

Technical Analysis – Dubai Financial Market

02-October-2017

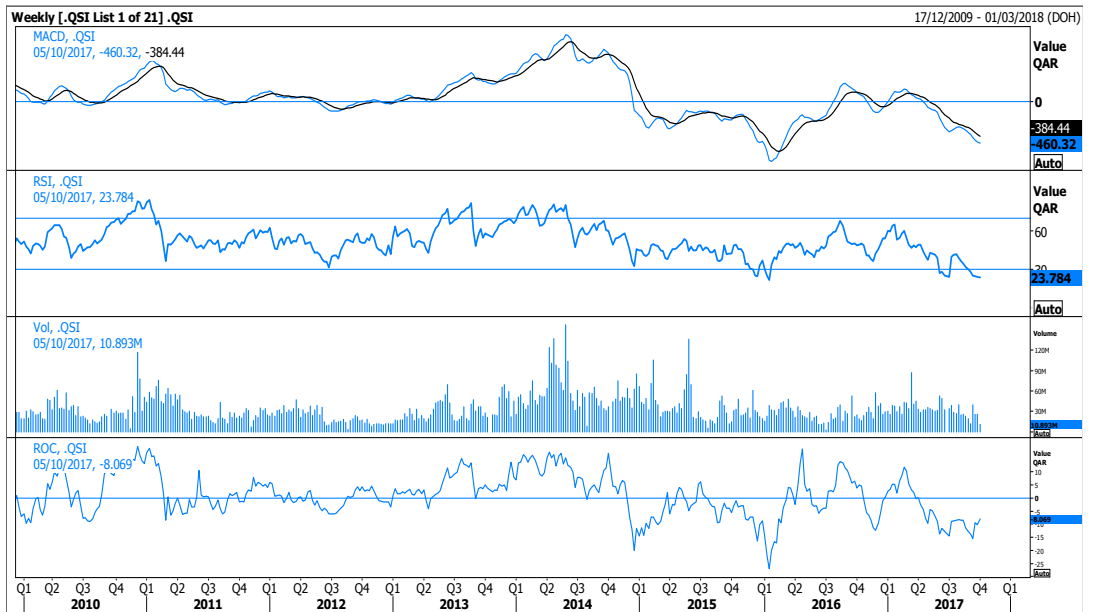
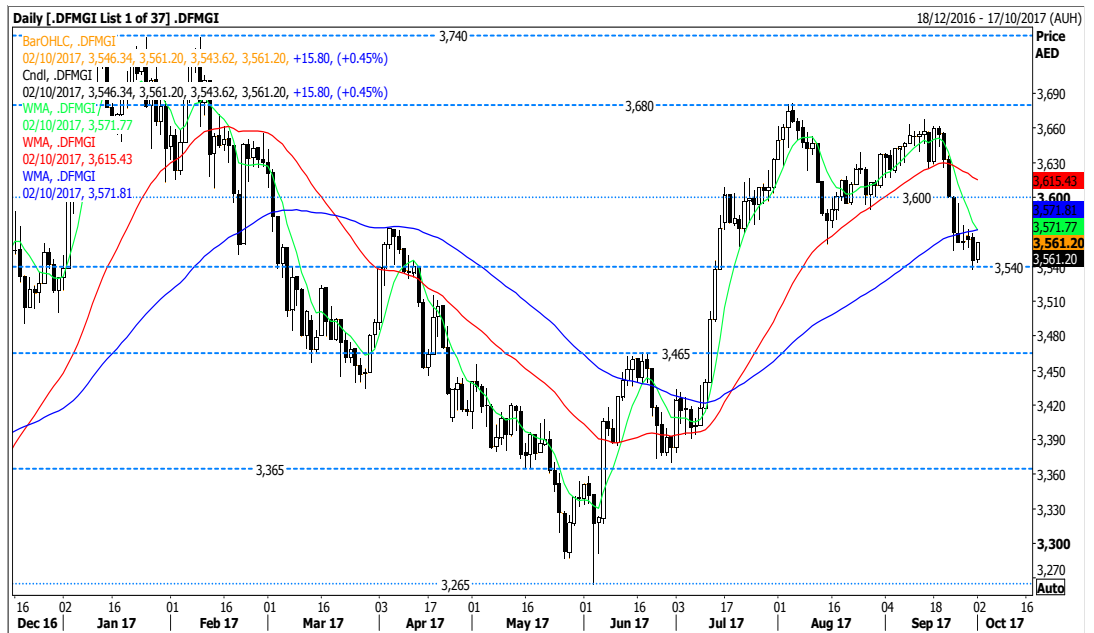
In this Report...

DFM Index.....	1
DIC.....	2
Emaar Properties	2
Aramex.....	3
DU.....	3

Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,561.20. The market continues to correct downward after it failed to overcome the resistance level at 3,680 point once again. Recently, the support level at around 3,540 point arrested further losses and allowed some buying momentum to take place; however, we could see further relief on the coming period but not expected to be sharp. Knowing that a break above 3,600 point would promote 3,630 point but only a close above 3,680 point will confirm another leg up towards 3,740 point. On the other side, losing 3,540 point might bring back to focus 3,465 point. Daily RSI indicator is looking positive at present, while the weekly one is neutral but resides in the oversold territory.

Medium-term and long-term investors who would like to stay in the market can do so with a stop-loss below 3,540 point and 3,480 point, respectively.



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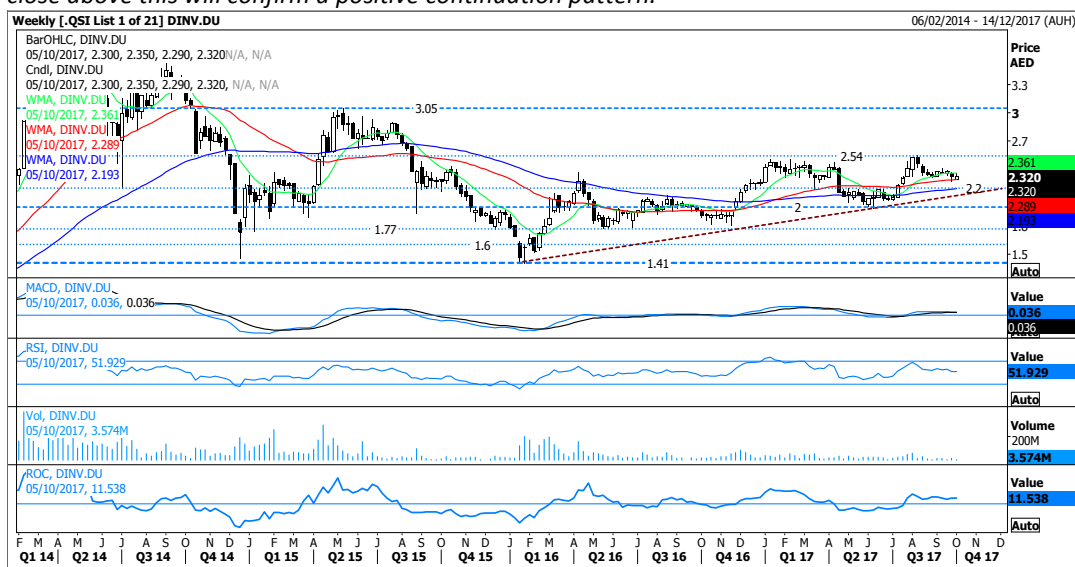
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Dubai Investments

Reuters Ticker: <DINV.DU>

Price closed at AED2.320. As was expected in our last analysis, the stock reached its target price at around AED2.500 before easing down but remains within the 20-months ascending trend line. Further weaknesses could still be seen towards AED2.200, while below it would trigger AED2.080 and AED2.000. However, above AED2.410 would most likely call for a re-test of AED2.540 but only a firm close above this will confirm a positive continuation pattern.

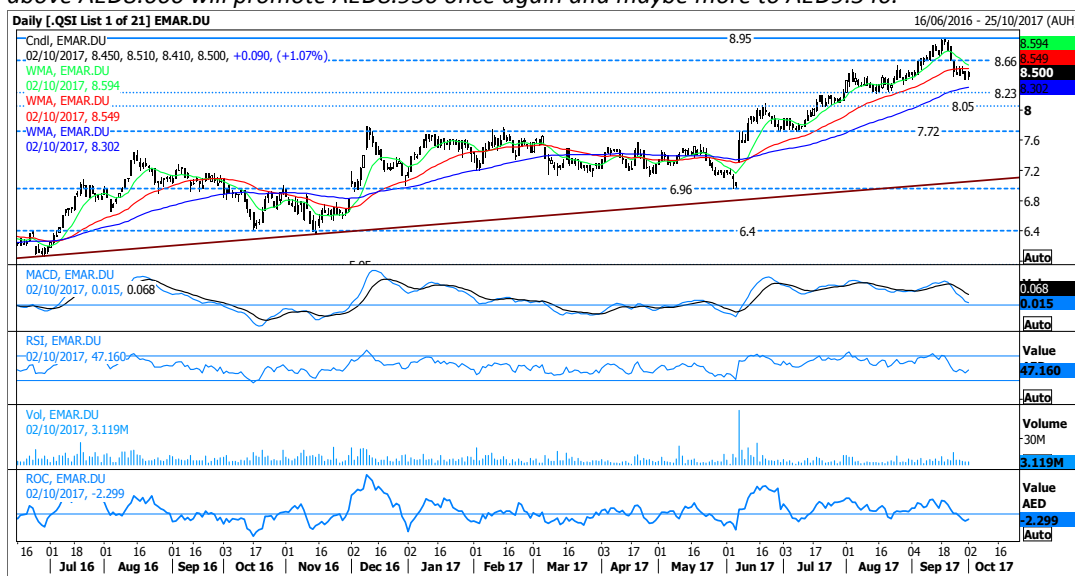


RSI	51.929
MACD	0.036
ROC	11.538
M10	2.360
M50	2.290
M100	2.195
S1	2.200
S2	2.000
S3	1.770
R1	2.410
R2	2.540
R3	2.650

Emaar Properties

Reuters Ticker: <EMAR.DU>

Price closed at AED8.500. The stock saw a natural correction down after a noticeable increase that led to AED8.950, a level last seen in year 2014. The price is expected to swing between AED8.230-AED8.660 for the coming period until one of the lines is broken, knowing that a dip below AED8.230 would lead to AED8.050 but below this would allow a slippage back to AED7.720. However, back above AED8.660 will promote AED8.950 once again and maybe more to AED9.540.



RSI	47.160
MACD	0.068
ROC	-2.299
M10	8.595
M50	8.550
M100	8.300
S1	8.230
S2	8.050
S3	7.720
R1	8.660
R2	8.950
R3	9.540

Aramex

Reuters Ticker: <ARMX.DU>

Price closed at AED4.940. The stock has witnessed a downward move after the formation of a double top on the weekly chart at AED5.500 (history high). However, it is very clear that the bulls need to surpass this line to decrease the downside risk and call for an advance towards AED6.000. On the counter side, the stock found a temporarily support at AED4.750, while below it will allow further weaknesses to take place towards AED4.550, AED4.300 and AED4.000.

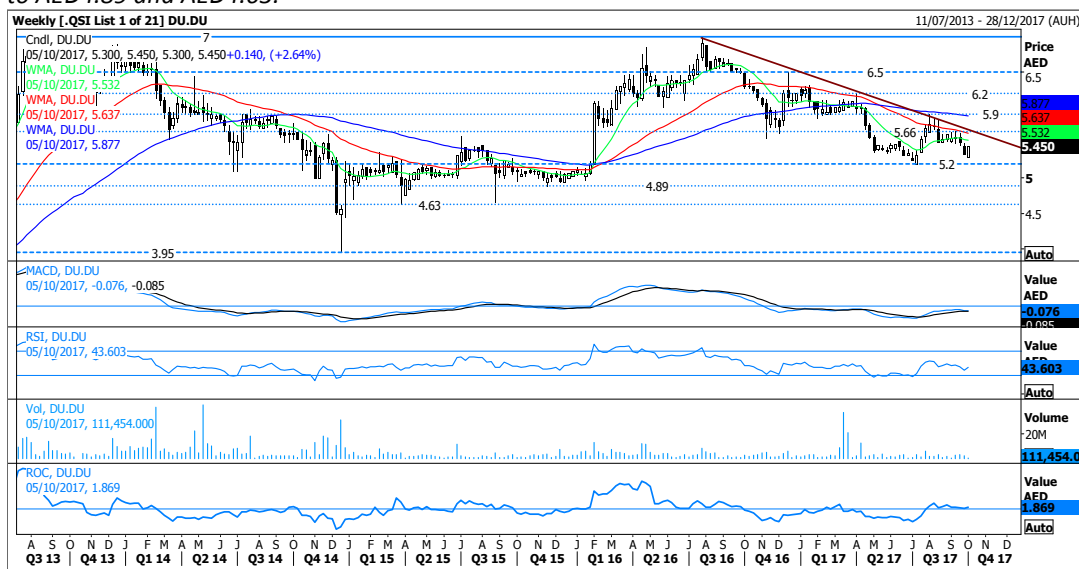


RSI	46.418
MACD	0.108
ROC	-4.633
M10	5.015
M50	5.010
M100	4.515
S1	4.750
S2	4.550
S3	4.300
R1	5.000
R2	5.500
R3	6.000

Emirates Integrated Telecommunications Co.

Reuters Ticker: <DU.DU>

Price closed at AED5.450. Although the stock saw some relief upwards but it remains within the negative territory and below the 14-months descending trend line; however, a jump over the tiny resistance area at AED5.500-AED5.660 would be a positive sign that should target AED5.900 and maybe AED6.200. However, a fall below AED5.200 would deepen the bearish tone and call for losses to AED4.89 and AED4.63.



RSI	43.603
MACD	-0.085
ROC	1.869
M10	5.530
M50	5.635
M100	5.875
S1	5.200
S2	4.890
S3	4.630
R1	5.660
R2	5.900
R3	6.200

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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