

## Technical Analysis – Qatar Stock Exchange

01-August-2016

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### Qatar Stock Exchange

**QE Index <.QSI> closed at 10,680.50 point.** The market did well after our last analysis, breaking above the upper-end of the 2-years descending trend line and eroding both 10-weeks and 50-weeks MAs. This should be enough to attract further upward potential towards the resistance level at 10,900 point and maybe more to 11,200 point. On the counter side, it is not surprised to see some weaknesses on the short-term period but would be more likely for accumulation purposes as the overall picture remains positive; however, back below the support level at 10,000 point will change the tone. Both weekly and daily RSI indicators are currently leaning more towards the bulls.

Medium-term investors can stay in the market as long as the index closes above 10,000 point, while long-term investors can only enter above 10,900 point.



## Qatar Islamic Bank

Reuters Ticker: &lt;QISB.QA&gt;

**Price closed at QAR109.20.** The stock continues to point upward after its failure to dip below the strong support level at QAR91.00 but the momentum has faltered ahead of the resistance line at QAR113.50; however, managing to break above it would promote the next layer at QAR117.50 and maybe QAR121.00. On the other side, some short-term weaknesses could take place as the daily RSI indicator is overbought, knowing that the nearby support lines come at QAR100.00 and QAR96.00.



|      |        |
|------|--------|
| RSI  | 63.384 |
| MACD | -1.13  |
| ROC  | 11.202 |
| M10  | 102.55 |
| M50  | 101.05 |
| M100 | 103.90 |
| S1   | 100.00 |
| S2   | 96.00  |
| S3   | 91.00  |
| R1   | 113.50 |
| R2   | 117.50 |
| R3   | 121.00 |

## Qatar National bank

Reuters Ticker: &lt;QNBK.QA&gt;

**Price closed at QAR152.50.** The stock is set to fulfill the next target price at QAR157.50, as it remains within its ascending trend line along with its break above all its MAs. However, a firm close above QAR157.50 would accelerate the upward move towards QAR163.20. On the negative side, an aggressive move down is not expected on the coming period but some attempts to go down could be seen as part of a natural correction.



|      |        |
|------|--------|
| RSI  | 62.192 |
| MACD | 0.31   |
| ROC  | 5.903  |
| M10  | 147.30 |
| M50  | 141.40 |
| M100 | 147.10 |
| S1   | 148.00 |
| S2   | 144.00 |
| S3   | 133.50 |
| R1   | 157.50 |
| R2   | 163.20 |
| R3   | 169.00 |

## Qatar Electricity &amp; Water Co.

Reuters Ticker: &lt;QEWC.QA&gt;

**Price closed at QAR228.00.** Eyes now have shifted towards the critical resistance level at around QAR228.80, which if broken would seal a more constructive outlook and call for new highs. The next target level will come then at QAR242.00, while above it will promote QAR260.00. On the counter side, the price could witness some natural downside correction after seven consecutive weeks of gains, knowing that the nearby support levels come at QAR216.00, QAR211.00 and QAR205.00.



|      |        |
|------|--------|
| RSI  | 68.148 |
| MACD | 2.17   |
| ROC  | 9.195  |
| M10  | 217.40 |
| M50  | 207.00 |
| M100 | 206.65 |
| S1   | 216.00 |
| S2   | 211.00 |
| S3   | 205.00 |
| R1   | 228.80 |
| R2   | 242.00 |
| R3   | 260.00 |

## Industries Qatar

Reuters Ticker: &lt;IQCD.QA&gt;

**Price closed at QAR105.40.** Although the stock is holding a move within the positive territory but a jump over the resistance area at QAR111.50-QAR113.00 is necessary to confirm a base at QAR88.00 and increase the probability of reaching QAR118.00 before QAR127.70. However, a fall below the horizontal line at QAR102.00 could allow a slippage back to the support zone at QAR97.00-QAR94.50, which if lost would lead to a re-test of QAR88.00.



|      |        |
|------|--------|
| RSI  | 51.659 |
| MACD | -2.76  |
| ROC  | 0.381  |
| M10  | 101.85 |
| M50  | 104.10 |
| M100 | 116.75 |
| S1   | 102.00 |
| S2   | 97.00  |
| S3   | 94.50  |
| R1   | 111.50 |
| R2   | 113.00 |
| R3   | 118.00 |

## 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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