

Technical Analysis – Muscat Securities Market

30-December-2015

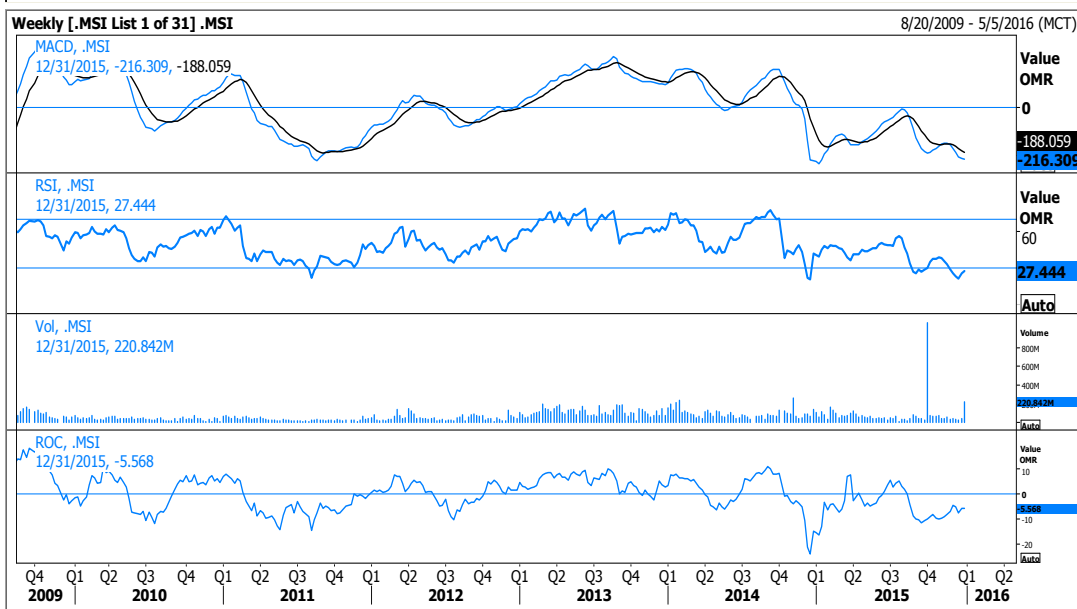
In this Report...

MSM 30 Index.....	1
Bank Dhofar.....	2
Al Anwar Holding	2
Oman Telecom.....	3
Renaissance.....	3

Muscat Securities Market

MSM 30 Index <.MSI> closed at 5,444.390. As was mentioned in our last report, the fall below the support line at 5,700 point (turned to resistance) allowed a re-test of the strong support zone at 5,400 point-5,350 point, which rejected further slippage. The market saw a natural recovery near there supported by the oversold status of the RSI indicators, while additional momentum is more likely to take place on the coming period in an attempt to reach 5,700 point; however, a successful close above there would bring back to focus the resistance area at 6,000 point-6,100 point. On the counter side, a fall below the aforementioned support zone is not favored but a sudden break would lead to a deeper bearish tone towards 5,000 point.

Short-term investors who entered the market near 5,400 point-5,350 point can stay with a stop-loss below it, while medium-term and long-term investors can enter only above 5,600 point and 6,000 point, respectively.



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Reuters Ticker: <BDOF.OM>

Weekly [.MSI List 1 of 31] BDOF.OM 6/10/2016 - 4/14/2016 (M)

The chart displays the weekly price movement of BDOF.OM from Q3 2010 to Q2 2016. The main price chart includes a candlestick representation and several moving averages: Cntrl (green), WMA (blue), and WMA (red). Key price levels are marked at 0.215, 0.220, 0.215, 0.215, -0.002, and -0.92%. The price shows a general downward trend with some volatility, ending near 0.215.

Price OMR

0.35
0.3
0.274
0.251
0.226
0.215
0.2

Auto

MACD, BDOF.OM
12/31/2015, -0.014, -0.014

Value

-0.014
-0.014

RSI, BDOF.OM
12/31/2015, 30.043

Value

30.043
Auto

Volume, BDOF.OM
12/31/2015, 630,500.000

Volume

630,500.0

ROC, BDOF.OM
12/31/2015, -8.120

Value

-8.120
Auto

The x-axis is labeled with quarters from Q3 2010 to Q2 2016. The y-axis for the price chart ranges from 0.15 to 0.35. The volume chart shows a peak in volume around Q1 2011 and Q4 2014.

RSI	30.043
MACD	-0.014
ROC	-8.120
M10	0.226
M50	0.250
M100	0.275
S1	0.206
S2	0.185
S3	0.150
R1	0.220
R2	0.250
R3	0.270

Reuters Ticker: <AITC.OM>

Weekly [MSI List 1 of 31] AITC.OM 11/3/2011 - 3/24/2016 (MCT)

Price OMR

Auto

Value

Volume

Value

Auto

ND J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M

Q1 12 Q2 12 Q3 12 Q4 12 Q1 13 Q2 13 Q3 13 Q4 13 Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15 Q1 16

RSI	40.482
MACD	-0.011
ROC	-3.448
M10	0.174
M50	0.192
M100	0.211
S1	0.155
S2	0.122
S3	0.100
R1	0.193
R2	0.213
R3	0.250

Oman Telecommunications Co.

Reuters Ticker: <OTL.OM>

Price closed at OMR1.575. The stock encounters a resistance line at OMR1.600, which can prevent further momentum, but managing to break above it would promote once again the strong resistance level at OMR1.650. However, only above OMR1.650 will confirm a re-test of the critical zone at OMR1.770-OMR1.810. On the counter side, losing OMR1.520 would allow additional technical correction from this year high at OMR1.810 to take place towards OMR1.470 and OMR1.410.



RSI	36.245
MACD	-0.031
ROC	-3.692
M10	1.575
M50	1.645
M100	1.665
S1	1.520
S2	1.470
S3	1.410
R1	1.600
R2	1.650
R3	1.770

Renaissance Services

Reuters Ticker: <RSC.OM>

Price closed at OMR0.164. The sideways movement seen on the last four months is not expected to last for a long time, as the stock should break either OMR1.85 or OMR0.155 to clear the picture. However, a dip below the support line at OMR0.155 would shift the trading range to OMR0.155-OMR0.100, while managing to break above OMR0.185 (favored) will most likely initiate the first improvement sign that should lead to a gradual jump towards OMR0.290.



RSI	22.651
MACD	-0.043
ROC	1.863
M10	0.166
M50	0.223
M100	0.349
S1	0.155
S2	0.125
S3	0.100
R1	0.185
R2	0.220
R3	0.290

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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