

Technical Analysis – Dubai Financial Market

24-January-2022

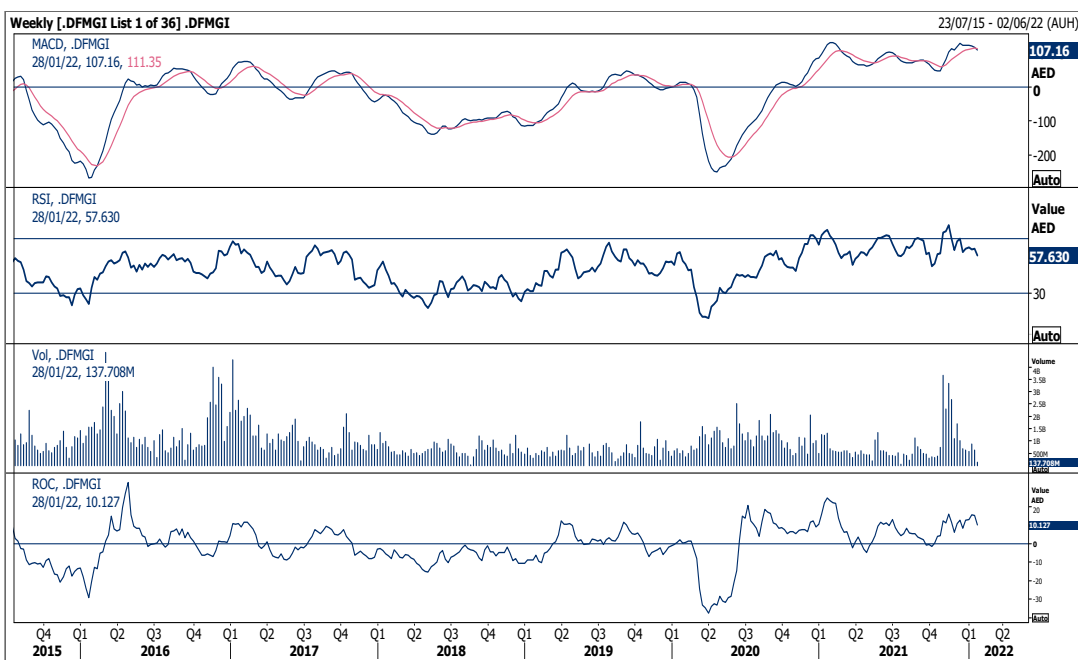
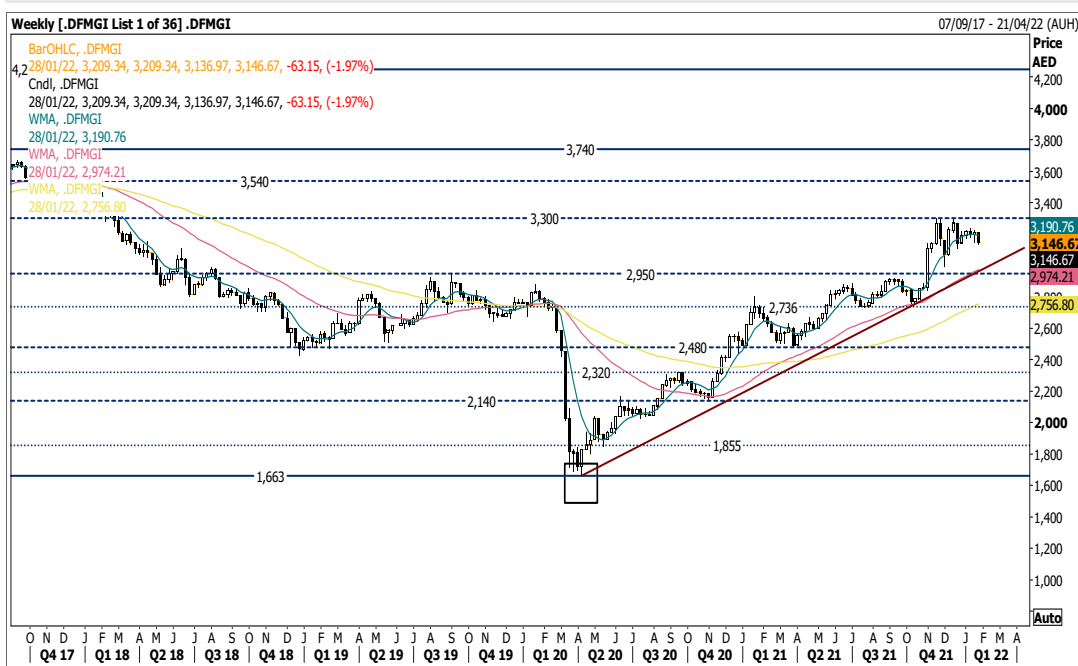
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,146.67 point. It seems that the market is finding difficulties to surpass the strong resistance level at 3,300 point, which could lead to additional losses to the support zone at 3,000 point-2,950 point, while a close below it would trigger 2,736 point. On the positive side, only above 3,300 point will decrease the downside risk and call for an advance to the next layer of resistance at 3,540 point and maybe higher to 3,740 point.

Medium-term and long-term investors can stay in the market but should watch out if the index closes below 2,950 point and 2,736 point, respectively.



Raed Diab

Vice President

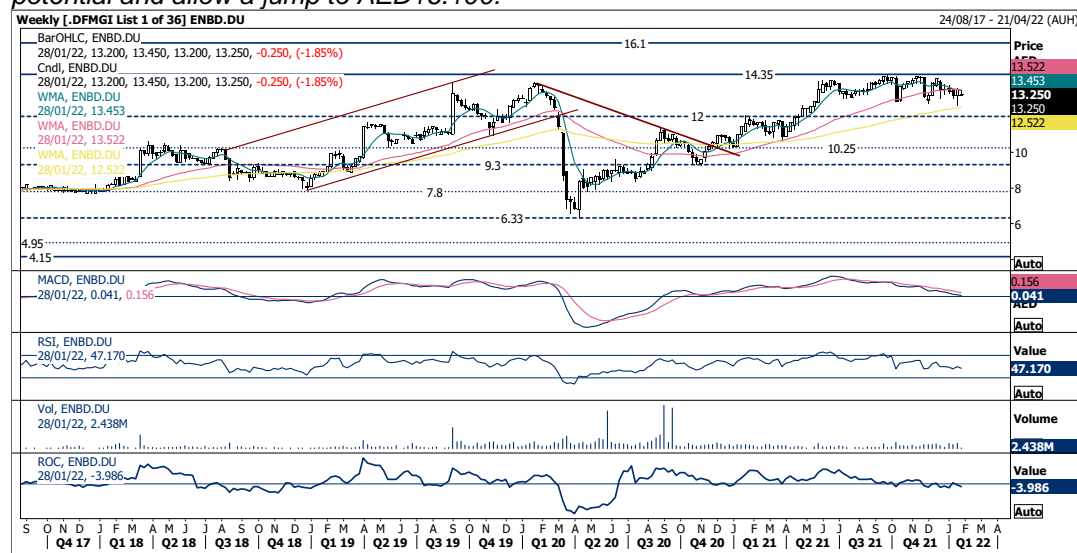
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Emirates NBD Bank

Reuters Ticker: <ENBD.DU>

Price closed at AED13.250. The stock has been trading within the range of AED12.000-AED14.350 for about 9 months and needs to break either level to indicate the next move, knowing that a fall below AED12.000 will call for further correction to AED10.250 and maybe lower to AED9.300. However, managing to overcome AED14.350 will re-activate the upward potential and allow a jump to AED16.100.

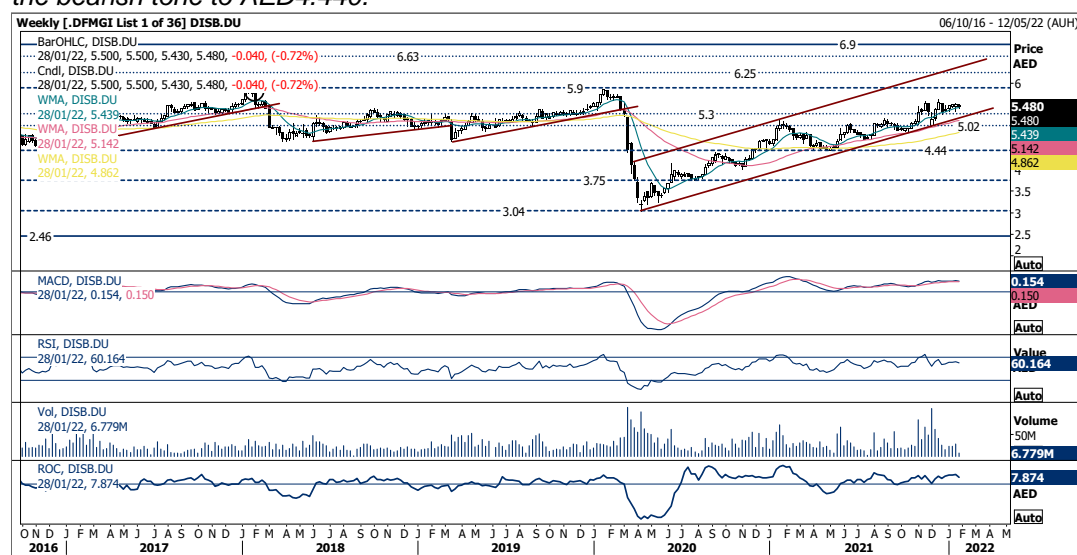


RSI	47.170
MACD	0.156
ROC	-3.986
M10	13.455
M50	13.520
M100	12.520
S1	12.000
S2	10.250
S3	9.300
R1	14.350
R2	16.100
R3	17.000

Dubai Islamic Bank

Reuters Ticker: <DISB.DU>

Price closed at AED5.480. The stock continues to move within the positive territory but it's necessarily to print a foothold above the strong resistance level at AED5.900 to anticipate another jump to AED6.250 before AED6.900. On the counter side, losing the first support level at AED5.300 will lead to AED5.020-AED4.900, but a close below this would deepen the bearish tone to AED4.440.



RSI	60.164
MACD	0.150
ROC	7.874
M10	5.440
M50	5.140
M100	4.860
S1	5.300
S2	5.020
S3	4.440
R1	5.900
R2	6.250
R3	6.630

Air Arabia

Reuters Ticker: <AIRA.DU>

Price closed at AED1.420. The stock retreated after it failed to surpass the critical resistance level at AED1.610; knowing that additional weaknesses could reach AED1.300, which if broken would be a serious negative sign that should trigger AED1.070. However, a break above the first resistance line at AED1.510 will target AED1.610, while a successful close above this would target AED1.760.



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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