

Technical Analysis – Bahrain Bourse

28-December-2015

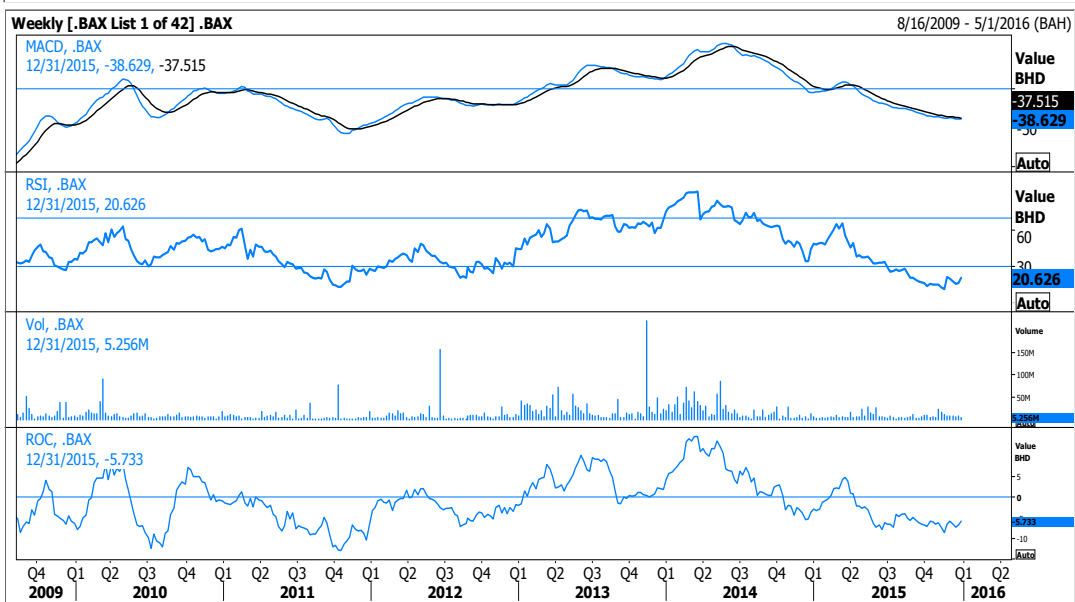
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Bahrain Bourse

Bahrain All Share Index <.BAX> closed at 1,204.396. Not much of a bearish move is expected to be seen after an aggressive fall since last March. The market saw some relief after approaching the strong support level at 1,178 point and additional upward momentum is more likely to take place, given the oversold status of the RSI indicators; however, a jump over the resistance zone at 1,210 point-1,220 point would be an initial improvement sign that should promote 1,235 point before 1,260 point. On the counter side, losing 1,178 point (not favored) would call for further weaknesses and trigger 1,130 point.

Short-term investors who entered the market at levels near 1,178 point can stay with a stop-loss below that line, while medium-term and long-term investors can enter the market only above 1,220 point and 1,300 point, respectively.



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National Bank of Bahrain

Reuters Ticker: <NATB.BH>

Price closed at BHD0.685. The price is currently residing in the negative territory and finding it hard to pull away from its recent low at BHD0.675, while it remains below its MAs. However, further weaknesses cannot be ruled out on the coming period and a fall below BHD0.675 would deepen the downside move towards BHD0.640 and maybe to BHD0.585. On the counter side, crossing over BHD0.700 would be a good sign that could lead to BHD0.725 and BHD0.745.

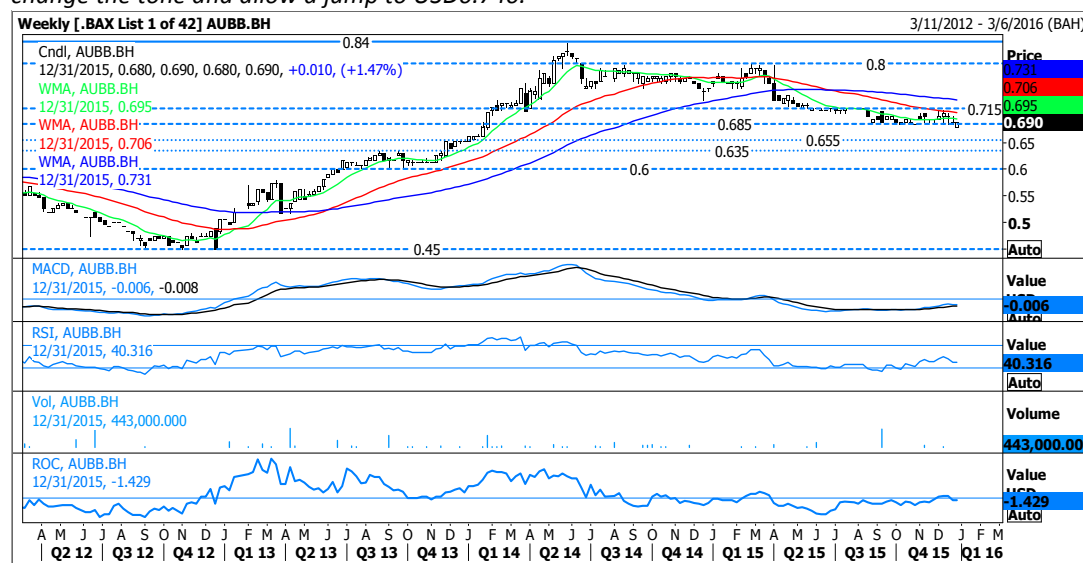


| | |
|------|--------|
| RSI | 38.896 |
| MACD | -0.016 |
| ROC | -7.432 |
| M10 | 0.705 |
| M50 | 0.735 |
| M100 | 0.750 |
| S1 | 0.675 |
| S2 | 0.640 |
| S3 | 0.585 |
| R1 | 0.700 |
| R2 | 0.725 |
| R3 | 0.745 |

Al-Ahli United Bank

Reuters Ticker: <AUBB.BH>

Price closed at USD0.0690. The break below the 7-months trading range between USD0.685-USD0.715 was short-lived but still early to confirm that additional attempts to move south cannot be seen towards the support area at USD0.655-USD0.635, also found there the 50% level of the Fibonacci Retracement from USD0.450-USD0.840. On the positive side, only above USD0.715 would change the tone and allow a jump to USD0.740.



| | |
|------|--------|
| RSI | 40.316 |
| MACD | -0.008 |
| ROC | -1.429 |
| M10 | 0.695 |
| M50 | 0.705 |
| M100 | 0.730 |
| S1 | 0.655 |
| S2 | 0.635 |
| S3 | 0.600 |
| R1 | 0.715 |
| R2 | 0.740 |
| R3 | 0.800 |

Khaleeji Commercial Bank

Reuters Ticker: <KHCB.BH>

Price closed at BHD0.067. Although the stock is moving within the positive territory and above its MAs, but it is still necessary for the price to overcome the strong resistance area at BHD0.071-BHD0.076 to call for a more constructive outlook and promote the horizontal line at BHD0.092. However, a fall below the support line at BHD0.060 would delay the upward move and should be enough to trigger the support zone at BHD0.055-BHD0.053.

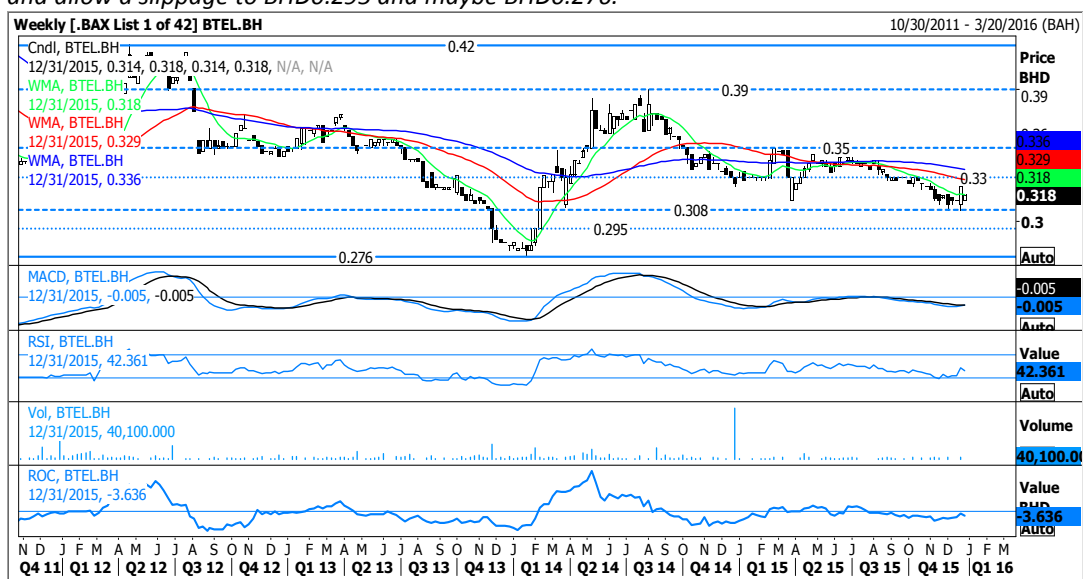


| | |
|------|--------|
| RSI | 61.874 |
| MACD | 0.001 |
| ROC | 17.544 |
| M10 | 0.062 |
| M50 | 0.061 |
| M100 | 0.059 |
| S1 | 0.060 |
| S2 | 0.055 |
| S3 | 0.053 |
| R1 | 0.071 |
| R2 | 0.076 |
| R3 | 0.092 |

Bahrain Telecommunications

Reuters Ticker: <BTCL.BH>

Price closed at BHD0.318. Some buying activity was seen recently after finding a support line at BHD0.308 but still not enough to confirm a reversal pattern. However, back above the resistance line at BHD0.330 would increase the chances of re-targeting BHD0.350, while above there will shift the focus towards BHD0.390. On the other side, a dip below BHD0.308 would re-instate the negative tone and allow a slippage to BHD0.295 and maybe BHD0.276.



| | |
|------|--------|
| RSI | 42.361 |
| MACD | -0.005 |
| ROC | -3.636 |
| M10 | 0.318 |
| M50 | 0.329 |
| M100 | 0.336 |
| S1 | 0.308 |
| 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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