

## Technical Analysis – Saudi Stock Exchange

05-November-2018

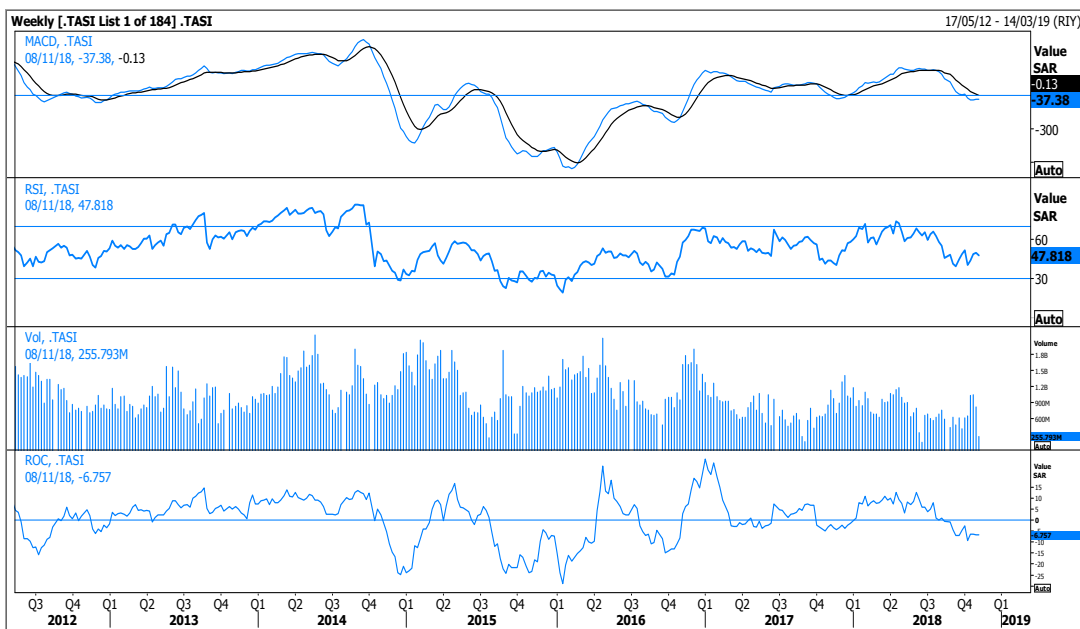
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## Saudi Stock Exchange

**Tadawul All Share Index <.TASI> closed at 7,802.27 point.** The market did well on the last three weeks, but the upward momentum has decreased and some natural correction is taking place. A cross over the recent high at 7,925 point should be enough to re-activate the upward move in attempt to target 8,060 point and 8,150 point. On the other side, a fall below 7,700 point would call for additional weaknesses to 7,465 point (50% level of the Fibonacci Retracement from 7,000 point-7,925 point) and maybe more to 7,355 point.

*Medium-term investors can re-enter the market at levels higher than 7,925 point, while long-term investors can stay as long as the index is closing above 7,650 point.*



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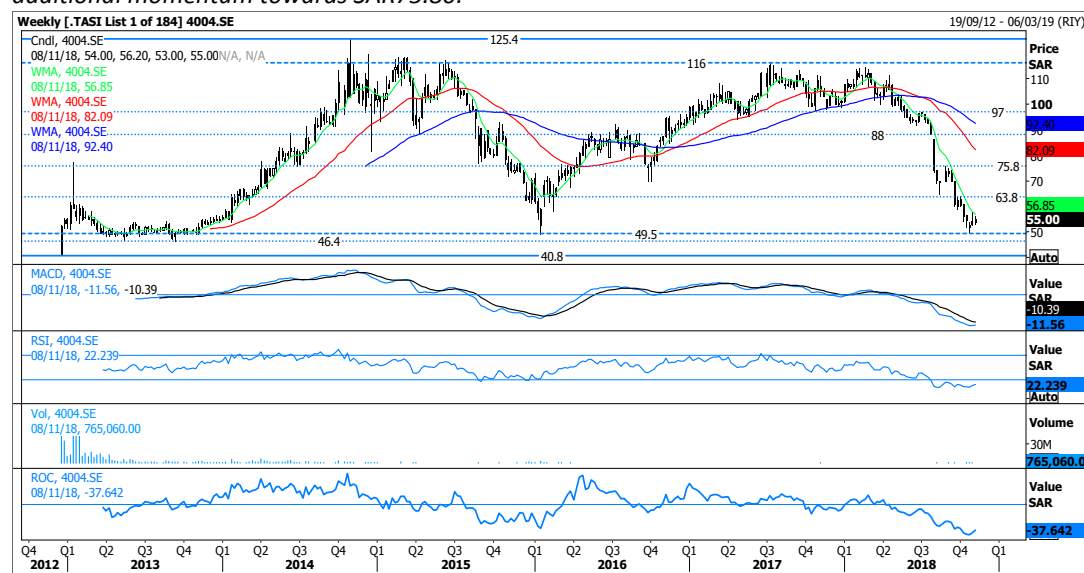
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## Dallah Healthcare Co.

Reuters Ticker: &lt;4004.SE&gt;

**Price closed at SAR55.00.** The current technical picture suggests further gains on the coming period. The stock has approached the strong support level at SAR49.50 and failed to dip below it, while the RSI indicators are in the oversold territory. However, a sudden fall below SAR49.50 would most likely lead to a re-test of all-time low at SAR40.80. On the other side, a break above SAR63.80 would attract additional momentum towards SAR75.80.



RSI	22.239
MACD	-10.39
ROC	-37.642
M10	56.85
M50	82.10
M100	92.40
S1	49.50
S2	46.40
S3	40.80
R1	63.80
R2	75.80
R3	88.00

## Saudi Electricity Co.

Reuters Ticker: &lt;5110.SE&gt;

**Price closed at SAR14.76.** The strong support level at SAR14.30 has rejected additional losses; however, continuous failure to do so would allow an upward technical correction to take place, given the oversold status of the RSI indicators and the prolonged bearish move. Knowing that the nearby resistance levels are located at SAR15.90, SAR16.60 and SAR18.55. On the negative side, a break below SAR14.30 will call for a drop to the support zone at SAR12.40-SAR12.00.



RSI	24.687
MACD	-1.39
ROC	-27.647
M10	15.80
M50	18.85
M100	20.60
S1	14.30
S2	12.40
S3	12.00
R1	15.90
R2	16.60
R3	18.55

## Malath Cooperative Insurance Co.

Reuters Ticker: &lt;8020.SE&gt;

**Price closed at SAR11.60.** The stock saw some relief after it reached an all-time low at SAR9.80, while the challenge now is to jump over the resistance level at around SAR13.05 (found here the upper-end of the 9-months descending trend line). Managing to do so would most likely target SAR16.75 and maybe SAR19.90. However, losing SAR9.80 will re-instate the bearish tone and allow additional weaknesses to SAR8.50.

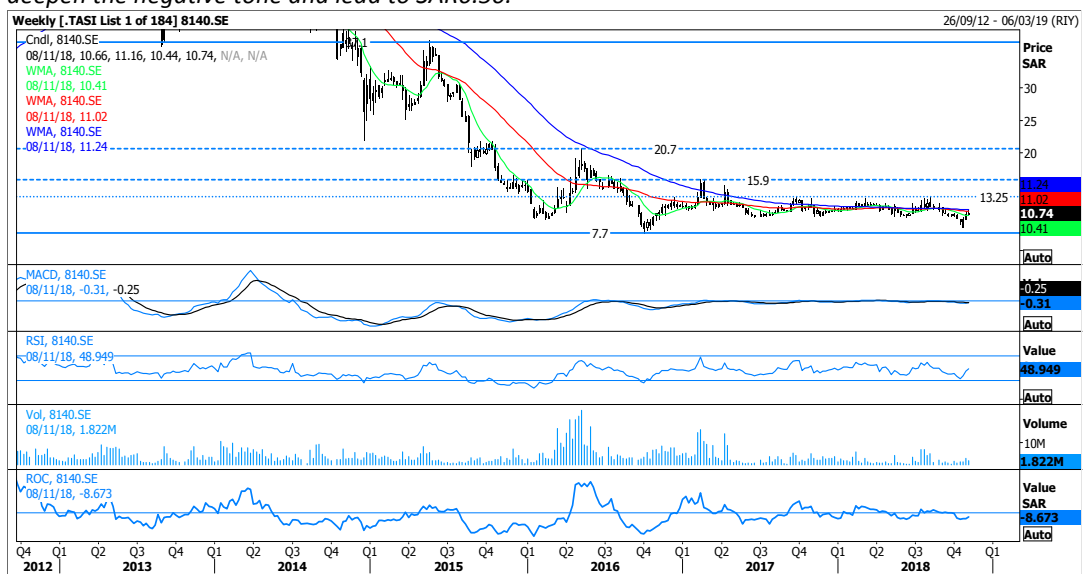


RSI	36.830
MACD	-0.88
ROC	-22.770
M10	11.40
M50	13.95
M100	14.15
S1	11.00
S2	9.80
S3	8.50
R1	13.05
R2	16.75
R3	19.90

## Al-Ahlia Insurance Co.

Reuters Ticker: &lt;8140.SE&gt;

**Price closed at SAR10.74.** The recovery seen on the last two weeks is a positive sign but the stock still needs to break above the resistance level at SAR13.25 to decrease the downside risk and call for an advance to the strong layer at SAR15.90; however, only above this will confirm an establishment of a new bullish trend. On the counter side, a fall below the support level at SAR7.70 (all-time low) would deepen the negative tone and lead to SAR6.50.



RSI	48.949
MACD	-0.25
ROC	-8.673
M10	10.40
M50	11.00
M100	11.25
S1	9.70
S2	7.70
S3	6.50
R1	13.25
R2	15.90
R3	20.70

## 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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