

## Technical Analysis – Abu Dhabi Securities Exchange

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### Abu Dhabi Securities Exchange

**ADX General Index <.ADI> closed at 4,181.842 point.** The market did well after reaching the multi-year low at around 3,300 point. Managing to surpass the resistance zone at 4,300 point-4,360 point (also found there the 50% level of the Fibonacci Retracement from 5,426 point-3,304 point) will lead to additional gains to 4,415 point and 4,610 point. However, back below the support level at 4,000 point would trigger 3,800 point and 3,640 point but a sharp move down is not favored 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 4,740 point and 4,880 point, respectively.



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## Abu Dhabi Commercial Bank

Reuters Ticker: &lt;ADCB.AD&gt;

**Price closed at AED4.580.** The stock found support at AED3.820 before seeing some relief but remains within the negative territory; however, a fall below this will deepen the bearish tone and lead to the strong horizontal line at AED2.880. On the counter side, a break above the tiny resistance level at AED4.840 would be a positive sign that should lead to AED5.650 and maybe more to AED6.500.



**Abu Dhabi National Energy Co.**

Reuters Ticker: &lt;TAQA.AD&gt;

**Price closed at AED0.670.** The bias is more towards the bulls at present but to confirm an establishment of a new positive trend, a jump over AED0.770 should take place. This accompanied with an increase in trading activity should be enough to anticipate a move to AED1.000 before AED1.110. However, back below AED0.500 will put pressure on the strong support zone at AED0.400-AED0.360.



RSI	53.749
MACD	-0.018
ROC	39.875
M10	0.630
M50	0.630
M100	0.740
S1	0.500
S2	0.400
S3	0.360
R1	0.680
R2	0.770
R3	0.920

**Ras Al Khaima Properties**

Reuters Ticker: &lt;RAKPROP.AD&gt;

**Price closed at AED0.357.** No signs of improvement to confirm an end to the negative tone but a break above the first resistance level at AED0.413 would increase the upside chances to fulfill the next line at AED0.500, while a close above this will target AED0.620. On the counter side, a fall below the critical support area at AED0.310-AED0.260 would re-instate the negative tone and lead to AED0.200.



RSI	37.056
MACD	-0.018
ROC	-21.538
M10	0.360
M50	0.420
M100	0.445
S1	0.310
S2	0.260
S3	0.200
R1	0.413
R2	0.500
R3	0.620

## 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 lower 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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