

Technical Analysis – Saudi Stock Exchange

22-May-2016

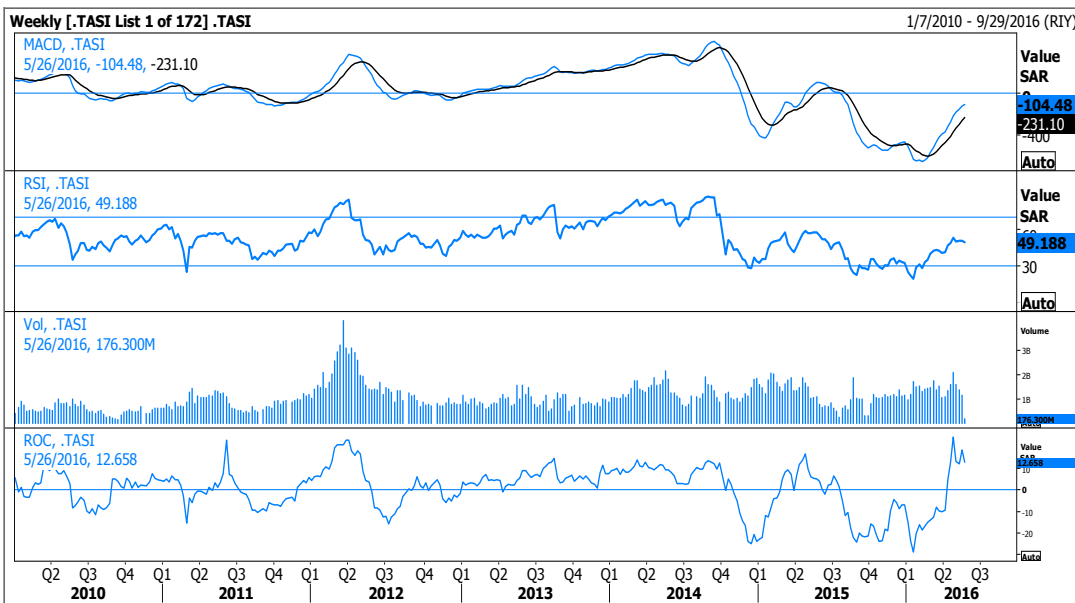
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Saudi Stock Exchange

Tadawul All Share Index <.TASI> closed at 6,628.95 points. The index approached our target area at 6,900 point-7,000 point before it eased down; however, the market looks ambiguous at present as to where it should go from here with the index moving within the range of 6,500 point-6,900 point for the last few weeks. A break out of this area would indicate the next move, knowing that managing to surpass 6,900 point-7,000 point would promote 7,350 point, while a dip below 6,500 point will allow some correction to take place towards 6,220 point. Both weekly and daily RSI indicators are currently looking neutral.

Medium-term investors can stay in the market as long as the index closes above 6,220 point, while long-term investors can enter at levels higher than 6,900 point.



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Reuters Ticker: <1020.SE>

[illegible]

RSI	37.082
MACD	-1.55
ROC	8.980
M10	13.70
M50	15.40
M100	20.55
S1	12.90
S2	11.50
S3	10.00
R1	14.85
R2	16.70
R3	20.00

Reuters Ticker: <1040.SE>

Weekly [TASI List 1 of 172] 1040.SE 7/28/2011 - 8/25/2016 (RTY)

Price SAR

Indicator	Value
Price SAR	21
WMA, 1040.SE	12.72
WMA, 1040.SE	13.80
WMA, 1040.SE	12.55
WMA, 1040.SE	16.61
MACD, 1040.SE	-0.71, -0.94
RSI, 1040.SE	40.315
Vol, 1040.SE	172,216.00
ROC, 1040.SE	4.366

Value

Volume

Auto

RSI	40.315
MACD	-0.94
ROC	4.366
M10	12.70
M50	13.80
M100	16.60
S1	11.50
S2	10.30
S3	8.80
R1	14.60
R2	15.90
R3	17.00

Astra Industrial Group

Reuters Ticker: <1212.SE>

Price closed at SAR16.50. We are more likely to see a break above the 18-months descending trend line on the coming period and to confirm it, the bulls are required to print a firm close above SAR17.65. However, managing to do so would enhance additional upward correction from all time low at SAR13.00 towards SAR20.35 and SAR25.00. On the counter side, an aggressive move down is not favored but a sudden fall below SAR13.00 would trigger SAR10.00.



RSI	43.772
MACD	-1.74
ROC	11.864
M10	16.30
M50	17.95
M100	23.70
S1	14.30
S2	13.00
S3	10.00
R1	17.65
R2	20.35
R3	25.00

National Industrialization Co.

Reuters Ticker: <2060.SE>

Price closed at SAR12.85. The stock did well after it reached the strong support line at SAR7.50, eroding both 10-weeks and 50-weeks MAs. A sustainable move above SAR11.00 would anticipate further attempts to inch upwards to SAR14.90 and SAR17.00. However, back below SAR11.00 would delay the positive potential and allow a fall to SAR9.60-SAR9.00 but below it could lead to a more selling pressure towards a re-test of SAR7.50.



RSI	62.194
MACD	-0.75
ROC	3.470
M10	11.75
M50	11.00
M100	15.85
S1	11.00
S2	9.00
S3	7.50
R1	14.90
R2	17.00
R3	19.50

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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