

Technical Analysis – Dubai Financial Market

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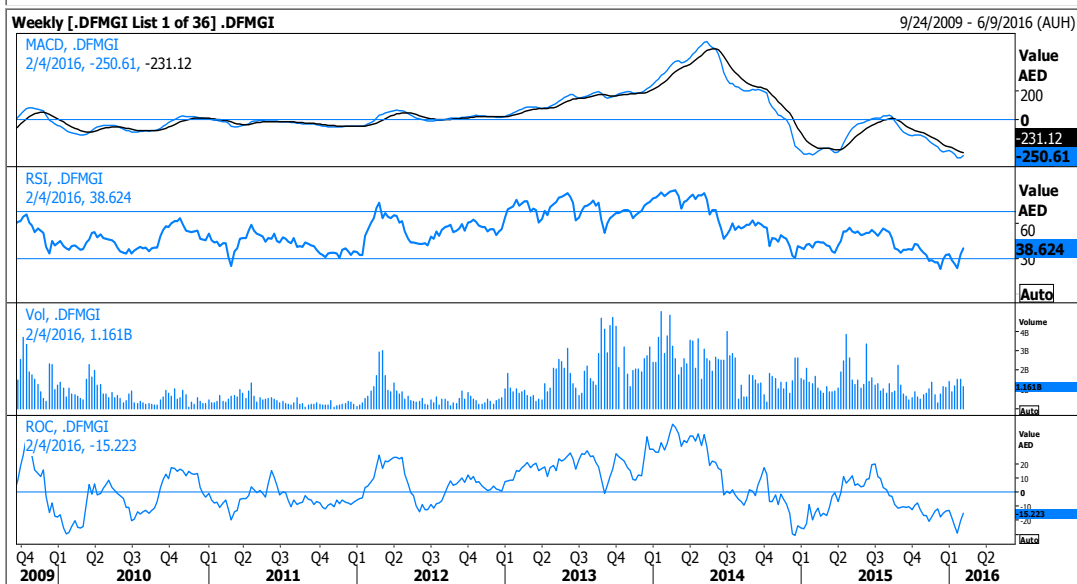
Dubai Financial Market

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DFM General Index <.DFMGI> closed at 2,970.36. As was expected in our last analysis, the market rebounded after approaching the strong support level at 2,550 point. However, overhead resistance levels are intense but a close above 3,000 point would be another sign of improvement that should lead to the resistance zone at 3,130 point-3,200 point, knowing that a jump over there is needed to confirm a base at 2,550 point and promote a gradual advance towards 3,500 point. On the counter side, the market could ease down on the coming period for a correction purpose but the move is not expected to be sharp, knowing that the nearby support lines are located at 2,850 point and 2,750 point. Weekly RSI indicator is currently favoring the bulls, while the daily one is neutral.

Short-term investors can stay in the market as long as the market is above 2,550 point, while medium-term and long-term investors can enter above 3,000 point and 3,500 point, respectively.



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Deyaar Development

Reuters Ticker: <DEYR.DU>

Price closed at AED0.444. The stock rebounded after finding support at AED0.390 but remains within its 16-months descending trend line. The bulls encounters an initial resistance level at AED0.475, while above there would promote AED0.550; however, a firm close over AED0.550 would call for a more constructive outlook and lead to AED0.690. On the counter side, losing AED0.390 would allow a slippage towards AED0.285.



RSI	30.630
MACD	-0.074
ROC	-25.126
M10	0.475
M50	0.615
M100	0.755
S1	0.390
S2	0.285
S3	0.200
R1	0.475
R2	0.550
R3	0.690

Union Properties

Reuters Ticker: <UPRO.DU>

Price closed at AED0.630. The price reached levels last seen on December 2013 in the last few weeks and now holding near its upper end of the 10-months descending line, which come at AED0.675 for this week. However, a cross over there would initiate the first positive sign that should promote the resistance area at AED0.780-AED0.820 before AED1.050. However, managing to fall below AED0.550 would bring back to focus AED0.450 and maybe the critical line at AED0.340.



RSI	28.775
MACD	-0.110
ROC	-26.829
M10	0.680
M50	0.895
M100	1.110
S1	0.550
S2	0.400
S3	0.340
R1	0.675
R2	0.780
R3	1.050

Reuters Ticker: <DINV.DU>



Reuters Ticker: <GNAV.DU>



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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