

Technical Analysis – Saudi Stock Exchange

20-March-2017

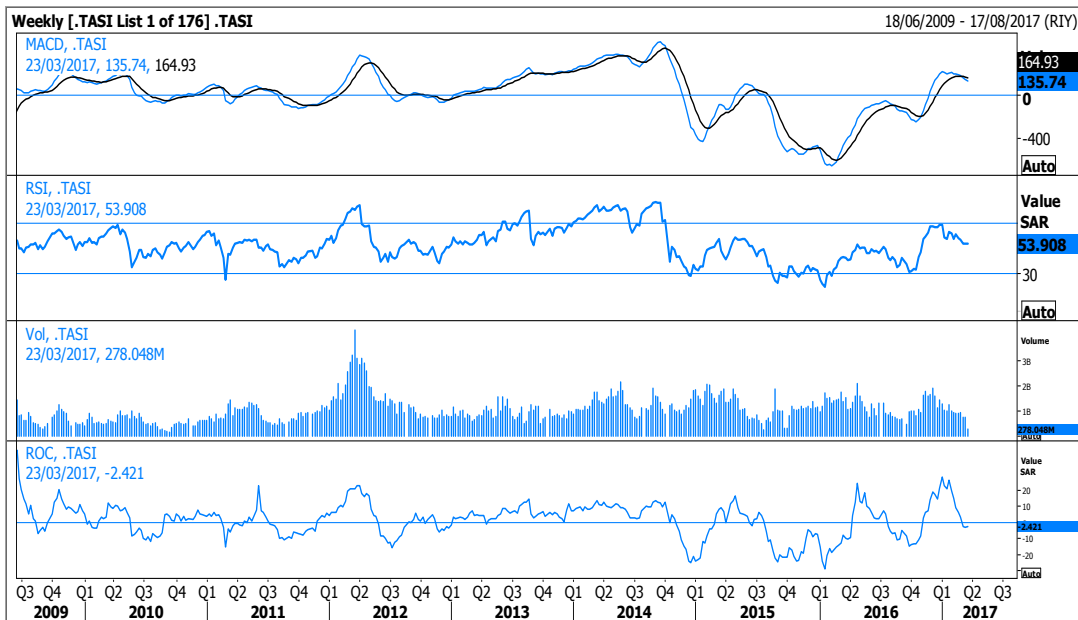
Saudi Stock Exchange

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Tadawul All Share Index <.TASI> closed at 6,919.25 point. The market has recovered some of its losses after failing to break below MAs. The recovery is still insufficient to anticipate an end to the downside risk but further advance cannot be neglected. However, a break above the tiny resistance level at around 7,000 point would promote 7,175 point but we still need a jump over 7,350 point to confirm another leg up towards 8,000 point. On the counter side, losing the support level at 6,700 point would be a negative sign that should trigger 6,500 point and maybe 6,350 point. Weekly and daily RSI indicators are looking neutral at present.

Medium-term and long-term investors can stay in the market as long as the index closes above 6,700 point.



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Reuters Ticker: <1020.SE>

Weekly [TASI List 1 of 176] 1020.SE 27/03/2014 - 18/05/2017 (RTY)

The chart displays the weekly price movement of 1020.SE from March 2014 to May 2017. The price is shown as a black candlestick chart. Several moving averages are plotted: a green line for the 1020.SE WMA, a red line for the 1020.SE WMA, and a blue line for the 1020.SE WMA. The SAR (Stop and Reverse) is shown as a horizontal line at 15.05. The MACD (Moving Average Convergence Divergence) is shown as a blue line with a green signal line. The RSI (Relative Strength Index) is shown as a blue line. The Volume is shown as a blue bar chart. The ROC (Rate of Change) is shown as a blue line.

Indicator	Value
Price	15.05
SAR	15.05
WMA, 1020.SE	13.89
WMA, 1020.SE	12.98
WMA, 1020.SE	14.10
MACD, 1020.SE	0.38, 0.25
RSI, 1020.SE	65.458
Vol, 1020.SE	11.352M
ROC, 1020.SE	5.614

RSI	65.458
MACD	0.25
ROC	5.614
M10	13.90
M50	13.00
M100	14.10
S1	12.80
S2	10.90
S3	9.45
R1	16.50
R2	18.30
R3	21.90

Reuters Ticker: <1150.SE>

Weekly [TASI List 1 of 176] 1150.SE 16/01/2013 - 14/06/2017 (RTY)

The chart displays the following data series and indicators:

- Price:** Black candlesticks showing the weekly price movement.
- WMA, 1150.SE:** Weighted Moving Average lines in green (23/03/2017, 14.62), red (23/03/2017, 13.98), and blue (23/03/2017, 14.26).
- MACD, 1150.SE:** Moving Average Convergence Divergence indicator in blue, with a value of 0.32 as of 23/03/2017.
- RSI, 1150.SE:** Relative Strength Index indicator in blue, with a value of 55.048 as of 23/03/2017.
- Vol, 1150.SE:** Volume indicator in blue bars, with a value of 37.315M as of 23/03/2017.
- ROC, 1150.SE:** Rate of Change indicator in blue, with a value of -1.017 as of 23/03/2017.

Key price levels and trends are marked on the right side of the chart:

- Price: 14.62 (green), 14.26 (blue), 13.98 (red), 12.4 (black).
- WMA: 18 (green), 16.5 (red), 15.6 (blue).
- MACD: 0.82 (black), 0.28 (blue).
- RSI: Auto (black), 55.048 (blue).
- Volume: Auto (black), 37.315M (blue).
- ROC: Value (black), -1.017 (blue), Auto (black).

The x-axis represents time from February 2013 to February 2017, with labels for each quarter (F, M, A, M, J, J, A, S, O, N, D). The y-axis represents price in SAR, with labels at 10.75, 12, 13.65, 15.6, 16.5, 18, and 20.

RSI	55.048
MACD	0.32
ROC	-1.017
M10	14.60
M50	14.00
M100	14.25
S1	13.65
S2	12.40
S3	10.75
R1	15.60
R2	16.50
R3	18.00

Saudi Basic Industries Corp.

Reuters Ticker: <2010.SE>

Price closed at SAR96.25. A critical line of resistance was formed on the weekly chart at SAR98.25 as the stock showed continuous reluctance to break it, knowing that a firm close above this is needed to anticipate a jump to SAR105.75 before SAR110.50. However, we will not be surprised to witness some downward move on the coming period due to that failure but should be limited to the support zone at SAR90.50-SAR87.00.

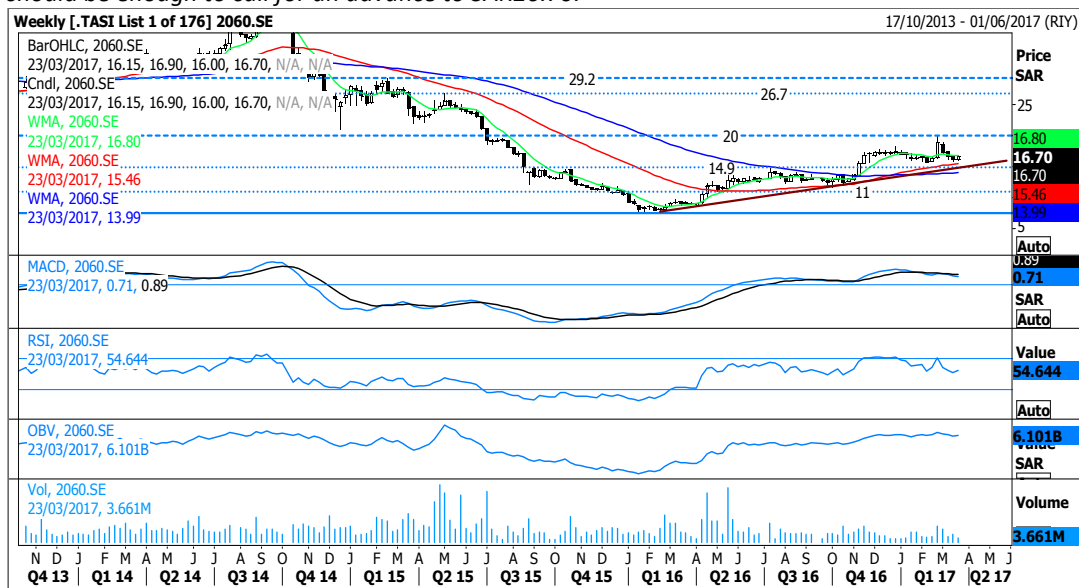


RSI	62.024
MACD	3.24
ROC	1.852
M10	96.75
M50	90.30
M100	86.10
S1	90.50
S2	87.00
S3	76.00
R1	98.25
R2	105.75
R3	110.50

National Industrialization Co.

Reuters Ticker: <2060.SE>

Price closed at SAR16.70. The stock fulfilled and exceeded our target price at SAR17.00 as it smoothly moved within an upward trend line. Some weaknesses were seen on the last few trading sessions after the price posted a high of SAR20.00 and eyes have shifted towards the support level at SAR14.90, which should arrest additional losses to SAR11.00. However, a firm close above SAR20.00 should be enough to call for an advance to SAR26.70.



RSI	54.644
MACD	0.89
ROC	3.661
M10	16.80
M50	15.45
M100	14.00
S1	14.90
S2	11.00
S3	7.50
R1	20.00
R2	26.70
R3	29.20

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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