

Technical Analysis – Qatar Stock Exchange

04-April-2016

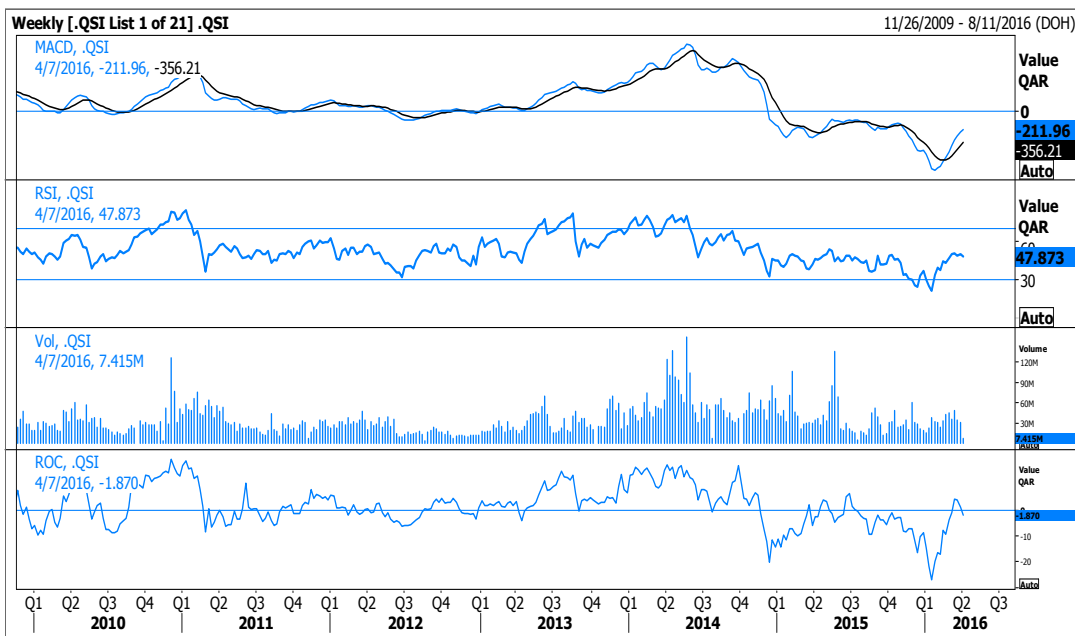
Qatar Stock Exchange

In this Report...

<i>QE Index</i>	1
<i>QIB</i>	2
<i>QNB</i>	2
<i>Al Meera</i>	3
<i>Nakilat</i>	3

QE Index <.QSI> closed at 10,234.36. The market has lost its upward momentum due to the continuous difficulties to surpass the horizontal line at 10,500 point, knowing that the bulls are required to show some buying activity above there to alleviate the downside risk and to confirm another leg up towards the resistance area at 10,900 point-11,000 point. On the counter side, continuous reluctance to inch above 10,500 point could put selling pressure on 10,000 point; while a fall below it would trigger further technical correction downward to 9,750 point and 9,500 point. Both weekly and daily RSI indicators are currently looking neutral.

Medium-term investors can stay in the market with a stop-loss below 10,000 point, while long-term investors can only enter above 10,550 point.



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Reuters Ticker: <QISB.QA>

[illegible]

RSI	47.708
MACD	-2.72
ROC	-4.967
M10	102.45
M50	105.80
M100	106.30
S1	91.50
S2	86.00
S3	75.10
R1	104.00
R2	108.50
R3	111.50

Reuters Ticker: <QNBK.QA>

[illegible]

RSI	48.233
MACD	-3.52
ROC	-4.000
M10	139.35
M50	143.20
M100	151.55
S1	135.00
S2	130.00
S3	125.00
R1	142.00
R2	148.00
R3	151.00

Al Meera Consumer Goods Co.

Reuters Ticker: <MERS.QA>

Price closed at QAR202.00. The resistance area at QAR220.00-QAR225.00 capped further strength and allowed some selling to be seen. Eyes now on the support line at around QAR197.00, which if broken would increase the downside risk towards QAR190.00 and QAR179. On the counter side, overhead resistance levels are intense as we have QAR208.00 and QAR214.00, but only above the aforementioned resistance zone would confirm a base at QAR165.30.



RSI	44.354
MACD	-8.36
ROC	-8.182
M10	207.75
M50	220.15
M100	221.80
S1	197.00
S2	190.00
S3	179.00
R1	208.00
R2	214.00
R3	220.00

Qatar Gas Transport Co.

Reuters Ticker: <QGTS.QA>

Price closed at QAR23.29. As was expected in our last analysis, the stock rebounded near the support line at QAR18.55 and exceeded our target price at QAR22.50. However, the upward momentum struggled to surpass the resistance line at QAR24.10 and while capped here, some short-term selling activity could be seen. A fall below QAR23.00 would be the turning point to trigger QAR21.85 and maybe QAR20.60. However, managing to jump over QAR24.10 will promote QAR25.90.



RSI	51.681
MACD	-0.01
ROC	-0.257
M10	23.00
M50	22.95
M100	23.00
S1	21.85
S2	20.60
S3	18.55
R1	23.50
R2	24.10
R3	25.90

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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