

Technical Analysis – Abu Dhabi Securities Exchange

22-June-2020

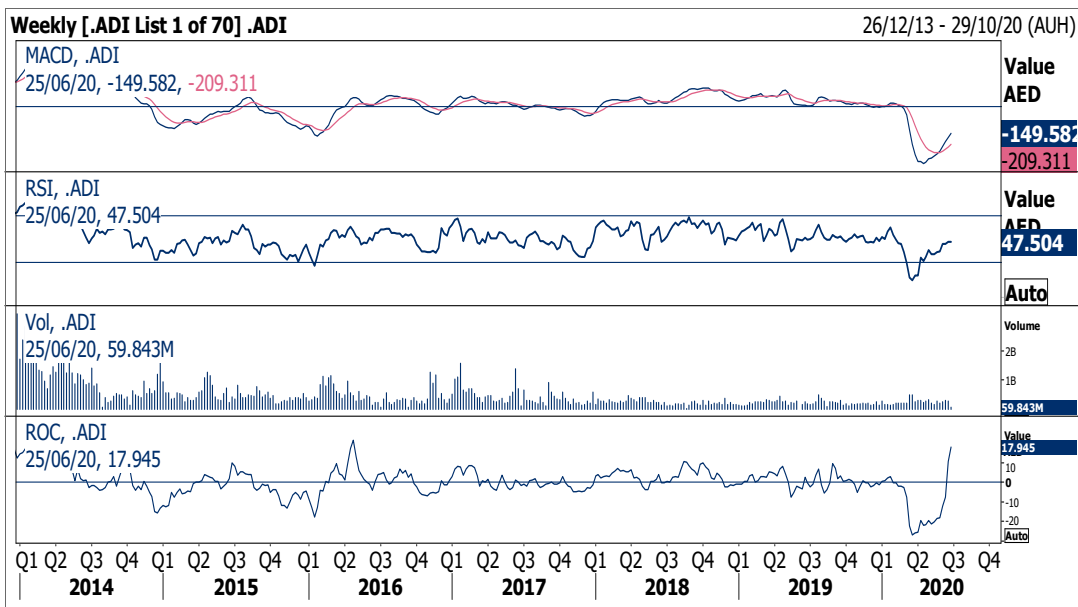
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Abu Dhabi Securities Exchange

ADX General Index <.ADI> closed at 4,346.921 point. Further momentum above the recent high at 4,415 point is needed to call for a positive continuation pattern and increase the chances of targeting 4,610 point (61.8% level of the Fibonacci Retracement from 5,426 point-3,304 point) before 4,760 point. On the negative side, back below the support area at 4,100 point-4,000 point would trigger 3,800 point and 3,640 point but an aggressive move down is not likely to take place on the coming period.

Medium-term and long-term investors can only enter the market when the index manages to print a firm close above 4,540 point and 4,770 point, respectively.



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First Abu Dhabi Bank

Reuters Ticker: <FAB.AD>

Price closed at AED11.420. The stock has been moving sideways for the last couple of weeks and the picture looks ambiguous as to where it could go from here. A fall below the support area at AED10.800-AED10.000 would call for a retest of this year low at AED7.780. However, the bulls need to show a firm close above AED13.120 to confirm that further momentum is underway towards AED16.960.



RSI	41.144
MACD	-0.902
ROC	21.619
M10	11.350
M50	12.940
M100	13.860
S1	10.000
S2	7.780
S3	6.860
R1	13.120
R2	15.000
R3	16.960

Abu Dhabi Islamic Bank

Reuters Ticker: <ADIB.AD>

Price closed at AED3.760. The bias will remain more towards the bulls as long as the price stays above the strong support level at AED3.190. The next overhead resistance level comes at AED4.260, while above this will confirm a jump to AED5.100 before the strong layer at AED5.850. On the counter side, only a dip below AED3.190 will re-instate the bearish tone to AED2.78 and maybe lower to AED2.020.



RSI	40.482
MACD	-0.417
ROC	-5.528
M10	3.565
M50	4.440
M100	4.570
S1	3.190
S2	2.780
S3	2.020
R1	4.260
R2	5.000
R3	5.850

Emirates Telecommunications Group Co.

Reuters Ticker: <ETISALAT.AD>

Price closed at AED16.860. The stock has seen a noticeable recovery from AED11.020, knowing that additional momentum could still be seen towards AED17.800, given the move of the stock above its MAs on the weekly chart, while only a successful close above this will lead to AED20.200. However, some attempts to go down cannot be ignored, while the nearby support levels come at AED15.680 and AED13.660 but a sharp drop is not favored.



RSI	59.232
MACD	-0.140
ROC	24.336
M10	16.165
M50	15.755
M100	15.700
S1	14.520
S2	13.660
S3	12.180
R1	17.800
R2	20.200
R3	22.000

Agthia Group

Reuters Ticker: <AGTHIA.AD>

Price closed at AED2.820. The stock is hovering near the low of this year at AED2.500 and continues to move within the long-term descending trend line. A move above the resistance area at AED3.100-AED3.450 should be a strong positive sign that would promote AED4.350 and AED5.000. On the counter side, losing AED2.500 will most likely deepen the bearish tone and lead to the strong line at AED1.570.



RSI	43.521
MACD	-0.167
ROC	0.714
M10	2.760
M50	3.090
M100	3.355
S1	2.500
S2	2.000
S3	1.570
R1	3.450
R2	4.350
R3	5.000

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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