

Technical Analysis – Boursa Kuwait

16-January-2017

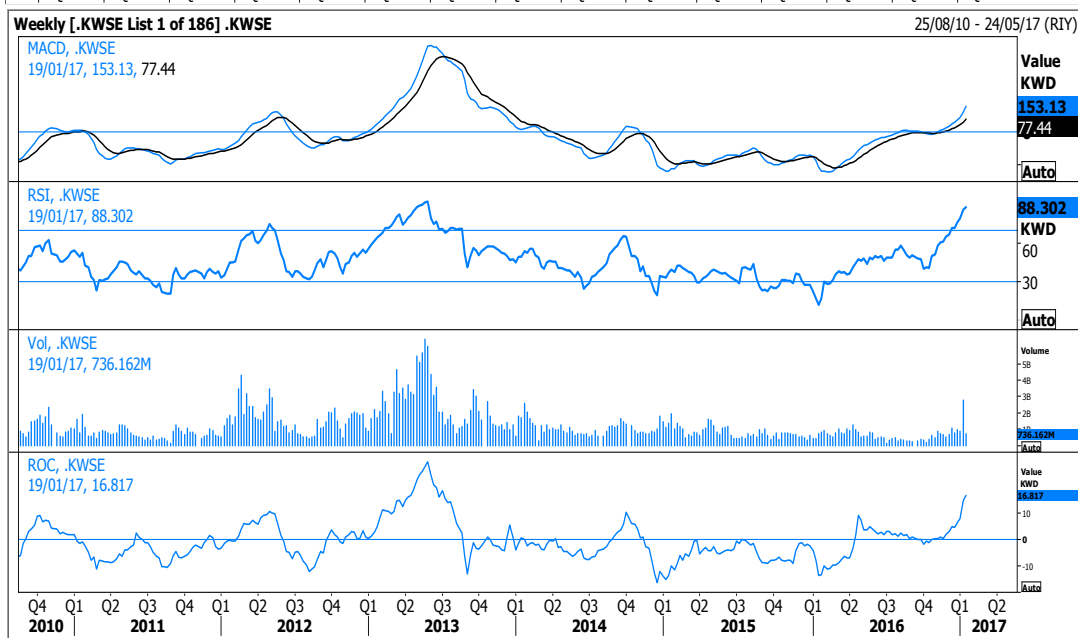
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Boursa Kuwait

The Price Index <.KWSE> closed at 6,224.00 point. The market has continued to print fresh highs for this period and seems to be heading towards the resistance zone at 6,370 point-6,420 point after it exceeded our target zone at 6,000 point-6,100 point. However, managing to surpass the aforementioned resistance zone would open the road for a re-visit to the horizontal line at 6,775 point. On the counter side, a correction downwards is more likely to take place on the short-term period after a sharp rally and both weekly and daily RSI indicating an exhaustion mode as they are reading above the 85 percent level, knowing that the nearby support levels are located at 6,000 point, 5,800 point and 5,600 point.

Medium-term and long-term investors can stay in the market as long as the index is closing above 5,500 point and 5,800 point, respectively.



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Reuters Ticker: <KFIN.KW>

[illegible]

RSI	78.002
MACD	16.4
ROC	26.882
M10	0.490
M50	0.490
M100	0.550
S1	0.550
S2	0.495
S3	0.440
R1	0.600
R2	0.660
R3	0.720

Reuters Ticker: <ZAIN.KW>

[illegible]

RSI	71.400
MACD	17.3
ROC	34.328
M10	0.380
M50	0.415
M100	0.370
S1	0.420
S2	0.400
S3	0.385
R1	0.455
R2	0.500
R3	0.550

Munshaat Real Estate Projects Co.

Reuters Ticker: <MUNS.KW>

Price closed at KWD0.068. The stock continues to recover from last year low at KWD0.041 and shows promise for further advance, given its recent break above the strong resistance level at KWD0.066. The next target level comes at KWD0.074, while above this would promote KWD0.082 and maybe KWD0.092. On the other side, a sharp fall is not seen but there could be some bearish movement for a correction purposes, knowing that the nearby support levels come at KWD0.058 and KWD0.051.



RSI	71.594
MACD	-1.0
ROC	47.826
M10	0.051
M50	0.060
M100	0.054
S1	0.058
S2	0.051
S3	0.041
R1	0.074
R2	0.082
R3	0.092

Al Enmaa Real Estate Co.

Reuters Ticker: <ENMA.KW>

Price closed at KWD0.045. The stock did well after it reached its history-low at KWD0.037 due to an increased volume along with positive RSI indicators. Further positive momentum could still be seen on the coming period in an attempt to target the horizontal line at KWD0.051, while above this would promote KWD0.061. However, only losing the support level at KWD0.041 would increase the chances of a re-test to KWD0.037.



RSI	56.205
MACD	-2.7
ROC	13.750
M10	0.041
M50	0.044
M100	0.050
S1	0.043
S2	0.041
S3	0.037
R1	0.051
R2	0.061
R3	0.066

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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