

Technical Analysis – Dubai Financial Market

31-October-2016

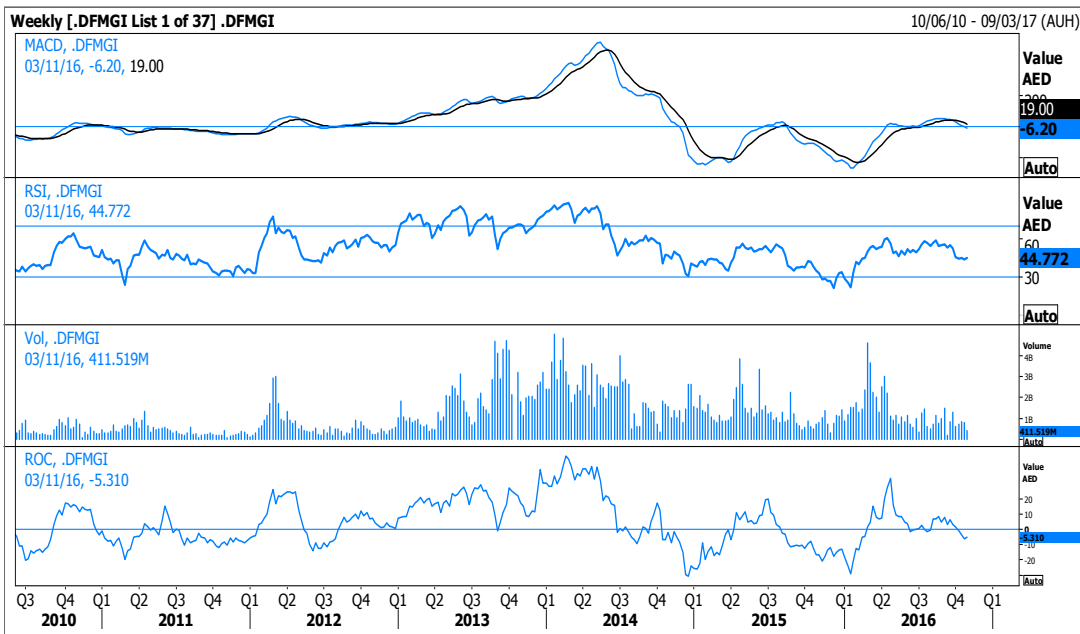
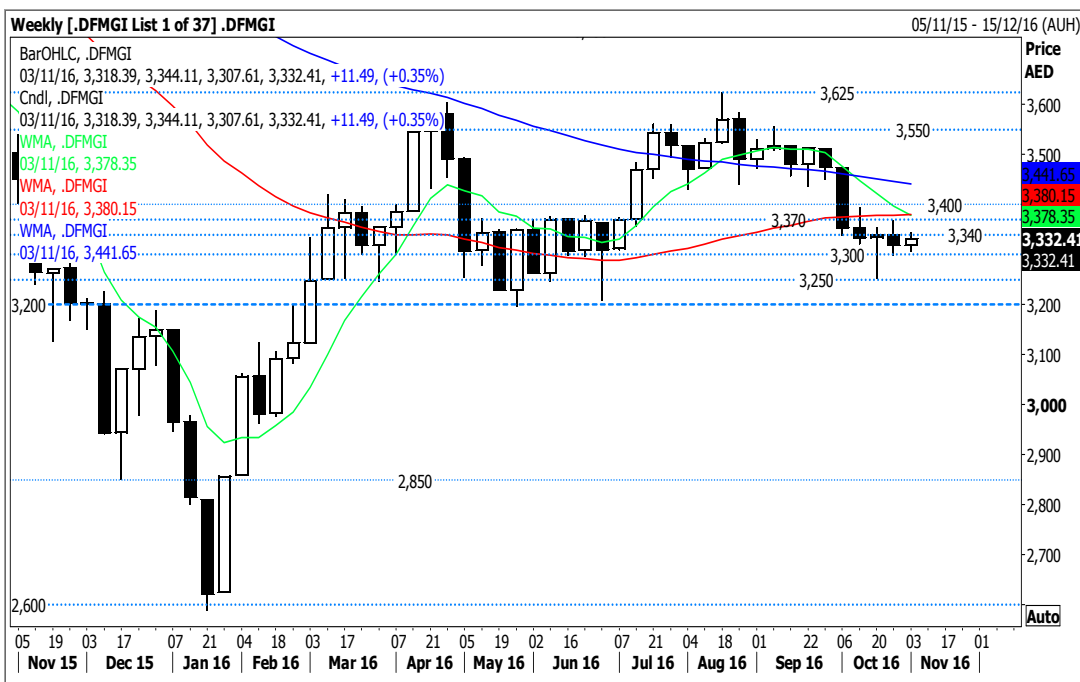
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,332.41. The technical signal for the index is leaning more towards the bulls at present but needs initially a jump over 3,340 point to increase the chances of reaching 3,370 point; however, a firm close above this would most likely confirm a positive continuation pattern and promote 3,400 point before 3,430 point. On the counter side, losing the support level at 3,300 point could bring back to focus 3,250 point and 3,200 point. Weekly and daily RSI indicators are positive at present.

Medium-term and long-term investors can only enter the market at levels higher than 3,370 point and 3,430, respectively.



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Emaar Properties

Reuters Ticker: <EMAR.DU>

Price closed at AED6.970. The bias is bullish at present and the stock is set to surpass the resistance level at AED7.000, a case if happens would alleviate the downside pressure and promote once again the horizontal line at AED7.170 before AED7.280. On the counter side, the nearby support levels are located at AED6.850 and AED6.650, which is expected to prevent a fall back to AED6.400. Both weekly and daily RSI indicators are favoring an upward move.



RSI	54.965
MACD	0.181
ROC	1.308
M10	6.945
M50	6.590
M100	6.560
S1	6.850
S2	6.650
S3	6.400
R1	7.000
R2	7.170
R3	7.280

Air Arabia

Reuters Ticker: <AIRA.DU>

Price closed at AED1.300. The stock fulfilled and exceeded the target price at AED1.470 before easing down but the support level at AED1.240 has arrested further weaknesses. The current technical picture is neutral as the price is trading between AED1.240-AED1.340 and a break of either level would clear the picture. However, a break above AED1.340 would promote AED1.410 before AED1.490, while a close below AED1.240 will bring back to focus AED1.170.

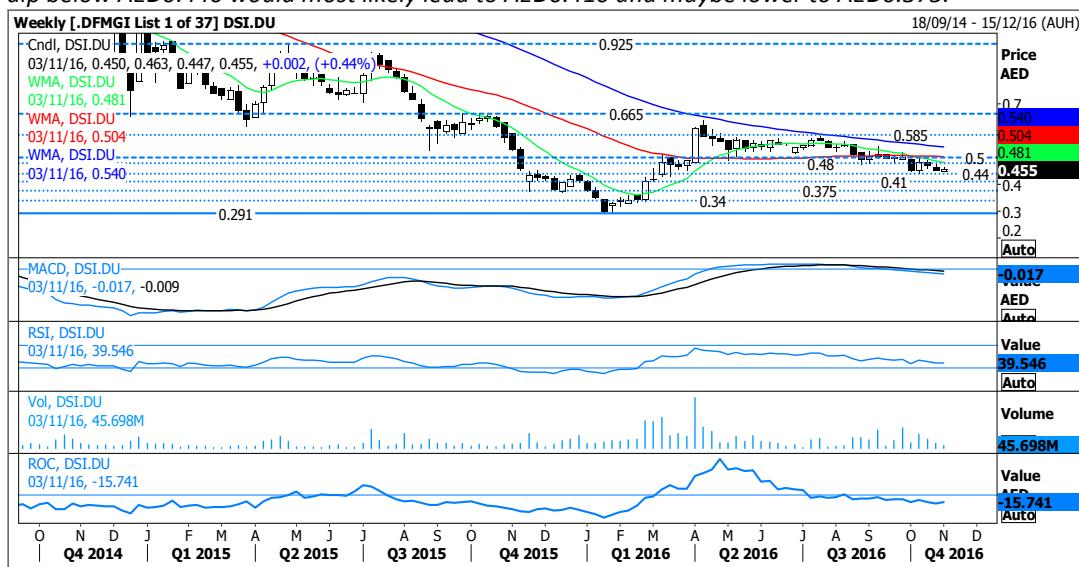


RSI	43.504
MACD	0.009
ROC	-10.345
M10	1.335
M50	1.325
M100	1.355
S1	1.240
S2	1.170
S3	1.090
R1	1.340
R2	1.410
R3	1.490

Drake & Scull International

Reuters Ticker: <DSI.DU>

Price closed at AED0.455. The support level at AED0.440 once again rejected further losses but the recent upward move is insufficient to confirm a base near there. However, a jump above the first resistance zone at AED0.465-AED0.480 would enhance additional momentum towards AED0.500 but only above this line will establish a new positive trend and promote AED0.540. On the other side, a dip below AED0.440 would most likely lead to AED0.410 and maybe lower to AED0.375.



RSI	39.546
MACD	-0.009
ROC	-15.741
M10	0.480
M50	0.505
M100	0.540
S1	0.440
S2	0.410
S3	0.375
R1	0.480
R2	0.500
R3	0.540

Emirates Integrated Telecommunications Co.

Reuters Ticker: <DU.DU>

Price closed at AED6.080. The downward correction from this year high at around AED7.000 continued, reaching once again the support level at AED6.000 before seeing a brief relief. Failing to sustain a close above AED6.000 would increase the downside risk and lead to the next layer of defense at AED5.720. However, a close above AED6.200 would be a positive sign that should lead to AED6.300 and AED6.500.



RSI	38.783
MACD	0.098
ROC	-11.884
M10	6.360
M50	6.340
M100	5.915
S1	6.000
S2	5.720
S3	5.500
R1	6.300
R2	6.500
R3	7.000

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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