

Technical Analysis – Kuwait Stock Exchange

21-September-2015

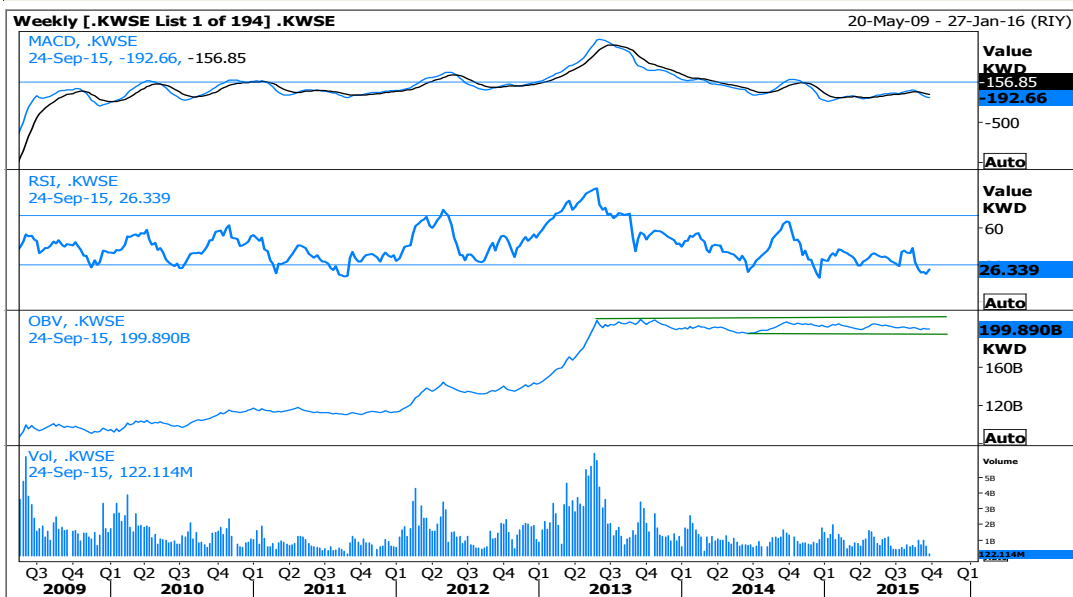
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Kuwait Stock Exchange

Kuwait Stock Exchange Price Index <.KWSE> closed at 5,758.82. A short-term upside potential does look quite feasible, given its failure to break below the critical support level at 5,618 point (low of year 2012) and the positive status of the daily RSI indicator, but bulls will need to close above the initial resistance line at around 5,800 point to attract further buying. However, managing to do so would target 5,900 point (38.2% level of the Fibonacci Retracement from 6,300 point-5,650 point) and maybe to 6,000 point (50% level). On the counter side, the horizontal line at 5,618 point should contain any attempts to go down but a sudden dip below it would call for a deeper bearish move towards an initial level at 5,300 point. The weekly RSI indicator is also positive and still resides in the oversold territory.

Short-term investors could still consider entering the market near 5,618 point, while medium-term and long-term investors can do so only above 6,000 point and 6,420 point, respectively.



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ALAFCO Aviation Lease and Finance Co.

Reuters Ticker: <ALAF.KW>

Price closed at KWD0.218. The strong support line at KWD0.212 once again prevented further fall and forced the stock to inch upwards, forming a temporarily triple bottom on the weekly chart. Eyes now on the next resistance line at KWD0.222, while above this would target the strong level at KWD0.232 and only above there would increase the probability of reaching KWD0.242. However, below KWD0.212 would trigger KWD0.204 and KWD0.194.



RSI	44.478
MACD	-2.000
ROC	0.000
M10 (KD)	0.222
M50 (KD)	0.222
M100 (KD)	0.232
S1 (KD)	0.212
S2 (KD)	0.204
S3 (KD)	0.194
R1 (KD)	0.222
R2 (KD)	0.232
R3 (KD)	0.242

Jazeera Airways Co.

Reuters Ticker: <JAZK.KW>

Price closed at KWD0.470. The price recovered from its recent low at KWD0.435 but the resistance level at KWD0.470 is still putting a dampener on further advance towards the resistance area at KWD0.490-KWD0.500, while above this would increase the probability of reaching KWD0.540 once again. Meanwhile, we should be cautious about drifting down towards KWD0.420 and KWD0.400 if the price loses KWD0.435.



RSI	48.110
MACD	-4.300
ROC	0.000
M10 (KD)	0.470
M50 (KD)	0.480
M100 (KD)	0.470
S1 (KD)	0.435
S2 (KD)	0.420
S3 (KD)	0.400
R1 (KD)	0.490
R2 (KD)	0.500
R3 (KD)	0.540

Al-Mazaya Holding Co.

Reuters Ticker: <MAZA.KW>

Price closed at KWD0.102. The price is consolidating between KWD0.098 (near the strong support level at KWD0.096)-KWD0.108, knowing that holding above the lower line and building a higher bottom could encourage buyers to add positions in an attempt to target the resistance zone at KWD0.114-KWD0.118 before KWD0.126. However, a fall below KWD0.096 would allow further weaknesses towards KWD0.086 to take place.



RSI	31.682
MACD	-3.700
ROC	-13.559
M10 (KD)	0.108
M50 (KD)	0.116
M100 (KD)	0.120
S1 (KD)	0.096
S2 (KD)	0.086
S3 (KD)	0.080
R1 (KD)	0.114
R2 (KD)	0.118
R3 (KD)	0.126

Salhia Real Estate Co.

Reuters Ticker: <SREK.KW>

Price closed at KWD0.325. The recovery initiated at KWD0.300 (low of year 2012) is impressive but it would take a break above KWD0.340-KWD0.350, also found there the upper end of 12-months descending trend line, to reduce the risk of a dip back to KWD0.300 and maybe further to KWD0.280-KWD0.265. However, managing to break through the aforementioned resistance area accompanied with an increase in trading volume should be enough to call for KWD0.375 and maybe KWD0.405.



RSI	35.866
MACD	-8.200
ROC	-5.797
M10 (KD)	0.330
M50 (KD)	0.350
M100 (KD)	0.360
S1 (KD)	0.300
S2 (KD)	0.280
S3 (KD)	0.265
R1 (KD)	0.350
R2 (KD)	0.375
R3 (KD)	0.405

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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