

Technical Analysis – Dubai Financial Market

21-February-2017

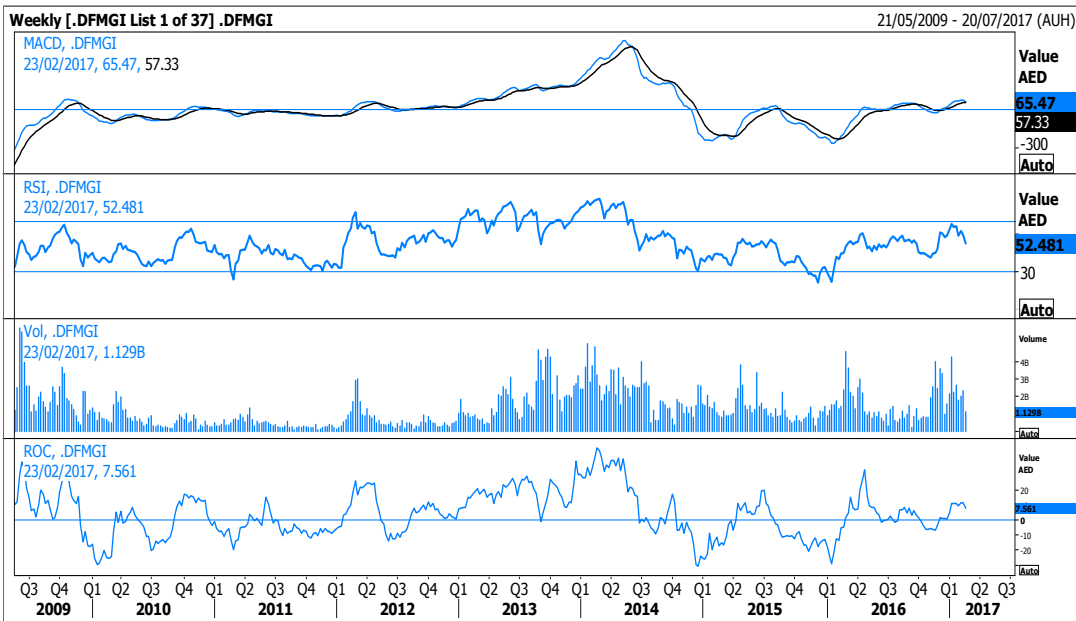
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,560.04. As a result of its failure to surpass the strong resistance level at around 3,750 point several times, the market retreated and eyes shifted towards the horizontal line at around 3,490 point after dipping below the horizontal line at 3,600 point. However, we could see some buying activity taking place near 3,490 point but a sudden fall below it will accelerate the bearish move and trigger 3,400 point. On the counter side, back above 3,600 point would be a positive sign but the market should surpass the resistance area at 3,670 point-3,700 point to confirm a return to 3,750 point and maybe higher to 3,900 point. Both weekly and daily RSI indicators are looking bearish at present.

Medium-term and long-term investors can stay in the market as long as the market closes above 3,490 point.



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Dubai Islamic Bank

Reuters Ticker: <DISB.DU>

Price closed at AED6.220. As was expected in our last analysis, the stock approached our target price at AED6.360 and shows promise for further strength due to its continuous close above all MAs. A successful close above AED6.360 would call for a gradual increase to AED7.000. On the other side, the nearby support levels are located at AED5.950, AED5.800 and AED5.500 but a fall below this line would delay any upward potential and could allow a dip back to AED5.000.



RSI	65.727
MACD	0.146
ROC	19.846
M10	5.960
M50	5.545
M100	5.545
S1	5.800
S2	5.500
S3	5.000
R1	6.360
R2	7.000
R3	7.220

Emirates NBD Bank

Reuters Ticker: <ENBD.DU>

Price closed at AED8.400. The break above the high of last year at AED8.890 was short-lived but it is yet impossible to anticipate a reversal pattern and further attempts to head north could still be seen on the coming period. However, managing to surpass recent high at AED9.000 would call for another leg up towards AED9.500 and AED10.350. However, losing the support level at AED8.300 would change the tone and lead to AED8.100 and maybe AED7.600.



RSI	50.324
MACD	0.111
ROC	4.089
M10	8.635
M50	8.330
M100	8.265
S1	8.300
S2	8.100
S3	7.600
R1	9.000
R2	9.500
R3	10.350

Emaar Malls

Reuters Ticker: <EMAA.DU>

Price closed at AED2.550. Failing to surpass the upper-end of the 21-months descending trend line has switched the bias towards the bears and the stock is moving now within the negative territory. The next level of support comes at AED2.450, while below it will allow a slippage to AED2.300. On the positive side, back above AED2.650 would most likely promote AED2.750-AED2.800 but only above this will decrease the downside risk and re-target AED3.000.



RSI	42.601
MACD	-0.044
ROC	-0.778
M10	2.590
M50	2.675
M100	2.740
S1	2.450
S2	2.300
S3	2.020
R1	2.650
R2	2.800
R3	3.000

Air Arabia

Reuters Ticker: <AIRA.DU>

Price closed at AED1.220. The stock is back under pressure as it fell below its MAs and now is threatening to go below AED1.170; however, losing this level will bring back to focus the strong support area at AED1.090-AED1.060, which should attract some buying activity. On the counter side, back above AED1.310 would lead to AED1.440-AED1.490, but only above this will decrease the downside risk and call for a positive continuation pattern.



RSI	36.085
MACD	-0.001
ROC	-5.426
M10	1.320
M50	1.330
M100	1.330
S1	1.170
S2	1.090
S3	1.060
R1	1.310
R2	1.440
R3	1.540

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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