

Technical Analysis – Qatar Stock Exchange

19-December-2016

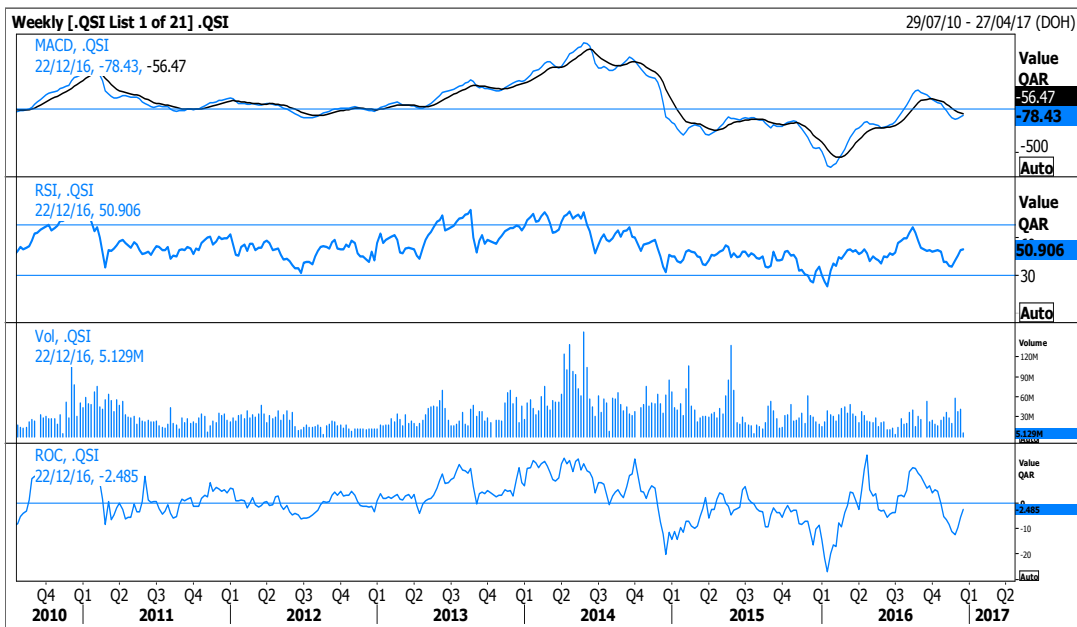
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Qatar Stock Exchange

QE Index <.QSI> closed at 10,272.37 point. The market eased down after finding a resistance line at around 10,400 point, but still early to anticipate an end to the positive sentiment as attempts to break above 10,400 point can still be seen. However, managing to do so would re-activate the buying potential and promote additional strength towards 10,600 point and maybe 10,900 point. On the counter side, only a close below 10,000 would bring back to focus 9,800 point and 9,700 point. Weekly and daily RSI indicators are currently looking neutral.

Medium-term investors can stay in the market as the index is closing above 10,000 point, while long-term investors can enter the market at levels higher than 10,400.



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Qatar Electricity & Water Co.

Reuters Ticker: <QEWC.QA>

Price closed at QAR223.10. Although the stock is moving within the positive territory, but bulls are required to show a firm break above all-time high at QAR235.80 to confirm that additional gains are underway towards an initial target at QAR242.00 before QAR260.00. On the other side, the nearby support levels are located at QAR218.00, QAR210.00 and QAR204.00 but only below the last line would call for further downwards correction to take place.



RSI	59.639
MACD	0.91
ROC	3.239
M10	215.75
M50	212.85
M100	210.45
S1	218.00
S2	210.00
S3	204.00
R1	235.80
R2	242.00
R3	260.00

Industries Qatar

Reuters Ticker: <IQCD.QA>

Price closed at QAR115.90. Attempts to re-test the horizontal line at QAR120.00 can still be seen on the coming period as the stock managed to break above its MAs, which if broken would confirm a positive continuation pattern and target QAR127.70 before QAR144.00. On the negative side, a sharp drop is not seen but a sudden fall below QAR99.00 could increase the probability to reach QAR94.50 and maybe the low of this year at QAR88.00.



RSI	62.985
MACD	0.33
ROC	8.318
M10	108.00
M50	105.90
M100	110.20
S1	107.00
S2	99.00
S3	94.50
R1	120.00
R2	127.70
R3	144.00

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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