

Technical Analysis – Dubai Financial Market

08-January-2019

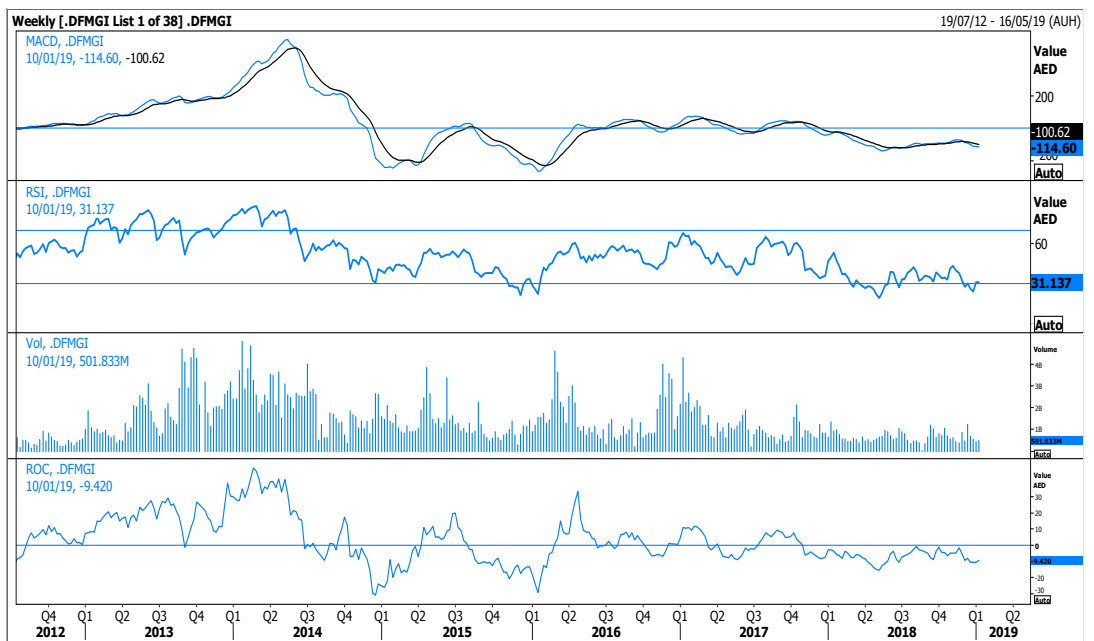
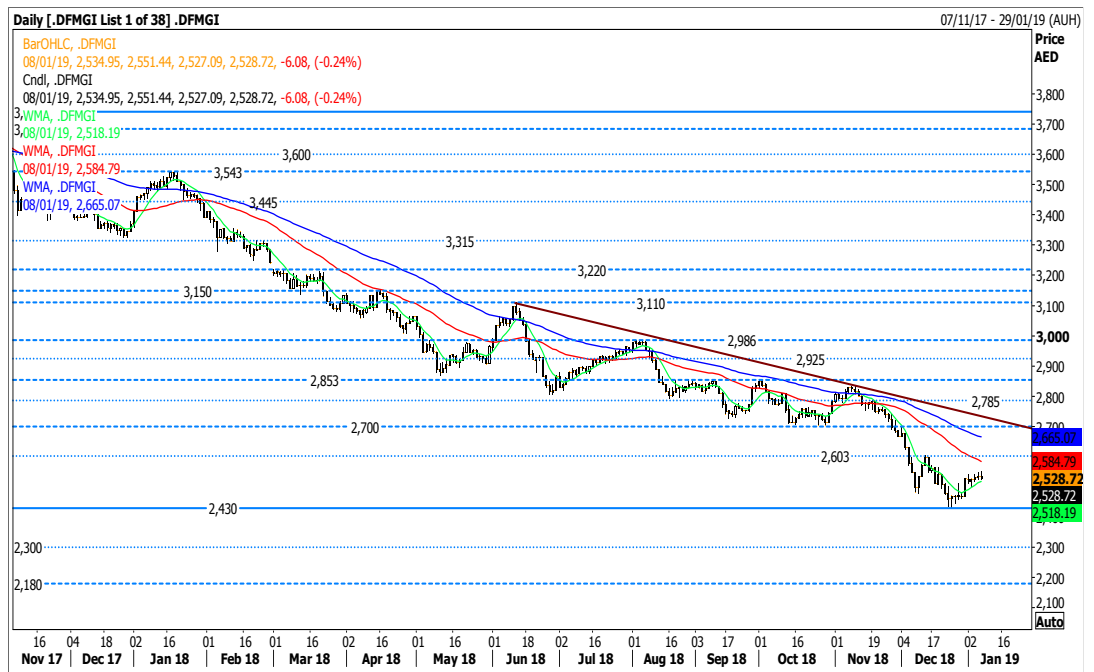
In this Report...

DFM Index.....	1
ARABTEC.....	2
DEYAAR.....	2
DIC.....	3
UPRO.....	3

Dubai Financial Market

DFM General Index <.DFMGI> closed at 2,528.72. The market recovered from its five-year low at 2,430 point due to the oversold status of both daily and weekly RSI indicators but further evidences are required to confirm a base near this. The first positive sign will take place once the index overcomes the resistance level at around 2,600 point, which will then promote 2,700 point and maybe 2,785 point. On the other side, a dip below 2,430 point will call for additional weaknesses towards 2,300 point.

Medium-term and long-term investors can enter the market at levels higher than 2,785 point and 3,000 point, respectively.



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Arabtec Holding Co.

Reuters Ticker: <ARTC.DU>

Price closed at AED2.070. The stock continues to move within the range of AED1.590-AED2.410 for more than 6-months and needs to escape out of this to indicate the next move. Bulls are required to surpass the resistance level at AED2.410 to accelerate the upward momentum and call for an advance to AED2.790, AED3.080 and maybe AED3.640. However, a fall below AED1.590 will most likely re-instate the bearish tone and trigger AED1.250 and AED1.000.



RSI	51.891
MACD	-0.032
ROC	10.106
M10	2.015
M50	2.005
M100	2.270
S1	1.590
S2	1.250
S3	0.490
R1	2.410
R2	2.790
R3	3.080

Deyaar Development

Reuters Ticker: <DEYR.DU>

Price closed at AED0.386. The stock did well after posting a low of AED0.319 and could see additional strength on the coming period. The next overhead line comes at AED0.420, which if broken would increase the chances of reaching the strong resistance level at AED0.485. On the counter side, a break below AED0.319 would lead to the critical support level at AED0.286 but only below this will delay any upward potential and target AED0.200.



RSI	43.633
MACD	-0.019
ROC	-13.063
M10	0.385
M50	0.420
M100	0.458
S1	0.319
S2	0.286
S3	0.200
R1	0.420
R2	0.485
R3	0.603

Dubai Investments

Reuters Ticker: <DINV.DU>

Price closed at AED1.300. The stock recovered from the support zone at AED1.160-AED1.090 but still needs additional signals to confirm a base near this. A jump over AED1.410, which should be accompanied with an increase in trading activity, would be a positive sign that should lead to the next target price at AED1.770. However, failing to accumulate enough momentum would put pressure on the aforementioned support area and lead to AED1.000 and AED0.800.



RSI	27.942
MACD	-0.175
ROC	-29.730
M10	1.355
M50	1.715
M100	1.963
S1	1.160
S2	1.090
S3	1.000
R1	1.410
R2	1.770
R3	2.200

Union Properties

Reuters Ticker: <UPRO.DU>

Price closed at AED0.424. As was expected in our last analysis, the stock approached the horizontal line at AED0.300 by posting a low of AED0.377. However, the RSI indicators oversold status suggest that further momentum could be underway, knowing that the nearby resistance levels are located at AED0.476, AED0.620 and AED0.700. On the negative side, only losing the strong support level at KWD0.300 will deepen the bearish tone and trigger AED0.200.



RSI	18.960
MACD	-0.074
ROC	-36.999
M10	0.450
M50	0.643
M100	0.747
S1	0.300
S2	0.250
S3	0.200
R1	0.476
R2	0.620
R3	0.787

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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