

Technical Analysis – Kuwait Stock Exchange

17-October-2016

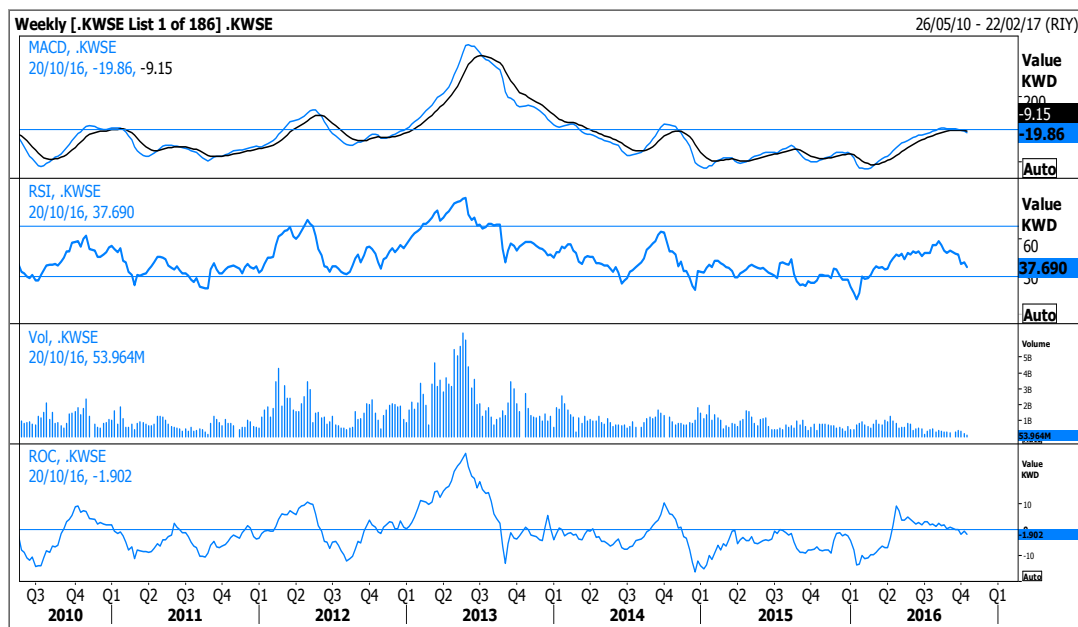
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Kuwait Stock Exchange

Kuwait Stock Exchange Price Index <.KWSE> closed at 5,287.11 point. The market is under selling pressure as it fell below the support level at around 5,300 point, while further weaknesses cannot be neglected as no signs of bottoming have been seen yet. The next support levels come at 5,260 point, 5,230 point and 5,200 point. On the other side, some buying activity could take place on the short-term period but not expected to be sharp; however, only a break back above the resistance line at around 5,350 point would alleviate the downside move and call for an advance towards 5,440 point. Both weekly and daily RSI indicators are currently looking bearish.

Medium-term and long-term investors can only enter the market at levels higher than 5,350 point and 5,516 point, respectively.



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Kuwait Finance House

Reuters Ticker: <KFIN.KW>

Price closed at KWD0.465. The stock has been moving within the range of KWD0.440-KWD0.495 since the end of last March with no help of the RSI indicators at the moment as to where it could go from here. However, managing to print a close above KWD0.495 would most likely confirm a base at KWD0.395 and promote KWD0.545. On the negative side, a fall below KWD0.440 will find a second defense line at KWD0.425 but only below KWD0.395 would call for a deep bearish move.



RSI	49.453
MACD	-4.0
ROC	1.087
M10	0.465
M50	0.465
M100	0.495
S1	0.440
S2	0.425
S3	0.395
R1	0.495
R2	0.545
R3	0.600

National Bank of Kuwait

Reuters Ticker: <NBKK.KW>

Price closed at KWD0.570. Eyes now have shifted towards the low of last July at KWD0.550 due to its failure to sustain a close above its 14-weeks MA. A break below there should be enough to anticipate a fall towards KWD0.530 and maybe more to KWD0.485. However, a successful close above the resistance level at KWD0.610 accompanied with an increase in trading activity would be good signs to target KWD0.660.

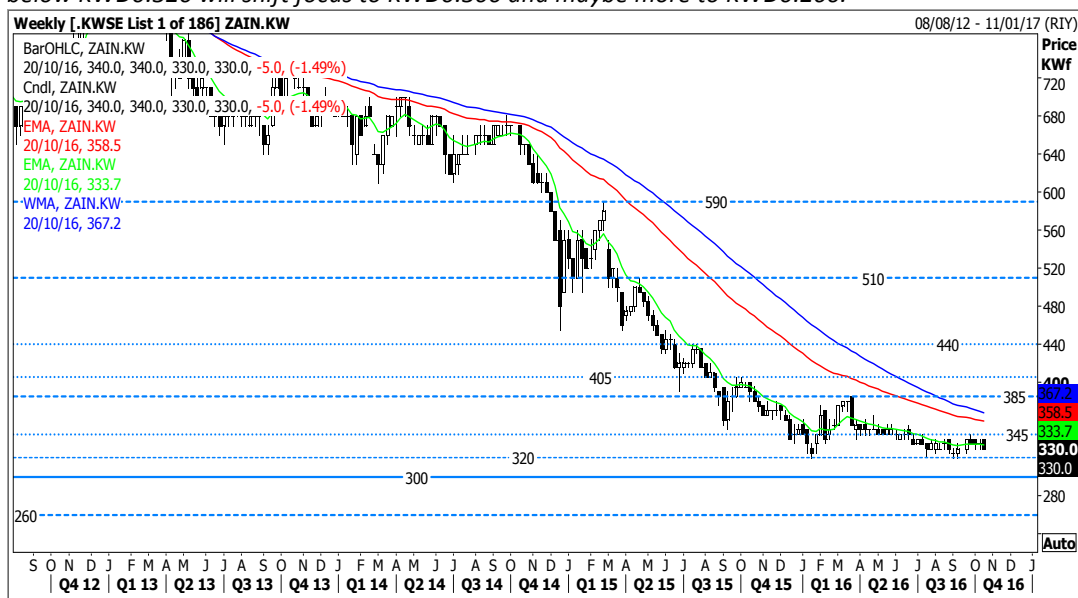


RSI	33.389
MACD	-21.4
ROC	-1.724
M10	0.590
M50	0.620
M100	0.675
S1	0.550
S2	0.530
S3	0.485
R1	0.610
R2	0.660
R3	0.705

Mobile Telecommunications Co. (ZAIN)

Reuters Ticker: <ZAIN.KW>

Price closed at KWD0.330. The stock has been trading sideways since the end of last June between the strong support level at KWD0.320 and the resistance line at KWD0.345, while this move is not expected to last for long time, as one of the two contracting levels should be cleared. However, a break above the KWD0.345 would call for a gradual gain towards KWD0.385, while a sudden dip below KWD0.320 will shift focus to KWD0.300 and maybe more to KWD0.260.

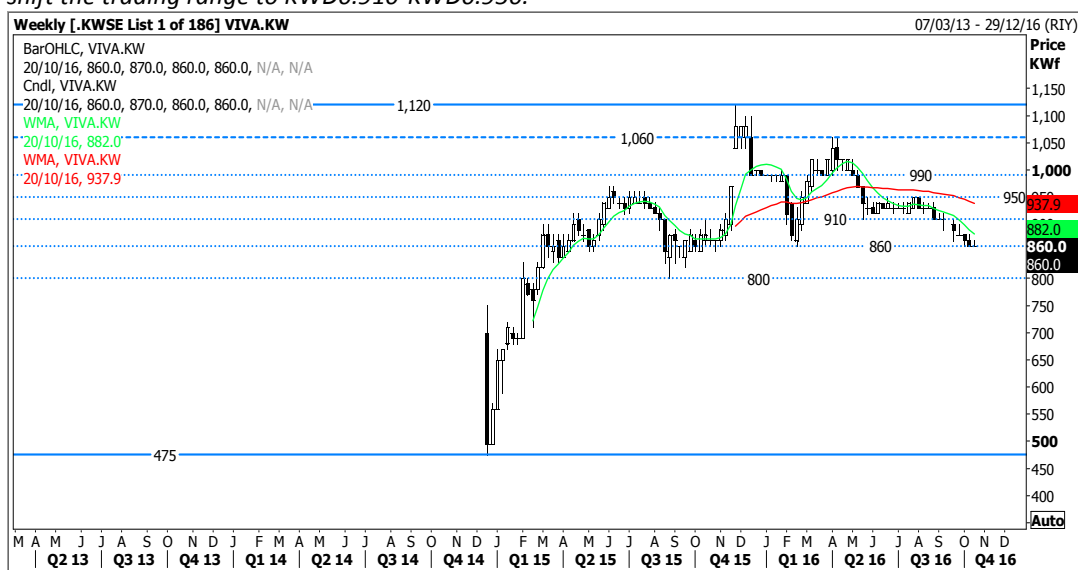


RSI	41.436
MACD	-6.7
ROC	-2.941
M10	0.335
M50	0.360
M100	0.365
S1	0.320
S2	0.300
S3	0.260
R1	0.345
R2	0.385
R3	0.405

Kuwait Telecommunications Co.

Reuters Ticker: <VIVA.KW>

Price closed at KWD0.860. The stock moved down, as we warned in our last analysis of a possible correction down from all time high at KWD1.120, and reached the first target price at KWD0.860 (38.2% level of the Fibonacci from KWD0.475-KWD1.120), while below it will most likely trigger further weaknesses to KWD0.800 (50% level). On the opposite side, a jump over KWD0.910 would shift the trading range to KWD0.910-KWD0.950.



RSI	29.570
MACD	-16.8
ROC	-7.527
M10	0.880
M50	0.940
M100	0.990
S1	0.860
S2	0.800
S3	0.770
R1	0.910
R2	0.950
R3	0.990

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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