

Technical Analysis – Boursa Kuwait

20-May-2024

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Boursa Kuwait

All Share Index <.BKA> closed at 7,152.23 point. The index continues to move within the wide range of 6,894 point-7,492 point but the close above all MAs on the weekly chart is a positive sign. A break above the recent high at 7,241 point could promote a jump to 7,270 point before 7,320 point, while above this line would lead to 7,400 point. On the negative side, a dip below the first defense line at 7,080 point would reach 7,000 point, but below this could lead to a re-visit of the strong support level at 6,894 point, while only losing this would call for a deep bearish tone.

Medium-term and long-term investors can stay in the market with a stop-loss below 7,080 point and 6,750 point, respectively.



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Reuters Ticker: <KFH.KW>

Price closed at KWD0.744. The technical picture will remain positive as long as the stock is maintaining a close above the support level at KWD0.695, knowing that the next obstacle comes at KWD0.808, which if broken will increase the chances of reaching KWD0.866. However, a fall below KWD0.695 would most likely allow a slippage back to the strong support level at KWD0.605.



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|-----------|--------|
| RSI (W) | 63.520 |
| MACD (W) | 14.000 |
| ROC (W) | 3.176 |
| MA50 (W) | 0.705 |
| MA100 (W) | 0.695 |
| MA200 (W) | 0.685 |
| S1 | 0.695 |
| S2 | 0.640 |
| S3 | 0.605 |
| R1 | 0.808 |
| R2 | 0.866 |
| R3 | 0.900 |

Gulf Bank

Reuters Ticker: <GBKK.KW>

Price closed at KWD0.262. The stock has been swinging between the range of KWD0.248-KWD0.286 for more than 5-months and an escape out of this zone is needed to clear the picture, knowing that a jump over KWD0.286 would call for the establishment of a new bull trend and target KWD0.329. However, losing the support level at KWD0.248 would bring back to focus the horizontal line at KWD0.224.



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|-----------|--------|
| RSI (W) | 48.240 |
| MACD (W) | 2.500 |
| ROC (W) | -4.479 |
| MA50 (W) | 0.262 |
| MA100 (W) | 0.262 |
| MA200 (W) | 0.260 |
| S1 | 0.248 |
| S2 | 0.224 |
| S3 | 0.200 |
| R1 | 0.286 |
| R2 | 0.329 |
| R3 | 0.347 |

Mezzan Holding Co.

Reuters Ticker: <MEZZ.KW>

Price closed at KWD0.800. The stock has seen a noticeable jump, reaching levels last seen in October-2017 at KWD0.815; however, a break above this is expected to target KWD0.850 and maybe higher to KWD0.920. On the counter side, some downward correction could take place, given the overbought status of the weekly RSI indicator, knowing that the nearby support levels are located at KWD0.720, KWD 0.665 and KWD0.630.



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| RSI (W) | 87.782 |
| MACD (W) | 49.700 |
| ROC (W) | 30.719 |
| MA50 (W) | 0.620 |
| MA100 (W) | 0.545 |
| MA200 (W) | 0.525 |
| S1 | 0.760 |
| S2 | 0.700 |
| S3 | 0.665 |
| R1 | 0.815 |
| R2 | 0.850 |
| R3 | 1.000 |

The Commercial Real Estate Co.

Reuters Ticker: <TIJK.KW>

Price closed at KWD0.138. The stock has reached a multi-year high at KWD0.148 and remains within the positive territory, given its close well above all MAs on the weekly chart and within the ascending trend line, knowing that a close above KWD0.148 would open the road for a jump to KWD0.184. However, a fall below the horizontal line at KWD0.120 could delay the upward move and lead to KWD0.109.



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|-----------|--------|
| RSI (W) | 81.155 |
| MACD (W) | 7.200 |
| ROC (W) | 32.792 |
| MA50 (W) | 0.114 |
| MA100 (W) | 0.106 |
| MA200 (W) | 0.106 |
| S1 | 0.134 |
| S2 | 0.120 |
| S3 | 0.109 |
| R1 | 0.148 |
| R2 | 0.184 |
| R3 | 0.200 |

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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