

Technical Analysis – Abu Dhabi Securities Exchange

12-March-2017

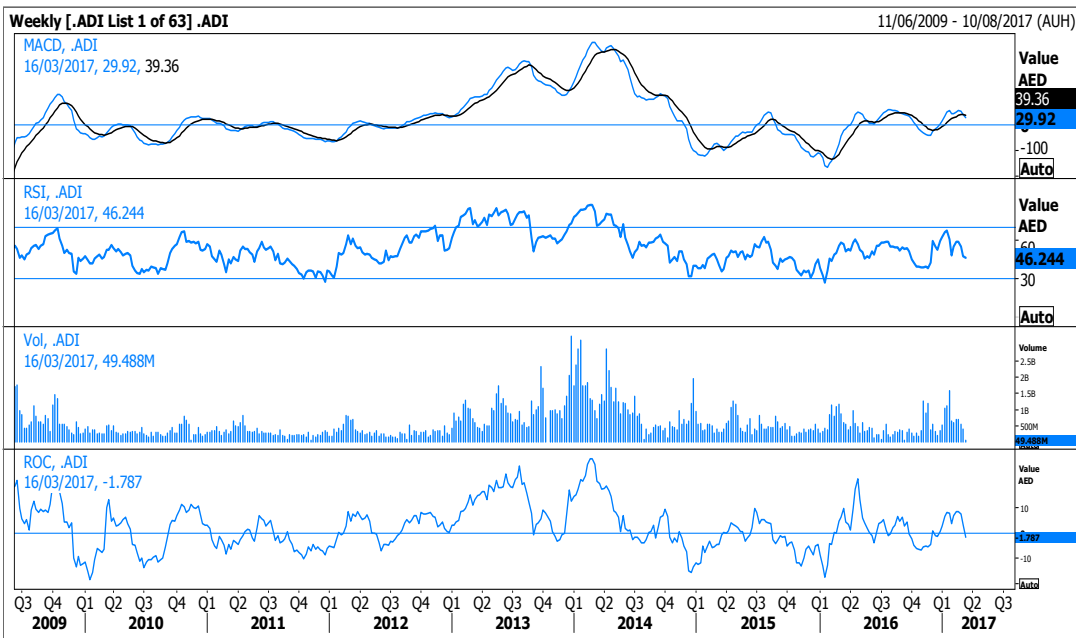
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Abu Dhabi Securities Exchange

ADX General Index <.ADI> closed at 4,436.43 point. The market gapped down and fell below the horizontal line at 4,530 point, while eyes now have shifted towards the next level of support at 4,350 point. However, some buying activity is expected to take place near there but a sudden dip below it would shift the trading range to 4,350 point-4,175 point. On the counter side, there are many resistance levels overhead as we have 4,500 point, 4,530 point and 4,610 point but only above the resistance zone at 4,670 point-4,715 point would confirm the establishment of a new bull trend. Weekly and daily RSI indicators are currently looking neutral.

Medium-term and long-term investors can re-enter the market above 4,530 point.



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Abu Dhabi Commercial Bank

Reuters Ticker: <ADCB.AD>

Price closed at AED7.29. The stock has been swinging between AED7.68-AED6.85 for the last couple of weeks but still managing to sustain a close above its MAs. However, an escape out of this range would indicate the next direction, knowing that a jump over AED7.68 would promote AED8.00 and AED8.90. On the counter side, losing AED6.85 will trigger AED6.60 but a fall below this would deepen the bearish move towards a re-test of the strong line at AED5.70.



RSI	56.929
MACD	0.24
ROC	5.652
M10	7.35
M50	6.75
M100	6.70
S1	6.85
S2	6.60
S3	5.70
R1	7.68
R2	8.00
R3	8.90

First Gulf Bank

Reuters Ticker: <FGB.AD>

Price closed at AED12.50. The stock could not maintain a close above the horizontal line at AED13.50 and some selling was seen lately. The support level at AED12.20 should prevent further weaknesses towards AED11.25, while a dip below this would trigger the zone AED10.50-AED9.90. On the counter side, only above AED13.50-AED14.00 would decrease the downside risk and re-activate the buying activity towards an initial target at AED14.65.



RSI	47.837
MACD	0.31
ROC	-3.846
M10	13.15
M50	12.50
M100	12.45
S1	12.20
S2	11.25
S3	10.50
R1	13.50
R2	14.00
R3	14.65

ALDAR Properties

Reuters Ticker: <ALDR.AD>

Price closed at AED2.34. The stock is threatening to go further down as it broke below the support level at AED2.41, while eyes now have shifted towards the next line at AED2.20; however, a fall below it would allow a re-test to last year low at AED1.80. On the positive side, some attempts to go up is not neglected on the coming period, knowing that the nearby resistance levels are located at AED2.47, AED2.65 and AED2.78 but only above AED3.00 will establish a new bull trend.



RSI	33.956
MACD	-0.04
ROC	-13.333
M10	2.50
M50	2.60
M100	2.60
S1	2.20
S2	1.80
S3	1.60
R1	2.47
R2	2.78
R3	3.00

Emirates Telecommunications Group Co.

Reuters Ticker: <ETEL.AD>

Price closed at AED17.75. The stock remains within the range of AED17.15-AED19.10, without a clear direction as to where it will go from here; however, the current move below its MAs would suggest additional attempts to go down. A dip below AED17.15 will most likely lead to AED16.60 and AED14.90, while managing to surpass the resistance level at AED19.10 would allow a re-test of last year high at AED20.20 and maybe more to AED22.00.



RSI	42.649
MACD	-0.17
ROC	-3.533
M10	18.05
M50	18.70
M100	18.05
S1	17.15
S2	16.60
S3	14.90
R1	19.10
R2	22.00
R3	20.90

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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