

Technical Analysis – Dubai Financial Market

19-December-2017

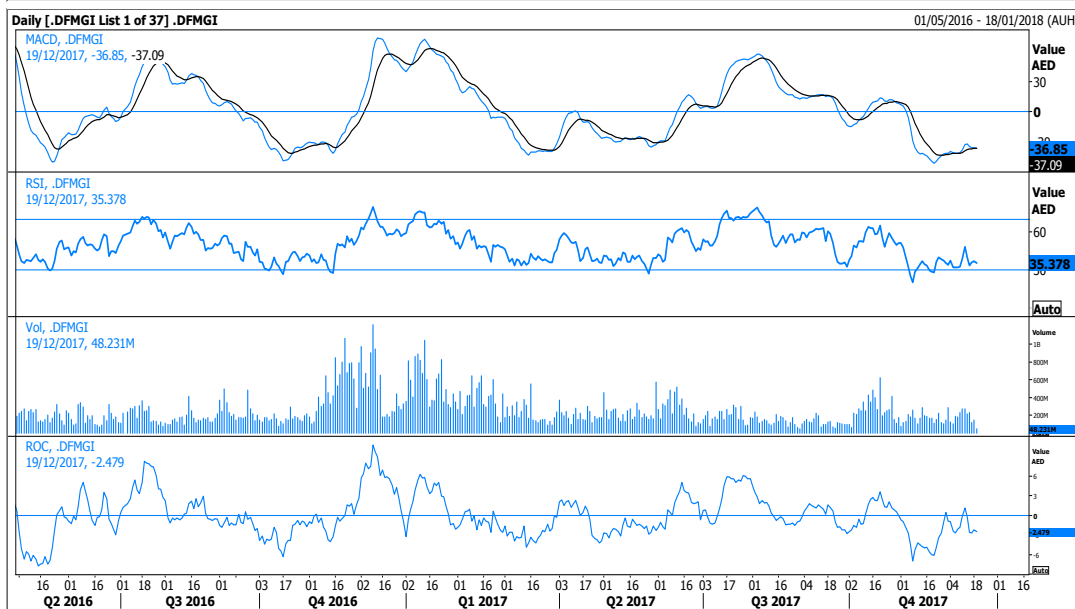
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,359.18. The market continues to print new lows for this period as it posted 3,355 point before seeing a brief rebound. However, further weaknesses cannot be neglected and a fall below 3,355 point would most likely allow a re-test of this year low at 3,265 point, while failure to sustain a close above there will trigger the critical support level at 3,195 point. On the other side, some short-term buying activity could be seen as part of a natural correction after a prolonged bearish move, knowing that the nearby resistance levels are located at 3,415 point, 3,455 point and 3,505 point. Daily and weekly RSI indicators are leaning more towards the bulls at present.

Medium-term and long-term investors can re-enter the market at levels higher than 3,520 point and 3,505 point, respectively.



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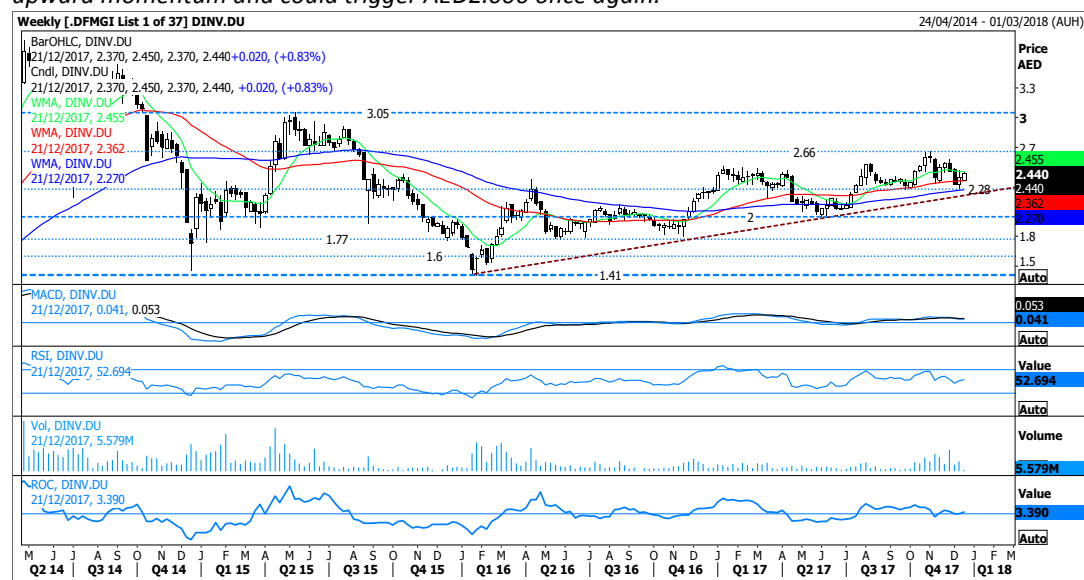
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Dubai Investments

Reuters Ticker: <DINV.DU>

Price closed at AED2.440. The stock remains within the 22-months ascending trend line but needs to show further signs to confirm that another leg up is underway. A firm close above this year high at AED2.660 should be enough to see a positive continuation pattern, which then would lead to a gradual increase towards AED3.050. However, losing the support level at AED2.280 will delay any upward momentum and could trigger AED2.000 once again.

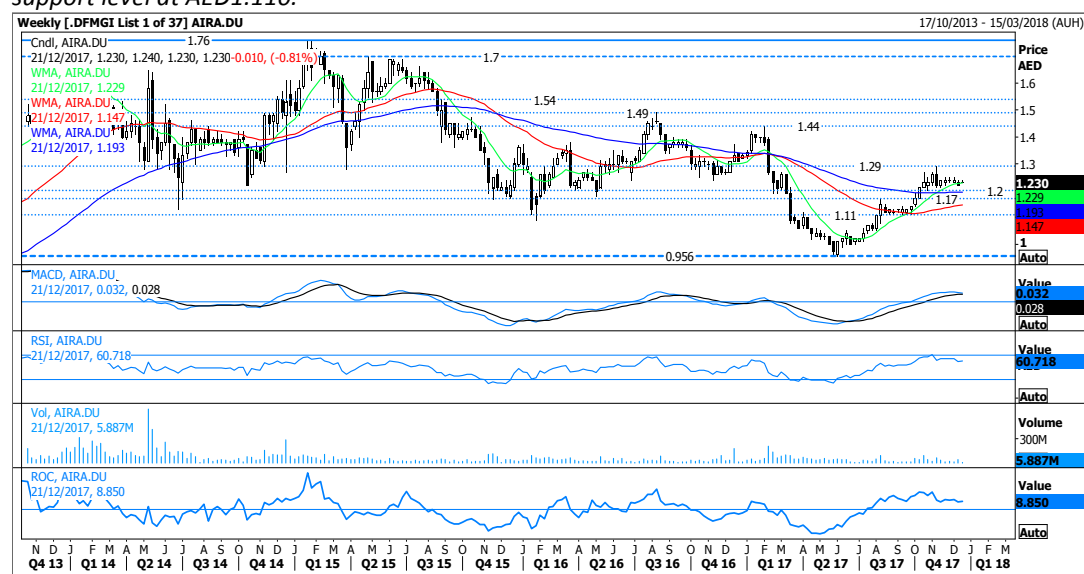


RSI	52.694
MACD	0.053
ROC	3.390
M10	2.455
M50	2.360
M100	2.270
S1	2.280
S2	2.000
S3	1.770
R1	2.470
R2	2.660
R3	3.050

Air Arabia

Reuters Ticker: <AIRA.DU>

Price closed at AED1.230. The stock has lost its upward momentum but remains within the positive territory. Bulls encounter a resistance level at AED1.290, which if broken would pave the way for additional gains towards a re-test of this year high at AED1.440. On the counter side, the support area at AED1.200-AED1.170 should prevent losses but a dip below it will bring back to focus the support level at AED1.110.

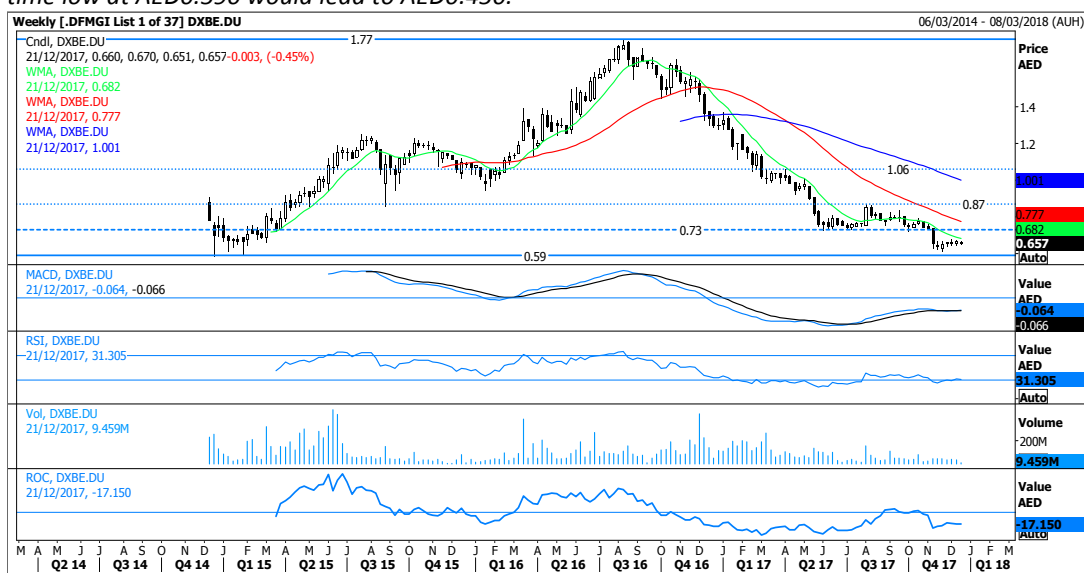


RSI	60.718
MACD	0.028
ROC	8.850
M10	1.230
M50	1.145
M100	1.195
S1	1.200
S2	1.170
S3	1.110
R1	1.290
R2	1.440
R3	1.490

DXB Entertainments

Reuters Ticker: <DXBE.DU>

Price closed at AED0.657. The stock approached the support level at AED0.590 before it saw some relief due to the break below the horizontal line at AED0.730, as was expected in our last analysis. However, re-gaining AED0.730 would be a good sign that should decrease the downside risk, while above AED0.870 will confirm the establishment of a new bull trend. On the counter side, losing all-time low at AED0.590 would lead to AED0.450.

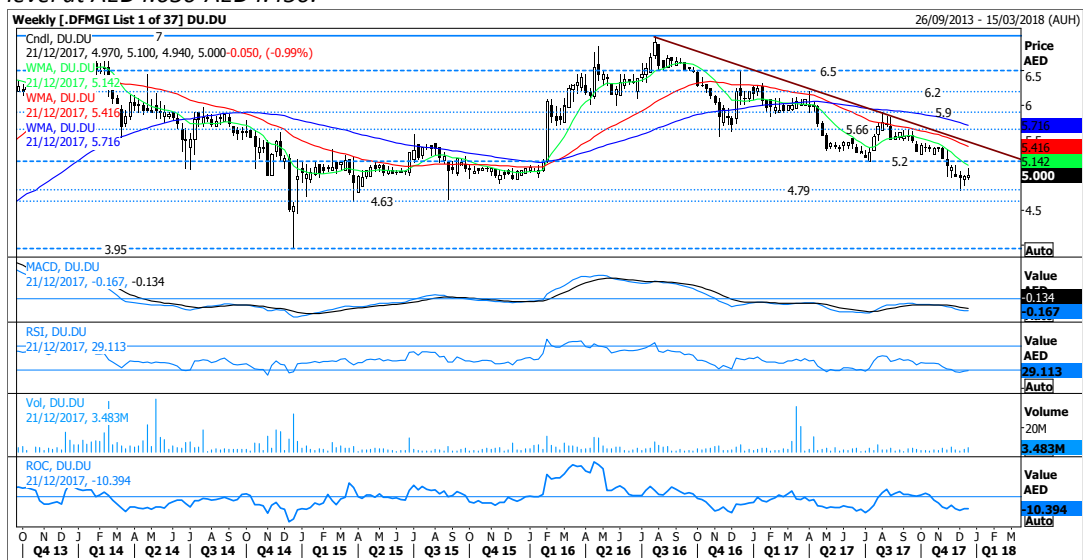


RSI	31.305
MACD	-0.066
ROC	-17.150
M10	0.680
M50	0.775
M100	1.000
S1	0.640
S2	0.590
S3	0.450
R1	0.730
R2	0.870
R3	1.060

Emirates Integrated Telecommunications Co.

Reuters Ticker: <DU.DU>

Price closed at AED5.000. It is still early to anticipate an end to the bearish tone, though further strength could be seen on the short-term period. The stock remains below the 16-months descending trend line, while a cross over AED5.200 would increase the chances of targeting the next layer at AED5.420. However, a dip below the recent low at AED4.790 will most likely trigger the strong zone level at AED4.630-AED4.450.



RSI	29.113
MACD	-0.134
ROC	-10.394
M10	5.140
M50	5.415
M100	5.715
S1	4.790
S2	4.630
S3	4.450
R1	5.200
R2	5.660
R3	5.900

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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