

Technical Analysis – Boursa Kuwait

05-February-2018

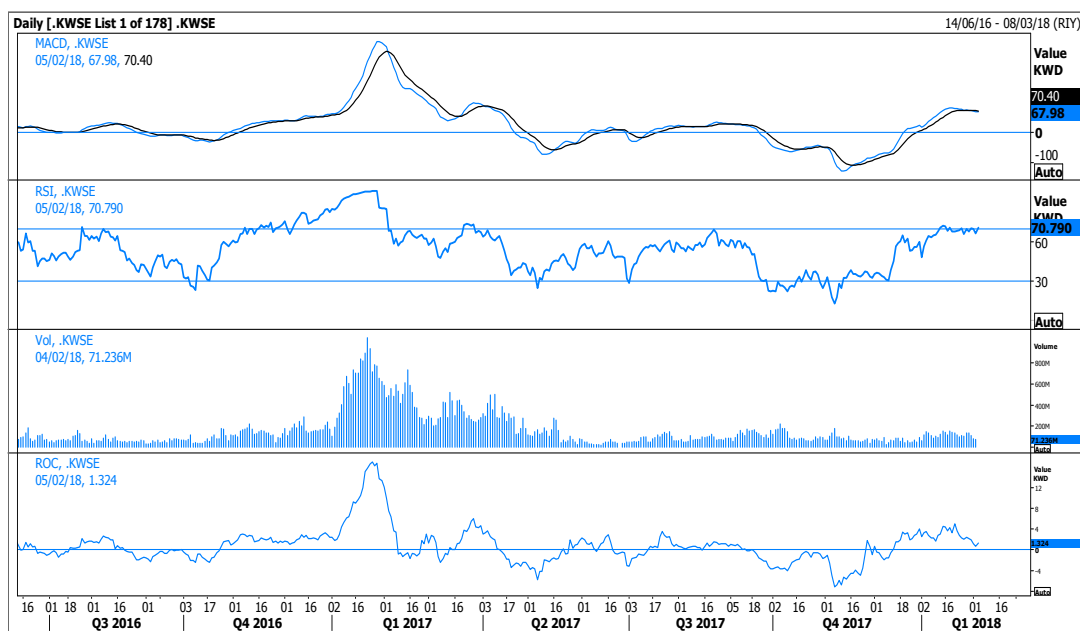
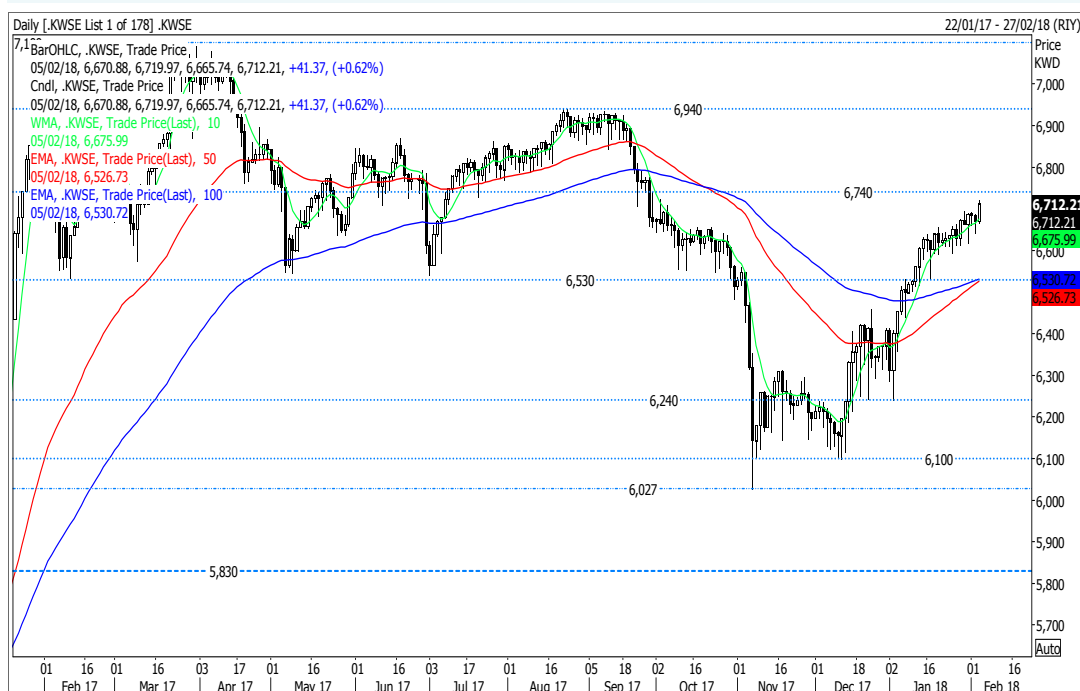
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Boursa Kuwait

The Price Index <.KWSE> closed at 6,712.21 point. The market keeps on trading higher and we need to expect this to continue as long as the index is closing above its MAs. The next target level comes at 6,740 point, while above this would promote 6,810 point before the strong level at 6,940 point. On the negative side, there could be some attempts to go down on the short-term period after five consecutive weeks of gains along with an overbought daily RSI indicator, knowing that the nearby support levels are located at 6,640 point, 6,590 point and 6,530 point.

Medium-term and long-term investors can stay in the market as long as the index closes above 6,530 point and 6,375 point, respectively.



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Gulf Bank

Reuters Ticker: <GBKK.KW>

Price closed at KWD0.241. The stock could not sustain its upward momentum and a fall below current level would put pressure once again on the horizontal line at KWD0.233. However, a close below this will shift the trading range to KWD0.233-KWD0.218. On the other side, a cross over the tiny resistance level at KWD0.260 would be a positive signal that should lead to KWD0.275 but the challenge is to overcome the strong one at KWD0.295.

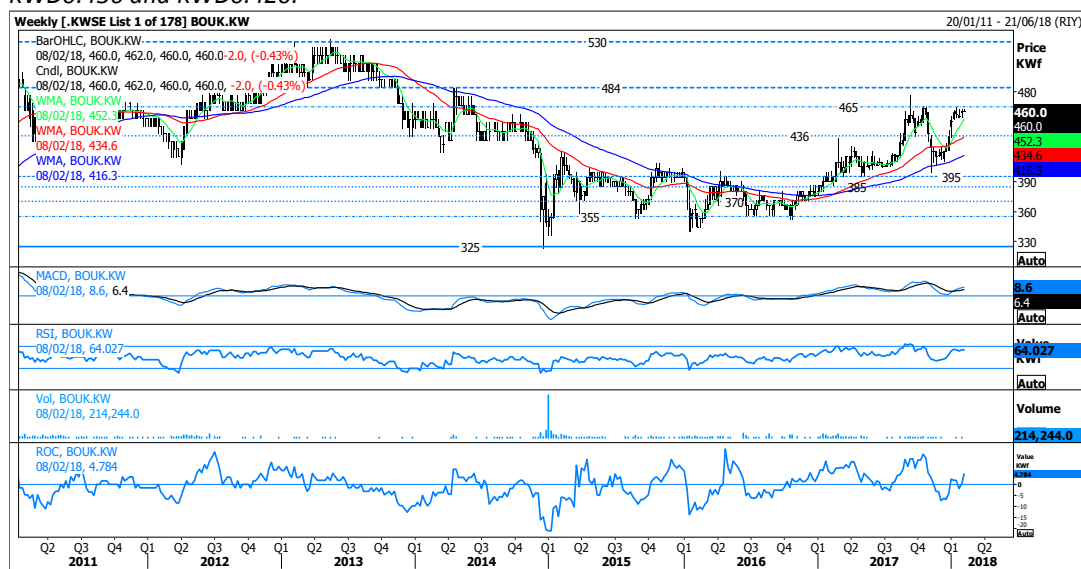


RSI	47.543
MACD	-0.6
ROC	-5.118
M10	0.242
M50	0.244
M100	0.242
S1	0.233
S2	0.218
S3	0.202
R1	0.260
R2	0.275
R3	0.295

Boubyan Bank

Reuters Ticker: <BOUK.KW>

Price closed at KWD0.460. The stock encounters a resistance level at KWD0.465, while above it would call for an advance towards the critical level at KWD0.484. This should be cleared out to anticipate a strong upward momentum and open the road for KWD0.530. However, continuous failure to do so could shift attention to the south, knowing that the nearby support levels are located at KWD0.455, KWD0.436 and KWD0.420.



RSI	64.027
MACD	6.4
ROC	4.784
M10	0.452
M50	0.434
M100	0.416
S1	0.455
S2	0.436
S3	0.420
R1	0.465
R2	0.484
R3	0.530

Mabane Co.

Reuters Ticker: <MABK.KW>

Price closed at KWD0.724. The stock has been lately moving within the range of KWD0.700-KWD0.750 and a break of either line would turn the picture brighter. Managing to print a foot above KWD0.750 will be the first improving sign that should lead to KWD0.780 and KWD0.810. On the counter side, losing KWD0.700 will bring back to focus the critical horizontal line at KWD0.660, while below it would trigger KWD0.630.



RSI	41.748
MACD	-17.0
ROC	-6.339
M10	0.720
M50	0.760
M100	0.770
S1	0.700
S2	0.660
S3	0.630
R1	0.750
R2	0.780
R3	0.810

Mobile Telecommunications Co. (ZAIN)

Reuters Ticker: <ZAIN.KW>

Price closed at KWD0.459. As was expected previously, the price corrected upwards towards the resistance level at KWD0.500 before it eased down. However, further weaknesses could take place on to coming period but the support area at KWD0.428-KWD0.405 should arrest additional slippage to KWD0.385. On the positive side, a close above KWD0.500 would promote KWD0.520 but the bulls are still required to surpass the resistance zone at KWD0.570-KWD0.590 to confirm the upward trend.



RSI	47.655
MACD	0.3
ROC	-4.375
M10	0.458
M50	0.468
M100	0.448
S1	0.428
S2	0.405
S3	0.385
R1	0.500
R2	0.520
R3	0.570

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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