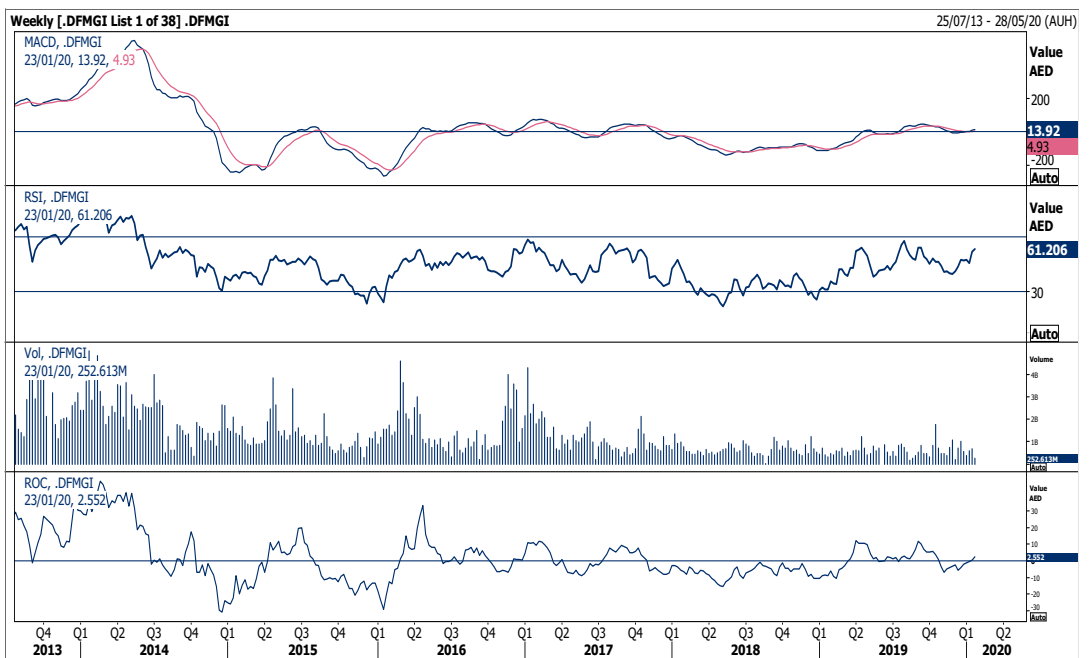
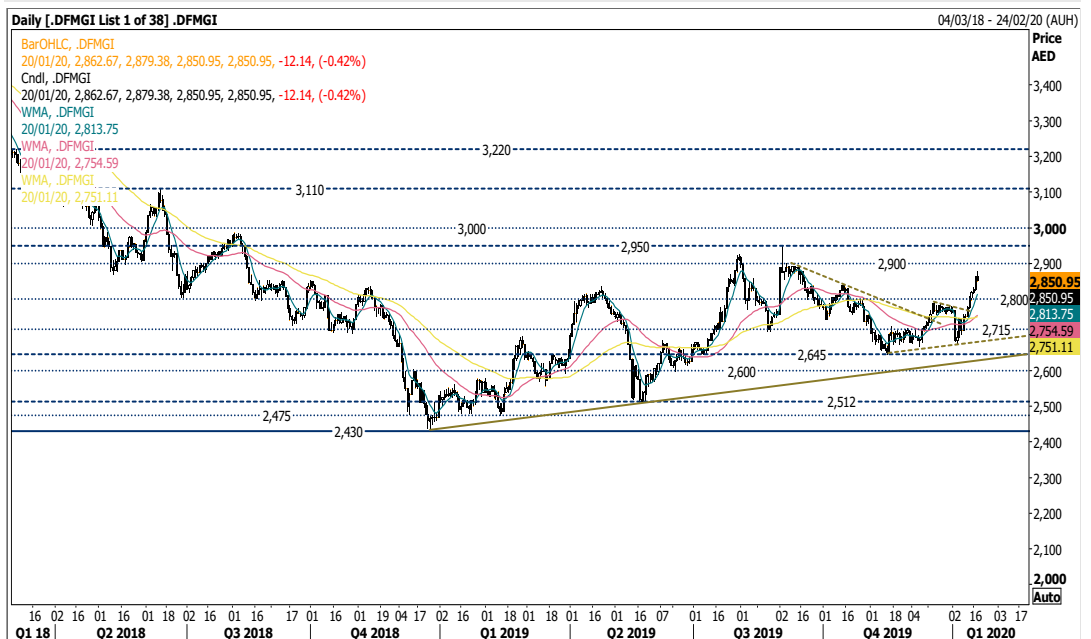
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 2,850.95. The bias remains positive and the index is approaching the first overhead resistance level at 2,900 point, knowing that a break above it will confirm a jump to the strong resistance level at 2,950 point-3,000 point. Only above this will call for a positive continuation pattern and target 3,110 point. However, it will not be surprised to witness some weaknesses after a noticeable increase on the last couple of sessions, knowing that the nearby support levels are located at 2,800 point, 2,760 point and 2,715 point.

Medium-term and long-term investors can stay in the market as long as the index closes above 2,740 point.


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Emirates NBD Bank

Reuters Ticker: <ENBD.DU>

Price closed at AED13.750. The stock continues to move upwards and encounters a resistance level at AED14.450, which if broken will confirm a return to the strong layer at AED16.100 (all-time high). On the counter side, a fall below the support level at AED12.600 will be the first negative sign that could allow further slippage to take place in attempt to reach AED10.950 and AED10.320.



RSI	68.548
MACD	0.439
ROC	12.738
M10	13.050
M50	12.015
M100	11.000
S1	12.600
S2	10.950
S3	8.870
R1	14.450
R2	16.100
R3	17.500

Dubai Islamic Bank

Reuters Ticker: <DISB.DU>

Price closed at AED5.750. The upward move has faltered ahead of the strong resistance level at AED5.900, knowing that a firm close above it will confirm a jump to the resistance zone at AED6.250-AED6.430 and maybe more to AED6.630. However, losing the first defense line at AED5.560 will most likely trigger AED5.370, while a dip below it would delay the upward potential and lead to AED5.000.

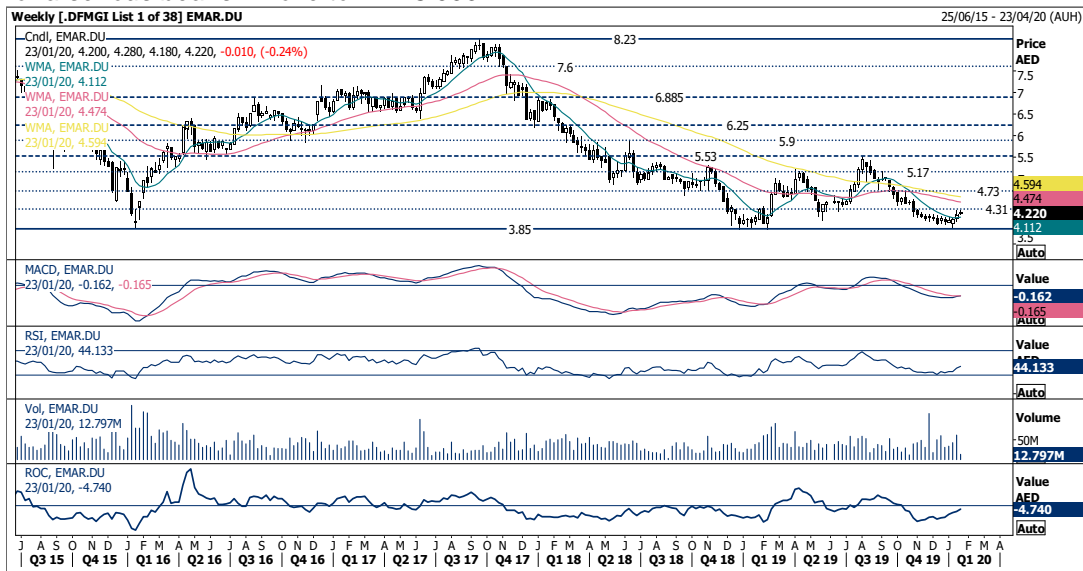


RSI	72.582
MACD	0.081
ROC	8.902
M10	5.500
M50	5.300
M100	5.210
S1	5.560
S2	5.370
S3	4.890
R1	5.900
R2	6.250
R3	6.630

Emaar Properties

Reuters Ticker: <EMAR.DU>

Price closed at AED4.220. The critical support level at AED3.850 once again arrested further weaknesses and forced the price to inch upwards. A cross over the tiny resistance level at AED4.310 will promote AED4.730 but to confirm a base at AED3.850, bulls are required to shoot up above AED5.530. However, a sudden break below AED3.850 will call for a serious bearish move to AED3.000.



RSI	44.133
MACD	-0.165
ROC	-4.740
M10	4.110
M50	4.475
M100	5.595
S1	4.000
S2	3.850
S3	3.000
R1	4.310
R2	4.730
R3	5.530

Emaar Malls

Reuters Ticker: <EMAA.DU>

Price closed at AED1.840. The stock has been trading within the range of AED1.960-AED1.800 for the last 5-months, without any clear direction as to where it could go from here. Knowing that a close above AED1.960 would call for a re-test of last year high at AED2.170, while above it will target AED2.380. On the other side, a fall below AED1.800 will increase the downside risk to AED1.430 (all-time low).



RSI	43.187
MACD	-0.002
ROC	-3.665
M10	1.875
M50	1.900
M100	1.875
S1	1.800
S2	1.540
S3	1.430
R1	1.960
R2	2.170
R3	2.380

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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