

Technical Analysis – Dubai Financial Market

07-May-2017

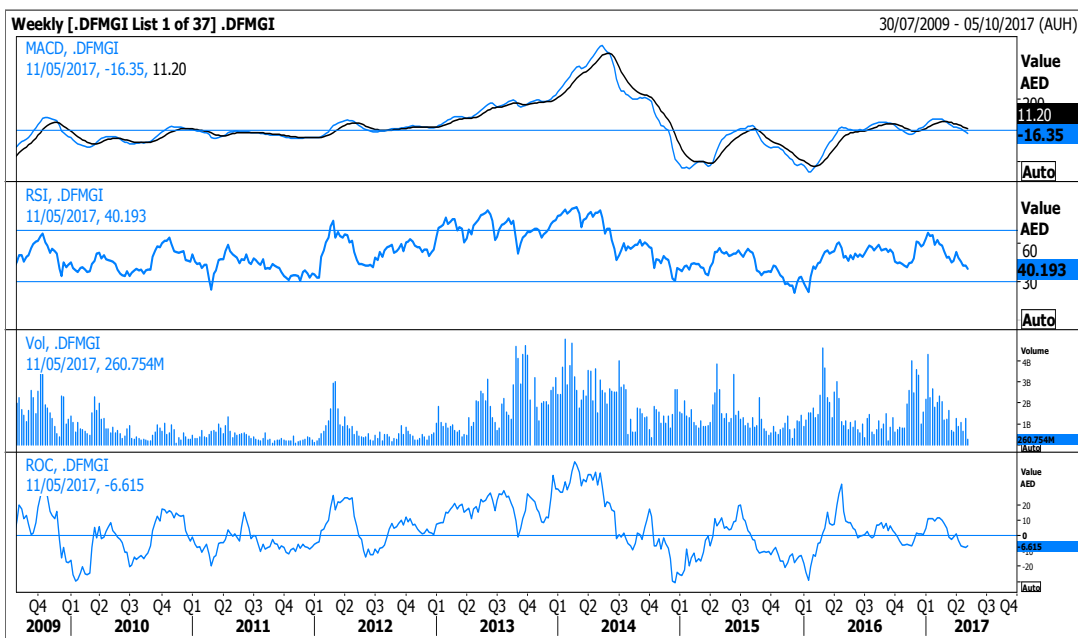
Dubai Financial Market

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DFM General Index <.DFMGI> closed at 3,384.05. The market continues to move down, breaking below last week low at around 3,400 point. No signs of reversal at present but some attempts to move up could be seen on the short-term period, knowing that a break above 3,455 point would be a positive sign that could promote 3,515 point. On the negative side, the next support level comes at 3,310 point, while losing it would call for additional weaknesses to 3,275 point. Both weekly and daily RSI indicators are looking negative at present.

Medium-term and long-term investors can re-enter the market once the index closes above 3,450 point and 3,500 point, respectively.



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Dubai Islamic Bank

Reuters Ticker: <DISB.DU>

Price closed at AED5.740. The stock is having difficulties at present to surpass the tiny resistance level at AED5.960, which is needed to increase the chances of a re-test to this year high at AED6.290. However, it is necessary for the bulls to show buying activity above AED6.290 to confirm a positive continuation pattern. On the other side, the nearby support levels are located at AED5.660, AED5.480 and AED5.360 but a dip below this would call for a deeper bearish tone.

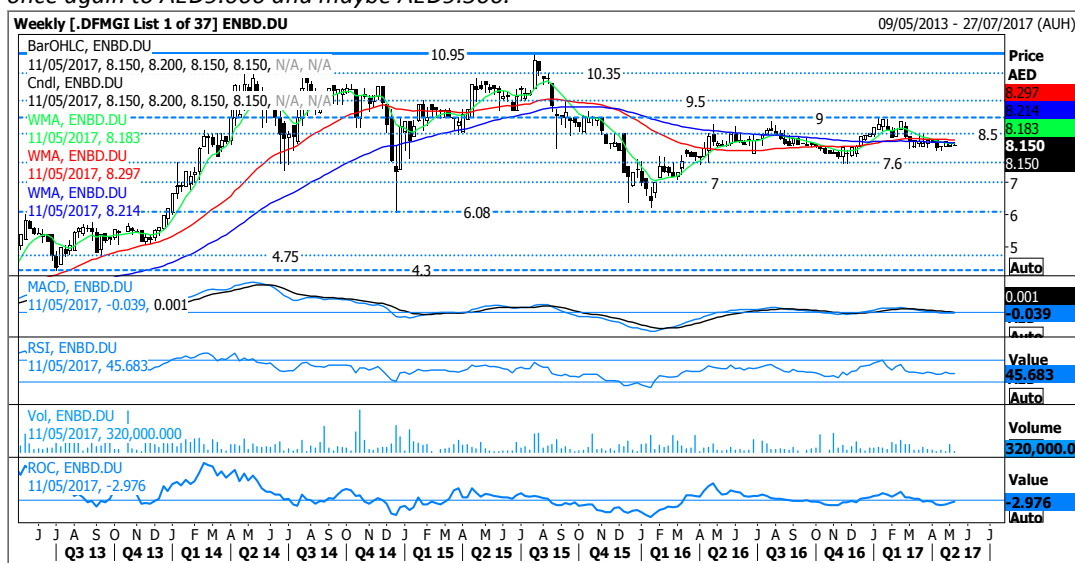


RSI	51.148
MACD	0.085
ROC	-2.712
M10	5.765
M50	5.645
M100	5.550
S1	5.660
S2	5.480
S3	5.360
R1	5.960
R2	6.360
R3	7.000

Emirates NBD Bank

Reuters Ticker: <ENBD.DU>

Price closed at AED8.150. The stock is moving within a tight range of AED8.500-AED8.000 for the last couple of weeks after hitting a high of AED9.000. The next move can be in either direction but the close below MAs would suggest a move down, knowing that losing AED8.000 will bring back to focus AED7.600. On the positive side, a cross over AED8.500 should be enough to call for an advance once again to AED9.000 and maybe AED9.500.

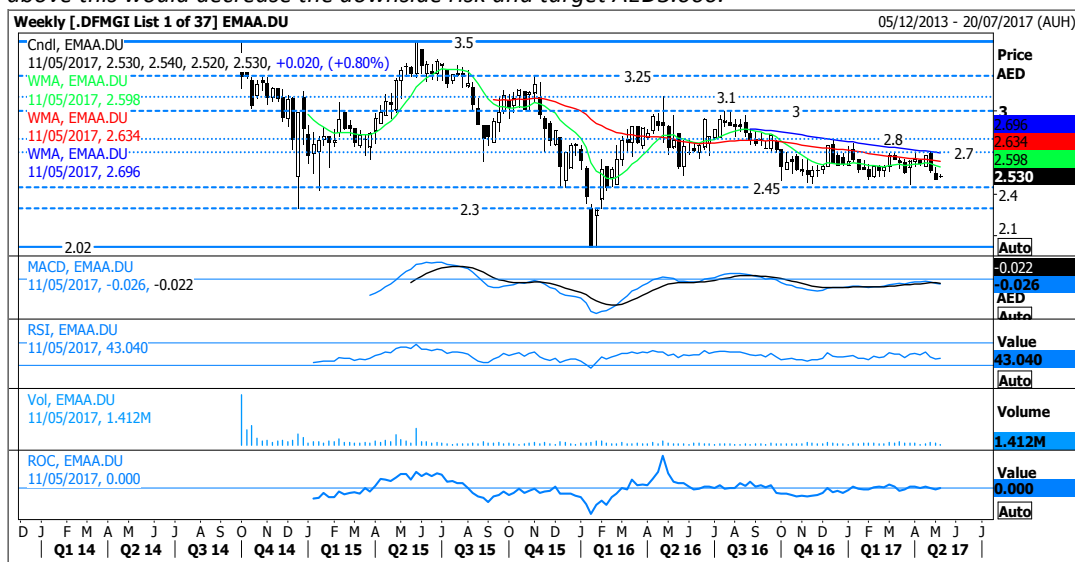


RSI	45.683
MACD	0.001
ROC	-2.976
M10	8.185
M50	8.300
M100	8.215
S1	7.600
S2	7.000
S3	6.080
R1	8.500
R2	9.000
R3	9.500

Emaar Malls

Reuters Ticker: <EMAA.DU>

Price closed at AED2.530. Eyes now have shifted towards the support level at AED2.450, which if broken down would accelerate the bearish tone and trigger AED2.300; however, losing this would most likely call for a re-visit to all-time low at AED2.020. On the counter side, the nearest overhead resistance level comes at AED2.620, while above it will promote AED2.700 and AED2.800 but only above this would decrease the downside risk and target AED3.000.



RSI	43.040
MACD	-0.022
ROC	0.000
M10	2.600
M50	2.635
M100	2.700
S1	2.450
S2	2.300
S3	2.020
R1	2.700
R2	2.800
R3	3.000

Emirates Integrated Telecommunications Co.

Reuters Ticker: <DU.DU>

Price closed at AED5.400. The stock is below the strong support level at AED5.560 along with its fall below MAs, and further weaknesses could be seen on the coming period. The next support level comes at AED5.200 before AED4.890, at which some buying momentum could emerge. On the opposite side, some attempts to head north cannot be neglected but not expected to be sharp; however, a jump over AED5.900 would lead to AED6.200.



RSI	27.498
MACD	-0.096
ROC	-9.850
M10	5.775
M50	6.040
M100	6.030
S1	5.200
S2	4.890
S3	4.630
R1	5.900
R2	6.200
R3	6.500

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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