

Technical Analysis – Boursa Kuwait

03-September-2018

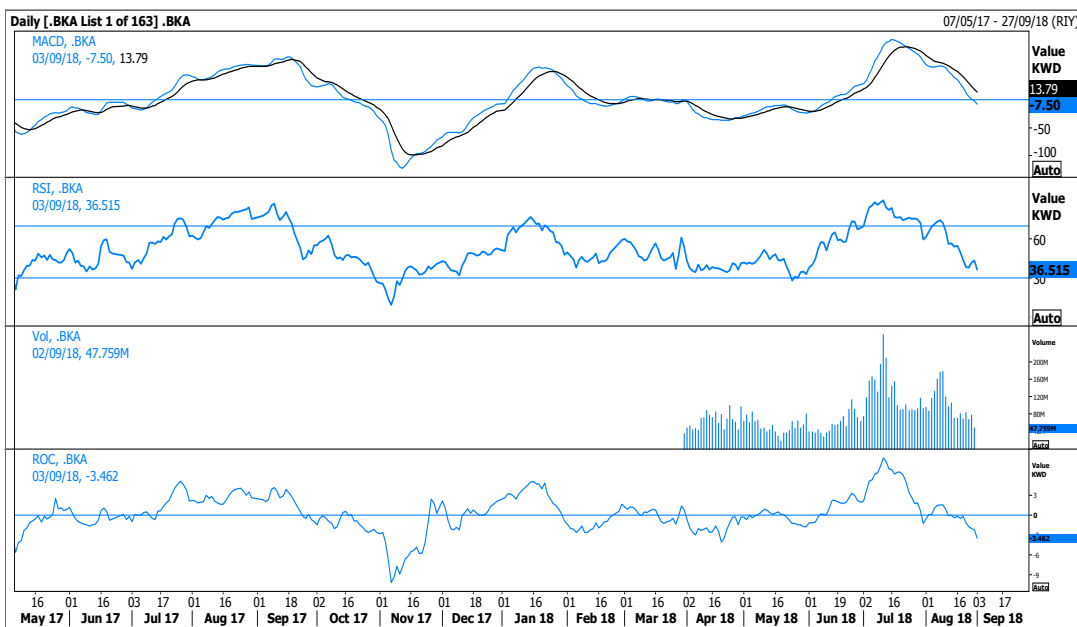
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Boursa Kuwait

All Share Market Index <.BKA> closed at 5,096.27 point. The market is witnessing a downward correction after a prolonged bullish move that led to post an all-time level at 5,292 point. A break below 5,073 point (38.2% level of the Fibonacci Retracement from 4,718 point-5,292 point) would be enough to anticipate further weaknesses to 5,005 point (50% level). However, re-gaining strength above 5,160 point will attract some buying potential and allow a move back to 5,225 point but to gain more confidence, bulls will need to close above 5,292 point.

Medium-term and long-term investors can stay in the market with a stop-loss below 4,950 point and 4,800 point, respectively.



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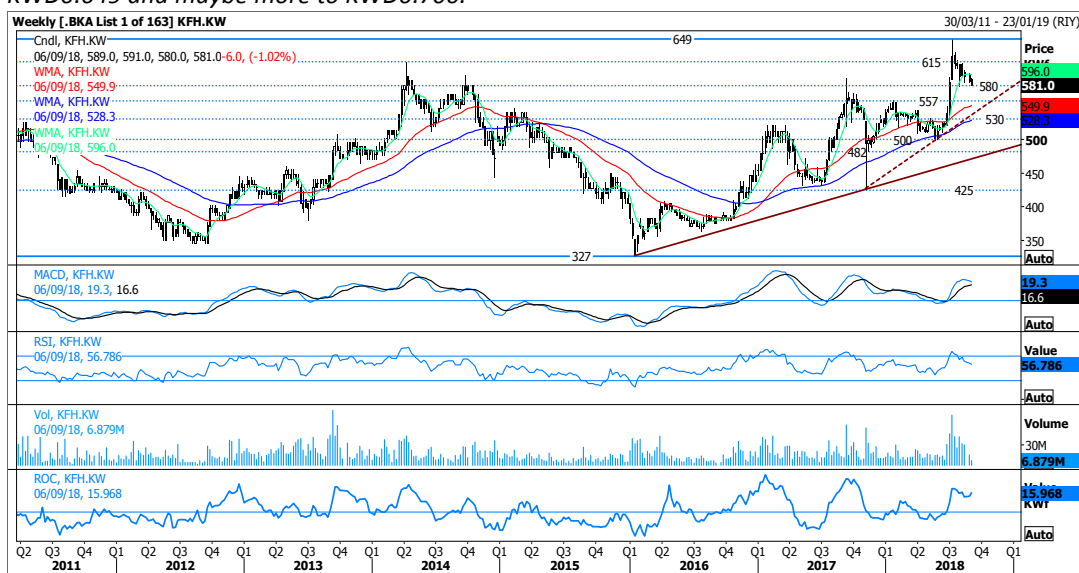
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Kuwait Finance House

Reuters Ticker: <KFH.KW>

Price closed at KWD0.581. The stock posted a high last seen in year 2008 at KWD0.650 but failed to sustain its upward momentum and a natural correction took place. The price at present can move in either direction as further downward move can reach KWD0.557 and KWD0.530 before inching north once again, while re-gaining strength above KWD0.615 would most likely call for a re-test of KWD0.649 and maybe more to KWD0.700.



RSI	56.786
MACD	16.6
ROC	15.968
M10	0.550
M50	0.530
M100	0.595
S1	0.557
S2	0.530
S3	0.500
R1	0.615
R2	0.649
R3	0.700

Ahli United Bank

Reuters Ticker: <BKME.KW>

Price closed at KWD0.317. The stock continues to recover from this year low at KWD0.249 and shows promise for further gains to KWD 0.325. The volume behind the move is convincing and a break above KWD0.325 would promote KWD0.341, while a close above this will target KWD0.360. On the counter side, back below the horizontal line at KWD0.295 will delay the upward move and allow a slippage to KWD0.265 but a fall below KWD0.249 is not seen on the coming period.



RSI	58.156
MACD	-7.9
ROC	17.844
M10	0.305
M50	0.300
M100	0.335
S1	0.295
S2	0.265
S3	0.249
R1	0.325
R2	0.341
R3	0.360

Reuters Ticker: <MEZZ.KW>

[illegible]

RSI	40.073
MACD	-16.1
ROC	0.423
M10	0.720
M50	0.740
M100	0.770
S1	0.686
S2	0.600
S3	0.550
R1	0.770
R2	0.805
R3	0.870

Reuters Ticker: <ZAIN.KW>

[illegible]

RSI	54.561
MACD	5.4
ROC	23.097
M10	0.480
M50	0.450
M100	0.455
S1	0.450
S2	0.435
S3	0.413
R1	0.495
R2	0.524
R3	0.570

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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