

Technical Analysis – Dubai Financial Market

25-October-2015

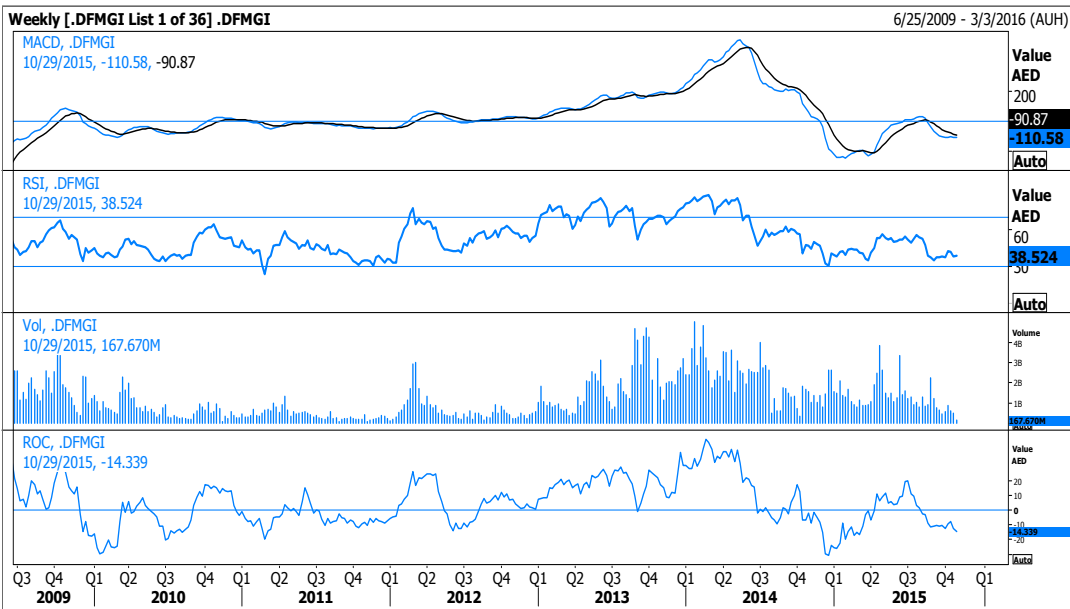
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,598.78. No change in our previous overview as the index remains swinging between a narrow range of 3,500 point-3,760 point. Failure to break through the resistance line at 3,760 point several times could put some selling pressure once again on the support line at 3,500 point; however, a sudden dip below this would bring back to focus the strong support level at 3,230 point. Therefore, only a successful close above 3,760 point would decrease the downside risk and allow another jump towards 3,900 point before 4,000 point. The RSI indicators are of no help at present, as they look neutral.

Short-term investors can stay in the market as long as the market closes above 3,500 point, while medium-term and long-term investors can enter the market only above 3,660 point and 3,850 point, respectively.



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Drake & Scull International

Reuters Ticker: <DSI.DU>

Price closed at AED0.614. The stock saw some relief after it hit its all-time low at AED0.529 last August but lost upward momentum on the last couple of days. However, gaining strength above the resistance zone at AED0.660-AED0.710 would re-target the horizontal line at AED0.925, while only a close above this will most likely establish a new bullish trend. On the counter side, a dip below AED0.529 would trigger AED0.400.



RSI	35.687
MACD	-0.058
ROC	-26.113
M10	0.630
M50	0.730
M100	0.930
S1	0.590
S2	0.529
S3	0.400
R1	0.660
R2	0.710
R3	0.925

Union Properties

Reuters Ticker: <UPRO.DU>

Price closed at AED0.925. The price is currently near the tiny support level at AED0.920, while we are unable to rule out slippage back to the support area at AED0.820-AED0.780. A fall below this zone is not favored and some buying momentum is expected to be seen near there. On the positive side, back above the resistance zone at AED0.985-AED1.050 would alleviate the downside pressure and call for an advance towards an initial target at AED1.270.

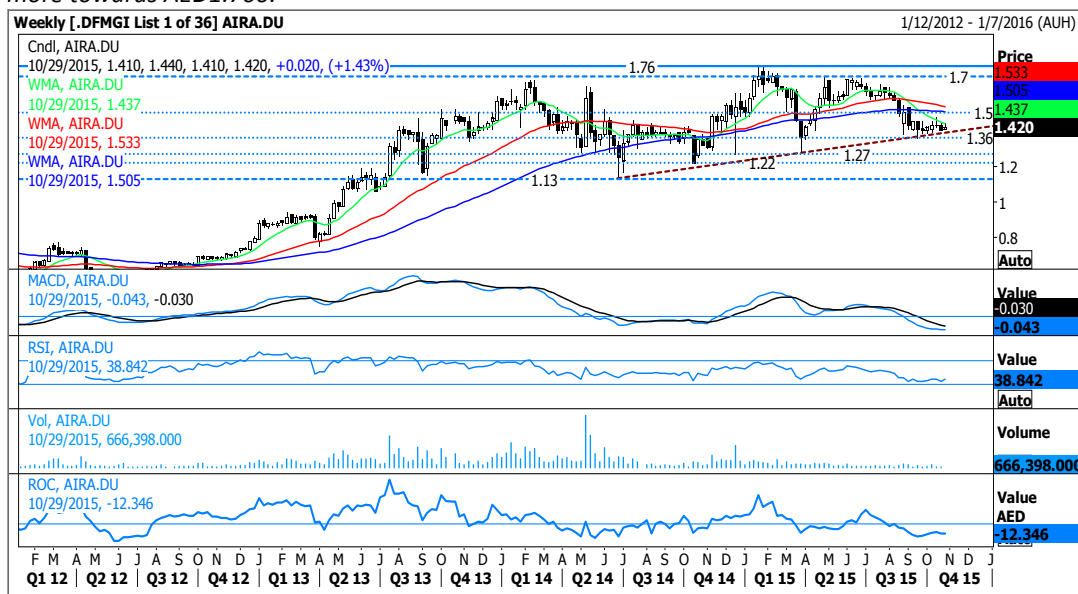


RSI	36.092
MACD	-0.070
ROC	-25.403
M10	0.960
M50	1.085
M100	1.320
S1	0.920
S2	0.820
S3	0.780
R1	1.050
R2	1.270
R3	1.486

Air Arabia

Reuters Ticker: <AIRA.DU>

Price closed at AED1.420. The attempt to jump over the MA has stumbled and some selling went through last week. Any violation below September's low at AED1.360 would likely expose the support line at AED1.270 before AED1.220. However, the stock encounters a resistance area at AED1.470-AED1.500, which if broken would raise the probability to target once again AED1.570 and maybe more towards AED1.700.



RSI	38.842
MACD	-0.030
ROC	-12.346
M10	1.440
M50	1.530
M100	1.505
S1	1.360
S2	1.270
S3	1.220
R1	1.500
R2	1.570
R3	1.700

Gulf Navigation Holding

Reuters Ticker: <GNAV.DU>

Price closed at AED0.534. The price fulfilled its first target at AED0.545 (23.6% level of the Fibonacci Retracements from AED1.645-AED0.208) and blew through its MAs. However, some short-term attempts to go down could be seen but the overall picture remains in favor of the bulls and further advance towards AED0.615 and AED0.755 is still expected. On the opposite side, the nearby support levels are located at AED0.460 and AED0.370, but a fall below the last line is not favored.



RSI	70.047
MACD	0.011
ROC	21.640
M10	0.435
M50	0.380
M100	0.475
S1	0.460
S2	0.370
S3	0.304
R1	0.615
R2	0.755
R3	0.925

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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