

Technical Analysis – Saudi Stock Exchange

24-August-2020

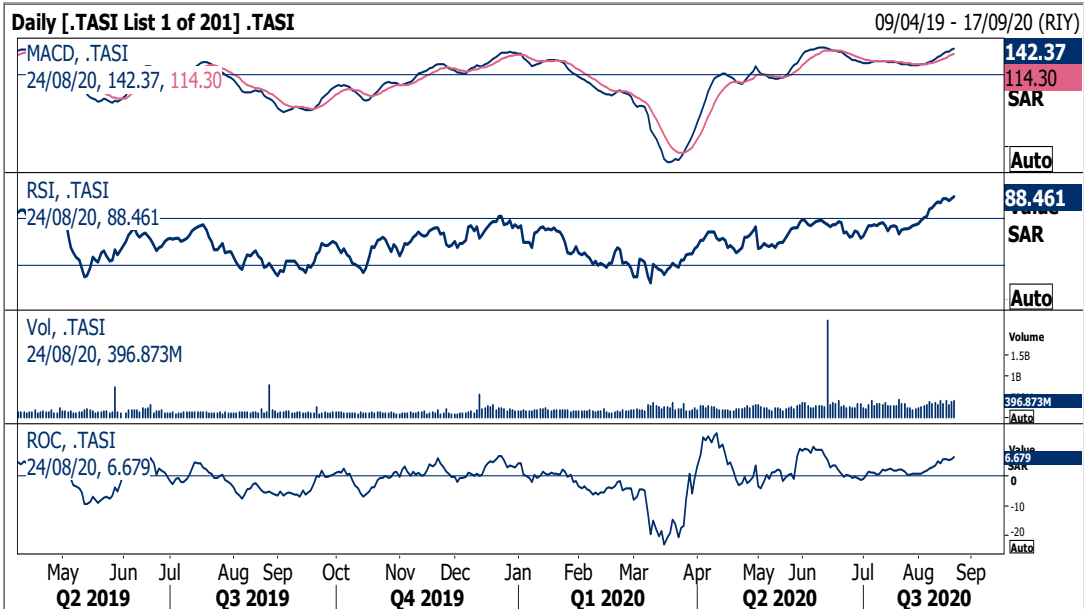
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Saudi Stock Exchange

Tadawul All Share Index <.TASI> closed at 7,957.38 point. The market witnessed a noticeable increase after hitting 5,960 point (low of last March), while the challenge for the next period is to print a foothold above the strong resistance level at 8,000 point; however, managing to do so will call for an advance to 8,500 point and maybe higher to 9,100 point. On the negative side, a short-term downward technical correction cannot be ignored due to the overbought status of the daily RSI indicator (reading above the 80 level), knowing that the nearby support levels are located at 7,630 point and 7,050 point.

Long-term investors should be aware as the index is moving near the 100 weeks MA at 7,780 point, while medium-term investors can stay with a stop-loss below 7,400 point.



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Bank Aljazira

Reuters Ticker: <1020.SE>

Price closed at SAR13.00. The technical picture leans more towards the bulls and additional gains is expected to take place on the coming period to SAR13.90, while above this will call for a re-test of the high of this year at SAR15.46 and maybe higher to SAR17.66. However, back below SAR11.45 could put pressure once again on the low of last March at SAR10.06, which if broken would re-instate the bearish tone and lead to SAR9.00.



RSI	57.915
MACD	-0.36
ROC	18.613
M10	12.25
M50	12.85
M100	13.45
S1	11.45
S2	10.06
S3	9.00
R1	13.90
R2	15.46
R3	17.66

Al Rajhi Bank

Reuters Ticker: <1120.SE>

Price closed at SAR65.80. The stock is near the strong resistance level at SAR66.90 (high of this year), which if broken would seal a more constructive outlook and promote the high of last year at SAR76.90. However, some attempts to go down could be seen, knowing that the nearby support levels are located at SAR62.80 and SAR56.50, while below the last line will bring back to focus the horizontal line at SAR51.00.



RSI	66.671
MACD	-0.35
ROC	21.852
M10	61.05
M50	60.25
M100	61.80
S1	56.50
S2	51.00
S3	39.78
R1	66.90
R2	76.90
R3	80.00

Middle East Paper Co.

Reuters Ticker: <1202.SE>

Price closed at SAR16.24. The stock keeps on correcting upwards after it posted an all-time low at SAR10.50 last March, helped by an oversold status of the RSI indicators. The next overhead resistance level comes at SAR18.56, while above it will open the space to fulfill SAR21.94. On the other side, the support level at SAR13.50 should prevent a slippage back to SAR10.50 (low of last March).

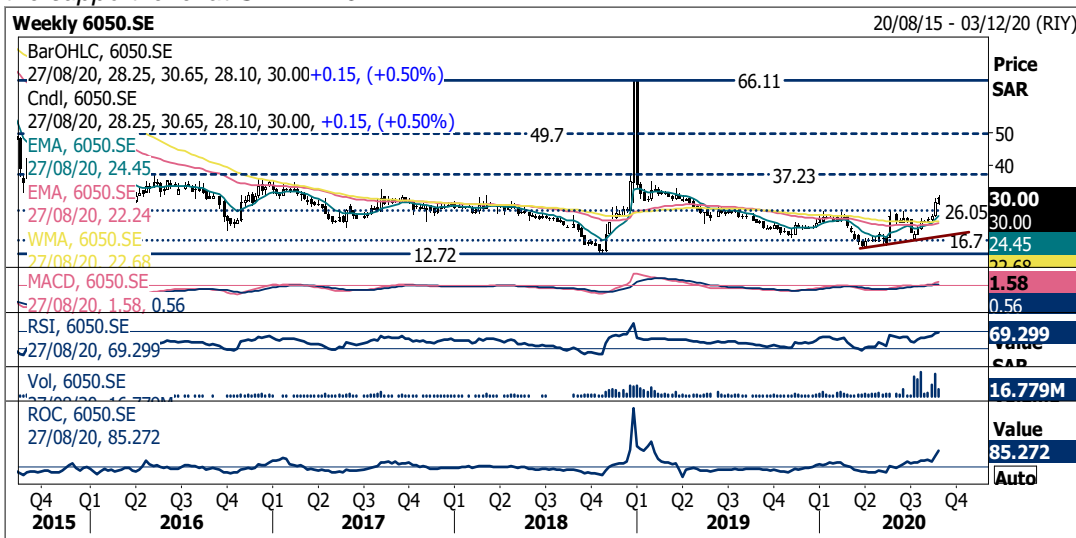


RSI	67.639
MACD	0.35
ROC	33.115
M10	15.05
M50	14.35
M100	14.45
S1	13.68
S2	12.20
S3	10.50
R1	18.75
R2	21.95
R3	27.15

Saudi Fisheries Co.

Reuters Ticker: <6050.SE>

Price closed at SAR30.00. The break above the horizontal line at SAR26.05 coupled with the increase in trading activity are expected to be the catalysts for further strength to the next layer of resistance at SAR37.23 and maybe more to SAR44.60. However, a close below SAR26.05 will delay the upward potential and lead to a short-term downward correction to the support level at SAR22.40.



RSI	69.299
MACD	0.56
ROC	85.272
M10	24.45
M50	22.25
M100	22.70
S1	26.05
S2	16.70
S3	12.72
R1	37.23
R2	44.60
R3	49.70

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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