

Technical Analysis – Muscat Stock Exchange

24-October-2022

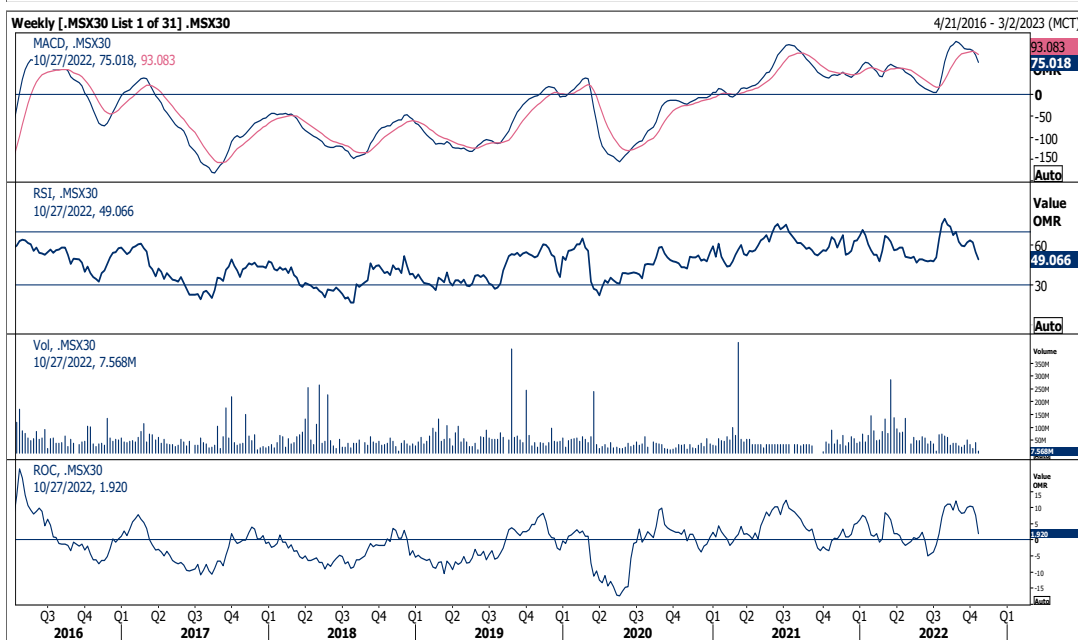
In this Report...

MSX30.....	1
BANK DHOFAR.....	2
NBOB.....	2
OMANTEL.....	3
OMAN CEMENT.....	3

Muscat Stock Exchange

MSX Index <.MSX30> closed at 4,373.856 point. The market eased down after reaching levels last seen in May-2018 at 4,692 point. The overall technical picture remains positive but additional weaknesses cannot be neglected on the short-term period, knowing that the nearby support levels are located at 4,355 point, 4,190 point and 4,000 point. However, the market should show a firm close above 4,692 point to anticipate a move back to 5,000 point before 5,235 point.

Medium-term and long-term investors can stay in the market with a stop-loss below 4,355 point and 4,190 point, respectively.



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Bank Dhofar

Reuters Ticker: <BKDB.OM>

Price closed at OMR0.141. The stock maintains a close above all its MAs on the weekly chart and within the ascending channel, while further momentum could target the resistance level at OMR0.168 and maybe more to OMR0.177. On the other side, a fall below the horizontal line at OMR0.127 would delay any upward move and lead to a deeper negative move to OMR0.110.



RSI	61.610
MACD	0.005
ROC	19.492
M10	0.140
M50	0.127
M100	0.124
S1	0.127
S2	0.110
S3	0.090
R1	0.168
R2	0.196
R3	0.215

National Bank of Oman

Reuters Ticker: <NBOB.OM>

Price closed at OMR0.260. The price remains within the positive territory but needs to jump over the high of this year at OMR0.280 to re-activate the buying potential and confirm a positive continuation pattern, which will then target OMR0.300 before OMR0.320. However, back below the first defense line at OMR0.234 would trigger some correction to OMR0.216 and maybe lower to OMR0.200.



RSI	61.253
MACD	0.015
ROC	8.333
M10	0.259
M50	0.226
M100	0.212
S1	0.234
S2	0.216
S3	0.175
R1	0.280
R2	0.300
R3	0.320

Oman Telecommunications Co.

Reuters Ticker: <OTEL.OM>

Price closed at OMR0.852. The stock retreated from OMR0.964 (high of this year) and eyes now have shifted towards the support level at OMR0.830, which if broken would allow further weaknesses to take place to OMR0.700. On the counter side, the nearby resistance levels are located at OMR0.912 and OMR0.964 but only above this will decrease the downside risk and promote a jump to OMR1.120.



RSI	43.290
MACD	0.015
ROC	-7.391
M10	0.885
M50	0.850
M100	0.830
S1	0.830
S2	0.700
S3	0.604
R1	0.912
R2	0.964
R3	1.120

Oman Cement Co.

Reuters Ticker: <OCOI.OM>

Price closed at OMR0.283. The stock still has difficulties to cross over the strong resistance level at OMR0.312 but remains supported by its move within the ascending trend line, knowing that further slippage can target OMR0.255. However, managing to print a foothold above OMR0.312 would call for another leg up towards OMR0.340, while above this will lead to OMR0.398.



RSI	53.992
MACD	0.013
ROC	10.547
M10	0.292
M50	0.265
M100	0.256
S1	0.255
S2	0.244
S3	0.220
R1	0.312
R2	0.340
R3	0.398

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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