

Technical Analysis – Bahrain Bourse

21-October-2015

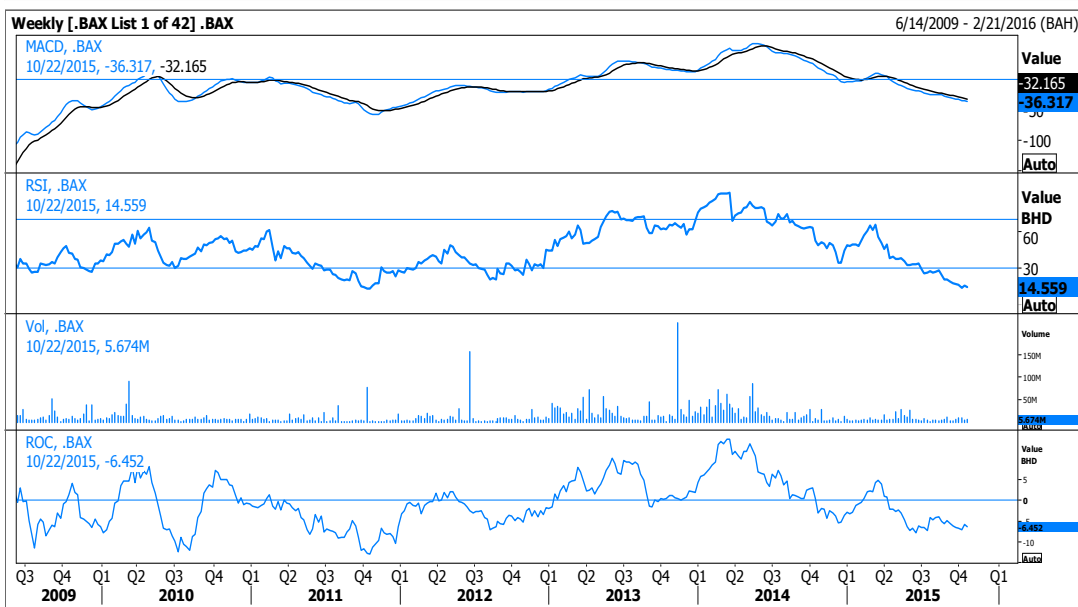
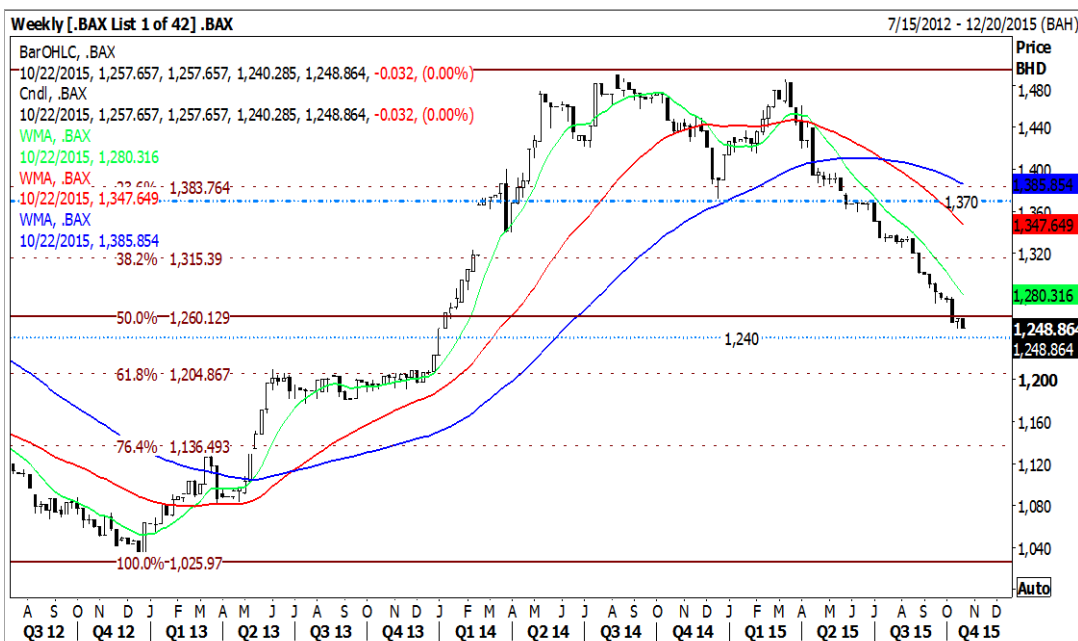
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Bahrain Bourse

Bahrain All Share Index <.BAX> closed at 1,248.864. The index extended its fall but failed to hold near the recent low at 1,240 point, witnessing some relief on the last few sessions. However, the recovery is still insufficient to confirm a reversal pattern but the residency of both weekly and daily RSI indicators in the oversold territory suggests that a short-term upward correction is more likely to take place. A close above 1,260 point would add strength to the expected positive tone, which should then lead to 1,275 point and maybe 1,290 point. On the counter side, losing 1,240 point would trigger the next layer of support at 1,220 point.

Short-term investors who entered the market at levels near 1,240 point should stay with a stop-loss below that line, while medium-term and long-term investors can enter the market only above 1,280 point and 1,350 point, respectively.



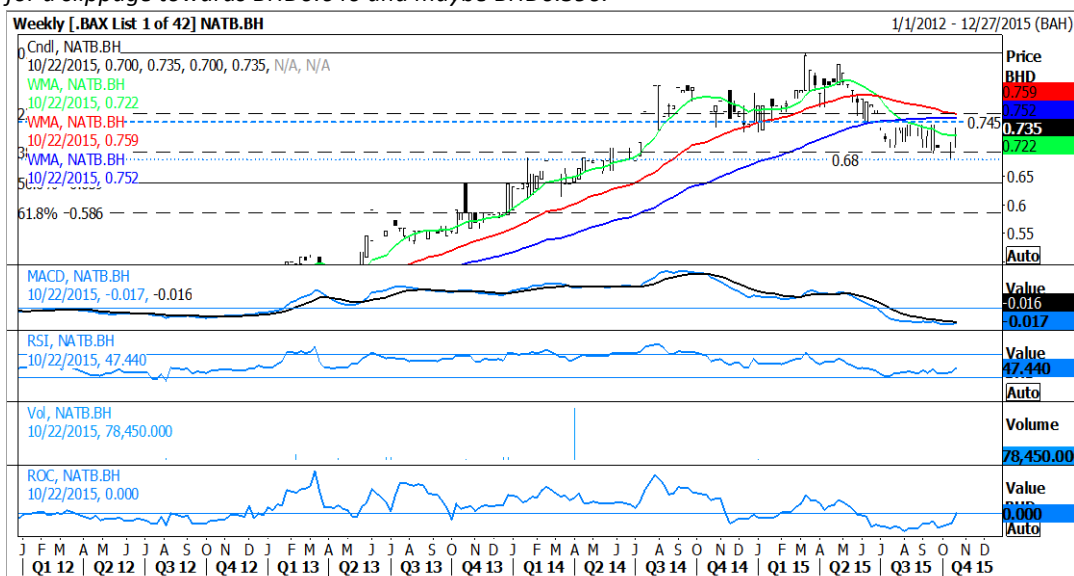
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National Bank of Bahrain

Reuters Ticker: <NATB.BH>

Price closed at BHD0.735. The price is now back above the tiny resistance line at BHD0.720 after finding support at BHD0.680, knowing that another sign of improvement would develop once the stock closes above BHD0.745. However, managing to do so would promote BHD0.780 and maybe back to BHD0.810. On the negative side, only below BHD0.680 would alter the current tone and call for a slippage towards BHD0.640 and maybe BHD0.590.



RSI	47.440
MACD	-0.016
ROC	0.000
M10	0.720
M50	0.760
M100	0.750
S1	0.700
S2	0.680
S3	0.640
R1	0.745
R2	0.780
R3	0.810

Bahrain Islamic Bank

Reuters Ticker: <BBKB.BH>

Price closed at BHD0.422. The stock is threatening to go below the support line at BHD0.420 as a result of its failure to jump above BHD0.430. A successful below there would allow for another leg down towards the support zone at BHD 0.400-BHD0.390. However, managing to print a firm close above BHD0.430 would promote BHD0.440 and might allow for a re-visit to this year's high at BHD0.460.



RSI	40.465
MACD	-0.002
ROC	-1.860
M10	0.430
M50	0.430
M100	0.430
S1	0.420
S2	0.400
S3	0.390
R1	0.430
R2	0.440
R3	0.460

Reuters Ticker: <ALBH.BH>

[illegible]

RSI	23.199
MACD	-0.007
ROC	-9.274
M10	0.470
M50	0.485
M100	0.490
S1	0.440
S2	0.430
S3	0.400
R1	0.470
R2	0.490
R3	0.520

Reuters Ticker: <BTEL.BH>

Weekly [BAX List 1 of 42] BTCL.BH

1/1/2012 - 12/27/2015 (BAH)

Price BHD

0.340
0.335
0.329
0.324
0.3

Auto

MACD, BTCL.BH

10/22/2015, -0.003, -0.002

Auto

Value

38.210

Auto

Vol, BTCL.BH

10/22/2015, 254,336.000

Volume

254,336.0

Value

-4.706

Auto

Q1 12 Q2 12 Q3 12 Q4 12 Q1 13 Q2 13 Q3 13 Q4 13 Q1 14 Q2 14 Q3 14 Q4 14 Q1 15 Q2 15 Q3 15 Q4 15

RSI	38.210
MACD	-0.002
ROC	-4.706
M10	0.330
M50	0.335
M100	0.340
S1	0.314
S2	0.295
S3	0.276
R1	0.330
R2	0.350
R3	0.390

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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