

Technical Analysis – Abu Dhabi Securities Exchange

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Abu Dhabi Securities Exchange

ADX General Index <.ADI> closed at 4,533.87 point. Eyes now have shifted towards the resistance area at 4,600 point-4,640 point after the index jumped over the horizontal line at 4,520 point with the help of positive RSI indicators. However, the market is primed to surpass the aforementioned zone to call for an establishment of a new bullish trend and promote the target level at 4,900 point. On the counter side, a sharp negative move is not favored and some attempts to go down could be seen on the short-term period, knowing that the nearby support levels are located at 4,470 point, 4,430 point and 4,400 point. Weekly and daily RSI indicators are currently looking neutral.

Medium-term and long-term investors can stay in the market with a stop-loss below 4,400 point.



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Abu Dhabi Commercial Bank

Reuters Ticker: <ADCB.AD>

Price closed at AED6.85. The stock eased down after a noticeable positive move and further attempts to go up cannot be ignored. However, re-gaining the horizontal line at AED7.10 would most likely promote AED7.36, while above this will open the space for a re-visit of the resistance level at AED8.00. On the counter side, losing the support zone at AED6.60-AED6.40 would bring back to focus AED6.00 and maybe more to AED5.70.



RSI	58.057
MACD	0.01
ROC	6.202
M10	6.65
M50	6.40
M100	6.55
S1	6.60
S2	6.00
S3	5.70
R1	7.10
R2	7.36
R3	8.00

First Gulf Bank

Reuters Ticker: <FGB.AD>

Price closed at AED12.80. Sustaining a close above the support zone at AED12.20-AED12.00 is a positive sign but the stock still requires a break through the strong resistance level at AED13.50 to increase the chance of going further up towards AED14.65. However, a fall below the aforementioned support area would trigger some losses to AED11.25 but a re-test of the horizontal line at AED10.50 is not expected on the coming period.



RSI	58.413
MACD	0.01
ROC	8.475
M10	12.50
M50	12.10
M100	12.40
S1	12.20
S2	11.25
S3	10.50
R1	13.50
R2	14.65
R3	15.75

ALDAR Properties

Reuters Ticker: <ALDR.AD>

Price closed at AED2.60. The stock is currently swinging between AED2.41-AED2.78, without a clear sign as to where it could go from here. However, managing to break above AED2.78 would lead to the critical resistance level at AED3.00, while only a close above this will establish a new bull trend towards AED3.50. On the counter side, a dip below AED2.41 would allow a slippage to AED2.20 but only losing it would target to the strong support at AED1.80.



RSI	47.070
MACD	-0.01
ROC	-2.622
M10	2.60
M50	2.67
M100	2.60
S1	2.41
S2	2.20
S3	1.80
R1	2.78
R2	3.00
R3	3.50

Emirates Telecommunications Group Co.

Reuters Ticker: <ETEL.AD>

Price closed at AED18.85. As was expected in our last analysis, some downward correction took place to AED17.15 before heading north once again. The stock encounters a resistance level at AED19.10, which if broken would call for a re-test of all-time high at AED20.20. However, only above AED20.20 would re-activate the buying potential and promote AED22.00. On the negative side, below AED17.15 would allow further correction to take place to AED16.60 and AED14.90.



RSI	51.399
MACD	-0.01
ROC	-5.750
M10	18.40
M50	18.95
M100	17.70
S1	17.15
S2	16.60
S3	14.90
R1	19.10
R2	20.20
R3	22.00

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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