

Technical Analysis – Boursa Kuwait

26-July-2021

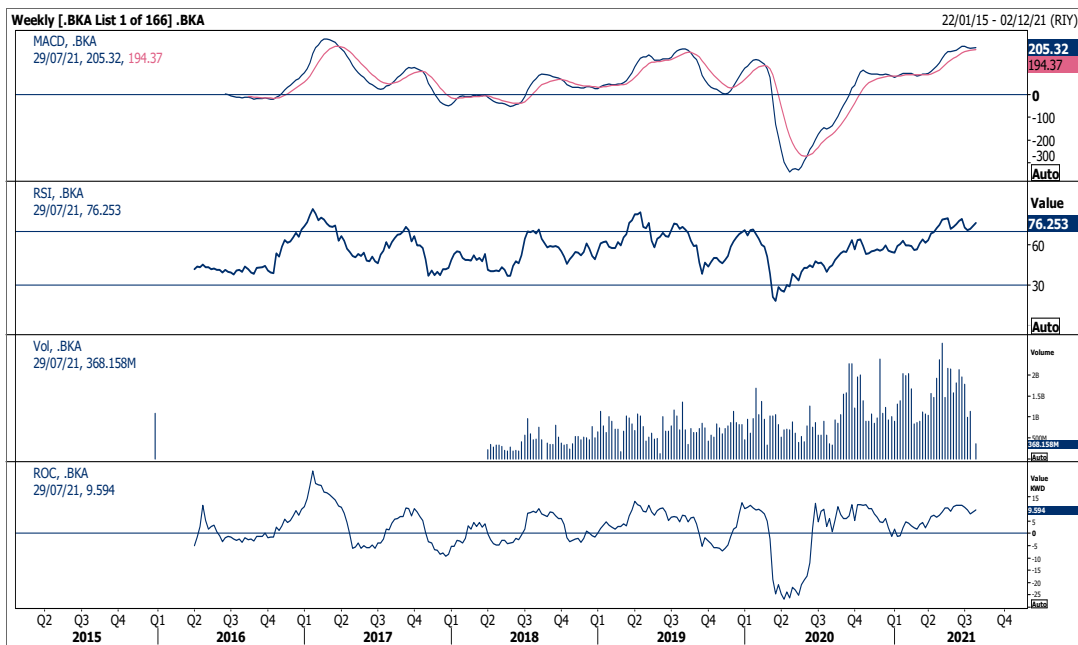
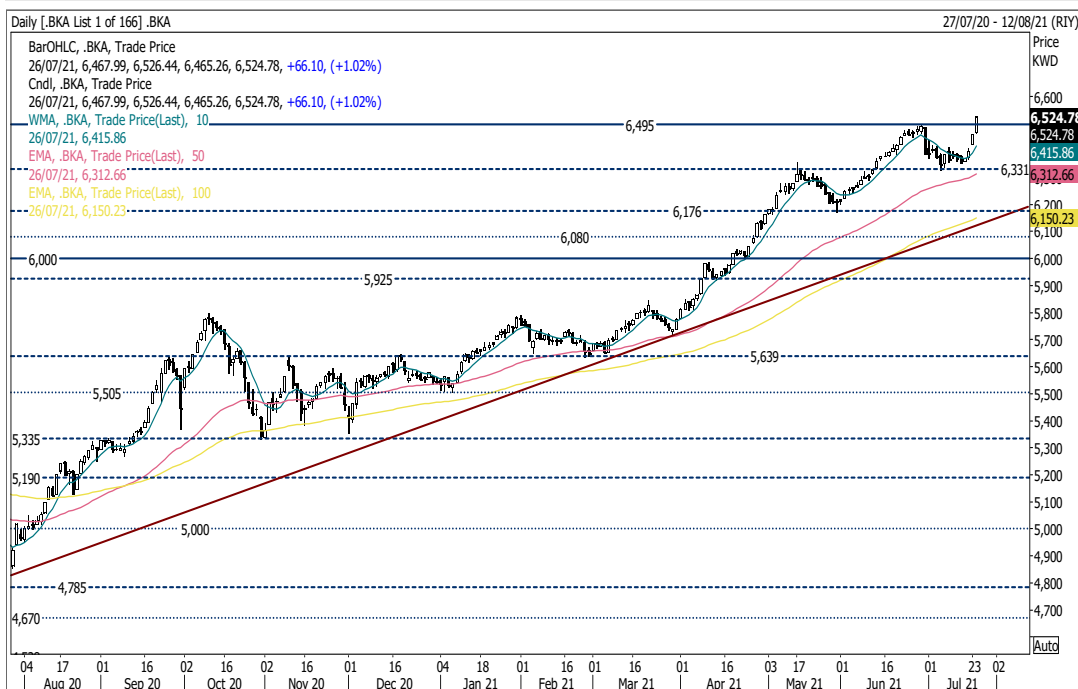
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Boursa Kuwait

All Share Index <.BKA> closed at 6,524.78 point. The index continues to move within its long-term ascending trend line, recording new-history levels. Further advance is still expected to take place, knowing that the next overhead resistance level comes at 6,700 point before 6,850 point. However, an aggressive move down is not favored on the coming period but there could be attempts to see some losses but the strong defense line at 6,331 point should arrest any bearish move.

Medium-term and long-term investors can stay in the market with a stop-loss below 5,900 point and 5,700 point, respectively.



Raed Diab

Vice President

+ (965) 2233 6908

rdiab@kamcoinvest.com

Kuwait Telecommunications Co.

Reuters Ticker: <STC.KW>

Price closed at KWD0.863. The stock is back to the positive territory after it dropped from the high of this year at KWD0.970, while the recent break above the horizontal line at KWD0.865 will increase the chances of reaching the next line of resistance at KWD0.908 and maybe back to KWD0.970. On the other side, a dip below KWD0.822 would most likely re-instate the bearish tone and lead to KWD0.780.



RSI	47.398
MACD	-6.200
ROC	-4.111
M10	0.860
M50	0.865
M100	0.860
S1	0.822
S2	0.780
S3	0.750
R1	0.908
R2	0.970
R3	1.020

Mezzan Holding Co.

Reuters Ticker: <MEZZ.KW>

Price closed at KWD0.633. The stock is leaning more towards the bulls but needs to surpass the resistance level at KWD0.679 to confirm that another leg up is underway towards the next layer at KWD0.789 and maybe more to KWD0.853. However, losing the support zone at KWD0.615-KWD0.605 will increase the downside risk and bring back to focus the defense line at KWD0.540.



RSI	56.992
MACD	13.100
ROC	11.706
M10	0.635
M50	0.585
M100	0.605
S1	0.605
S2	0.540
S3	0.500
R1	0.679
R2	0.789
R3	0.853

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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Kamco Investment Company - K.S.C. (Public)

Al-Shaheed Tower, Khalid Bin Al-Waleed Street- Sharq

P.O. BOX : 28873, Safat 13149, State of Kuwait

Tel: (+965) 2233 6600 Fax: (+965) 2249 2395

Email : kamcoird@kamcoinvest.com

Website : www.kamcoinvest.com