

Technical Analysis – Dubai Financial Market

20-October-2020

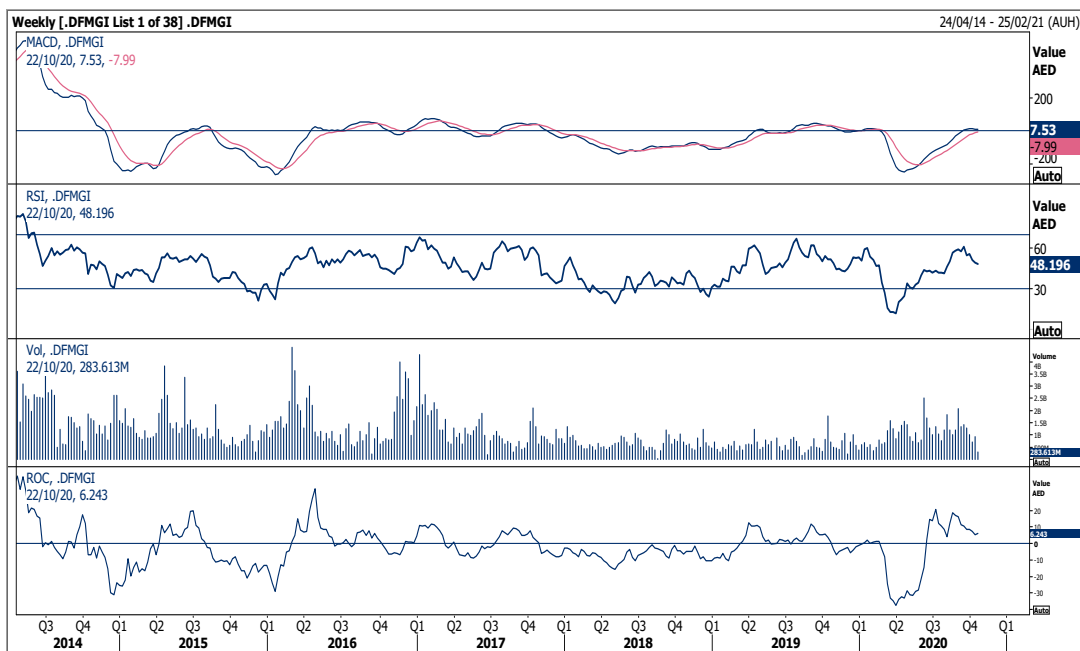
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 2,180.81 point. The index can move in either direction from here as the technical signal is not clear. A dip below 2,164 point should be enough to anticipate a move back to the support level at 2,030 point, while losing it will lead to 1,855 point. However, managing to print a foothold above last month high at 2,320 point (50% level of the Fibonacci Retracement from 2,950 point-1,663 point) would confirm a positive continuation pattern and target 2,460 point (61.8%) before 2,650 point.

Medium-term investors can stay in the market with a stop-loss below 2,164 point, while long-term investors can enter at levels higher than 2,320 point.



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Aramex

Reuters Ticker: <ARMX.DU>

Price closed at AED4.170. As was expected in our last analysis, the stock approached the resistance level at AED4.470 as the trend remains positive but further gains were arrested; however, managing to surpass this line will target the resistance area at AED5.010-AED5.500. On the other side, a fall below the first defense line at AED3.890 will most likely lead to the strong support level at AED3.200.



RSI	65.169
MACD	0.167
ROC	23.739
M10	4.070
M50	3.480
M100	3.630
S1	3.890
S2	3.200
S3	2.800
R1	4.470
R2	5.010
R3	5.500

Dubai Investments

Reuters Ticker: <DINV.DU>

Price closed at AED1.140. The current technical picture is neutral to bearish and the bulls need to jump over the tiny resistance level at AED1.230 to decrease the downside risk and target AED1.430, while above this will lead to the strong layer at AED1.650. However, failure to sustain a close above the low of last March at AED0.980 will re-instate the bearish tone and trigger the support level at AED0.690.



RSI	45.319
MACD	-0.011
ROC	-1.724
M10	1.155
M50	1.175
M100	1.220
S1	0.980
S2	0.690
S3	0.500
R1	1.230
R2	1.430
R3	1.650

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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