

Technical Analysis – Boursa Kuwait

23-September-2019

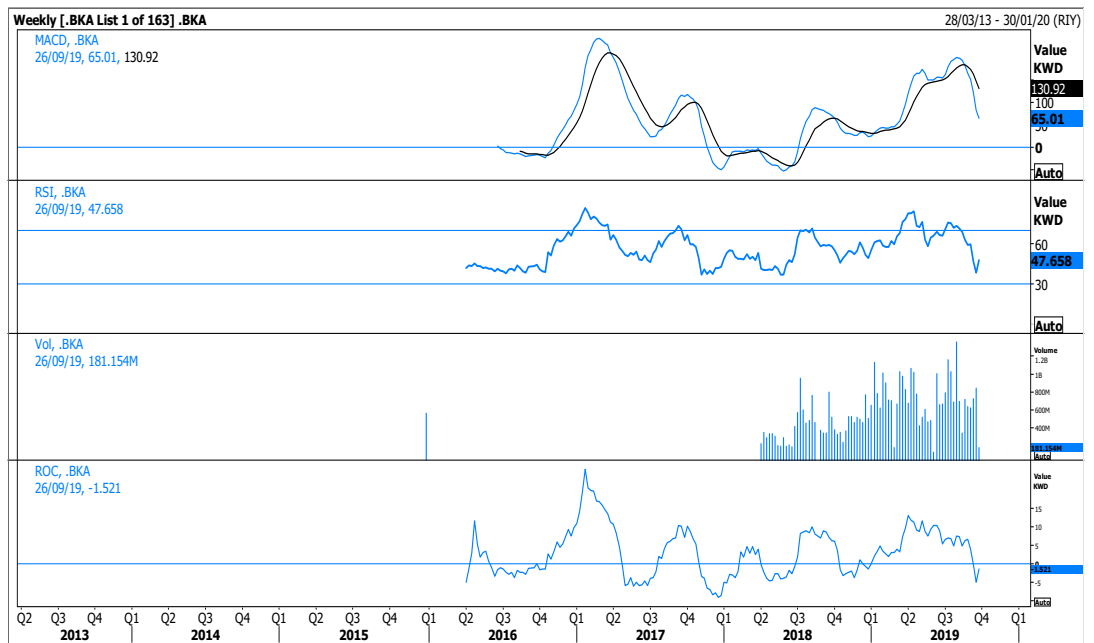
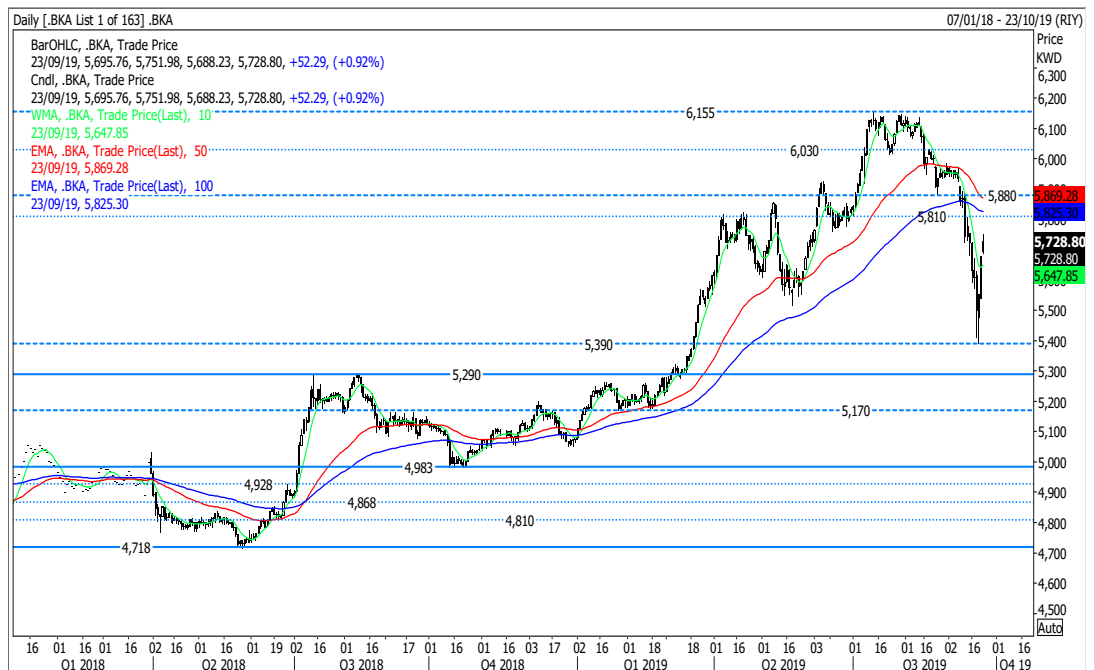
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Boursa Kuwait

All Share Market Index <.BKA> closed at 5,728.80 point. The market was due to a downward correction as the index looked exhausted after a noticeable rally that led to an all-time high at 6,155 point. The index reached a low of 5,390 point before recovering upwards due to the oversold status of the RSI indicators, knowing that additional strength can still take place towards 5,760 point before 5,810 point and 5,880 point. On the counter side, only losing 5,390 point would re-instate the bearish tone and lead to 5,290 point before 5,150 point.

Medium-term and long-term investors can stay in the market with a stop-loss below 5,600 point and 5,390 point, respectively.



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Kuwait Finance House

Reuters Ticker: <KFH.KW>

Price closed at KWD0.678. As was expected, the stock approached the horizontal line at KWD0.825 before seeing a downward correction to the lower level of the 22-months ascending trend line on the weekly chart, which once again prevented additional losses and forced the price to inch upwards. Knowing that the nearby resistance levels come at KWD0.710, KWD0.735 and KWD0.760. However, only a fall below the recent low at KWD0.600 would call for a deep bearish move.

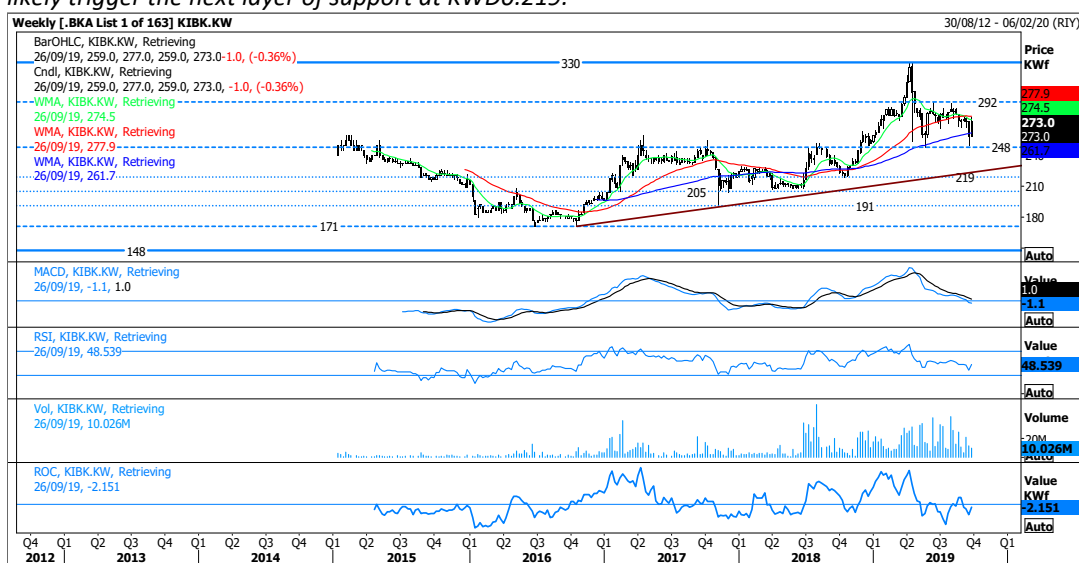


RSI	45.948
MACD	33.8
ROC	-2.865
M10	0.720
M50	0.620
M100	0.685
S1	0.634
S2	0.600
S3	0.520
R1	0.710
R2	0.735
R3	0.760

Kuwait International Bank

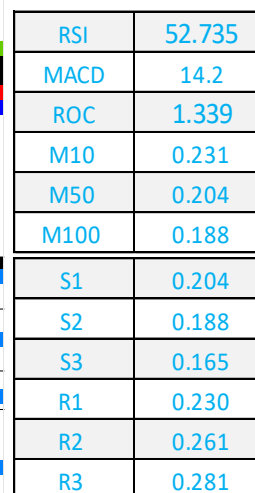
Reuters Ticker: <KIBK.KW>

Price closed at KWD0.273. The support level at KWD0.248 arrested once again further weaknesses but the stock remains within the 5-months trading range of KWD0.248-KWD0.292 and needs to clear one of the two lines to indicate the next move, knowing that a jump over KWD0.292 would call for a re-test of the strong resistance level at KWD0.330. On the other side, a dip below KWD0.248 will most likely trigger the next layer of support at KWD0.219.



RSI	48.539
MACD	1.0
ROC	-2.151
M10	0.275
M50	0.278
M100	0.262
S1	0.248
S2	0.219
S3	0.205
R1	0.292
R2	0.300
R3	0.360

Reuters Ticker: <NIND.KW>



Reuters Ticker: <HUMN.KW>



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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