

Technical Analysis – Kuwait Stock Exchange

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Kuwait Stock Exchange

Kuwait Stock Exchange Price Index <.KWSE> closed at 5,348.14. Some weaknesses have been seen recently, while further attempts to go down cannot be neglected on the short-term period but the overall picture remains bullish as long as the index closes above the support line at 5,100 point, in addition to its continuous move above the 10-weeks MA. The index found a resistance near 5,450 point, while above this would re-activate the buying potential towards an initial target at 5,550 point. However, a firm close above 5,550 point would shift the trading range to 5,550 point-5,816 point. On the counter side, the nearby support levels are located at 5,320 point, 5,180 point and 5,100 point but only below this will change the tone. Both weekly and daily RSI indicators are currently looking neutral.

Medium-term investors can stay in the market but should be aware if the index closes below 5,100 point, while the long-term investors can only enter above 5,650 point.



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Reuters Ticker: <AGLT.KW>

[illegible]

RSI	50.608
MACD	-18.0
ROC	17.857
M10	0.495
M50	0.495
M100	0.580
S1	0.485
S2	0.460
S3	0.420
R1	0.510
R2	0.550
R3	0.570

Reuters Ticker: <MABK.KW>

[illegible]

RSI	39.423
MACD	-13.5
ROC	-9.783
M10	0.850
M50	0.880
M100	0.900
S1	0.790
S2	0.730
S3	0.700
R1	0.870
R2	0.920
R3	0.960

Kuwait Real Estate Co.

Reuters Ticker: <KREK.KW>

Price closed at KWD0.055. Looking at the weekly chart below, it is clear that the stock needs to surpass the resistance line at KWD0.058 along with an increase in trading activity to call for another leg up towards KWD0.063 before KWD0.068. However, losing the tiny support level at KWD0.052 would be enough to anticipate a move down towards KWD0.047 and maybe to KWD0.045 but a re-test of all time low at KWD0.041 is unlikely.



RSI	53.707
MACD	-2.4
ROC	22.222
M10	0.052
M50	0.054
M100	0.060
S1	0.052
S2	0.047
S3	0.045
R1	0.058
R2	0.063
R3	0.068

National Real Estate Co.

Reuters Ticker: <NREK.KW>

Price closed at KWD0.090. The stock fulfilled and exceeded the target price at KWD0.102, as was expected, but could not sustain its upward potential as the horizontal line at KWD0.108 capped further strength. However, the bears are threatening to go below KWD0.085, a case if happens could put pressure once again on the strong support line at KWD0.074. On the other side, re-gaining the first resistance level at KWD0.096 could increase the probability of re-testing KWD0.108.



RSI	48.663
MACD	0.5
ROC	2.273
M10	0.091
M50	0.089
M100	0.098
S1	0.085
S2	0.074
S3	0.060
R1	0.096
R2	0.108
R3	0.116

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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