

Technical Analysis – Abu Dhabi Securities Exchange

09-July-2018

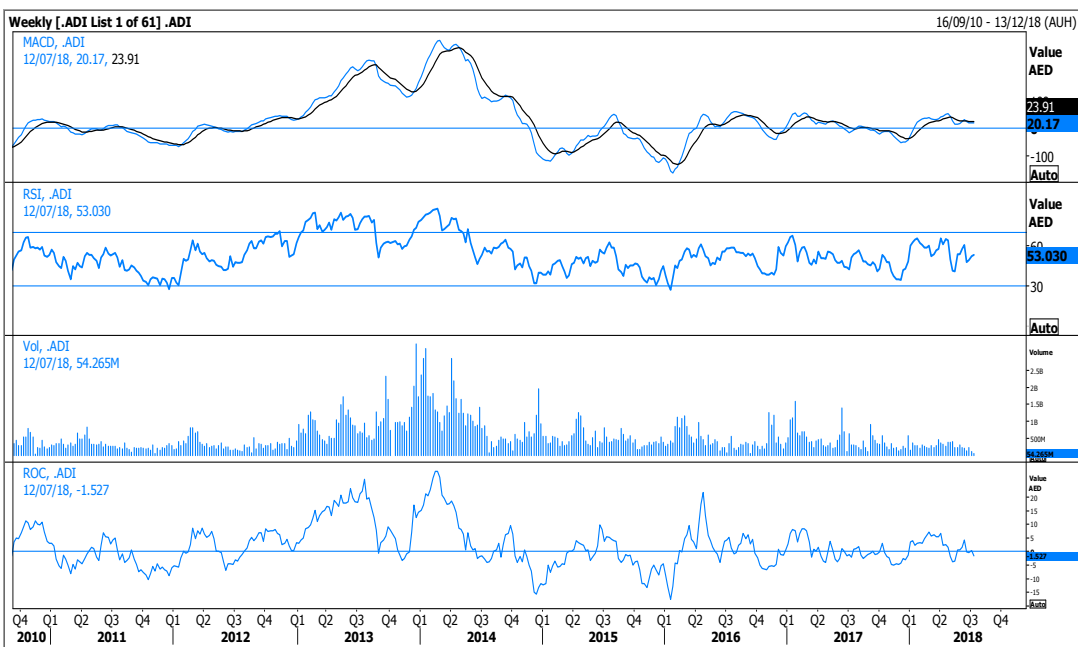
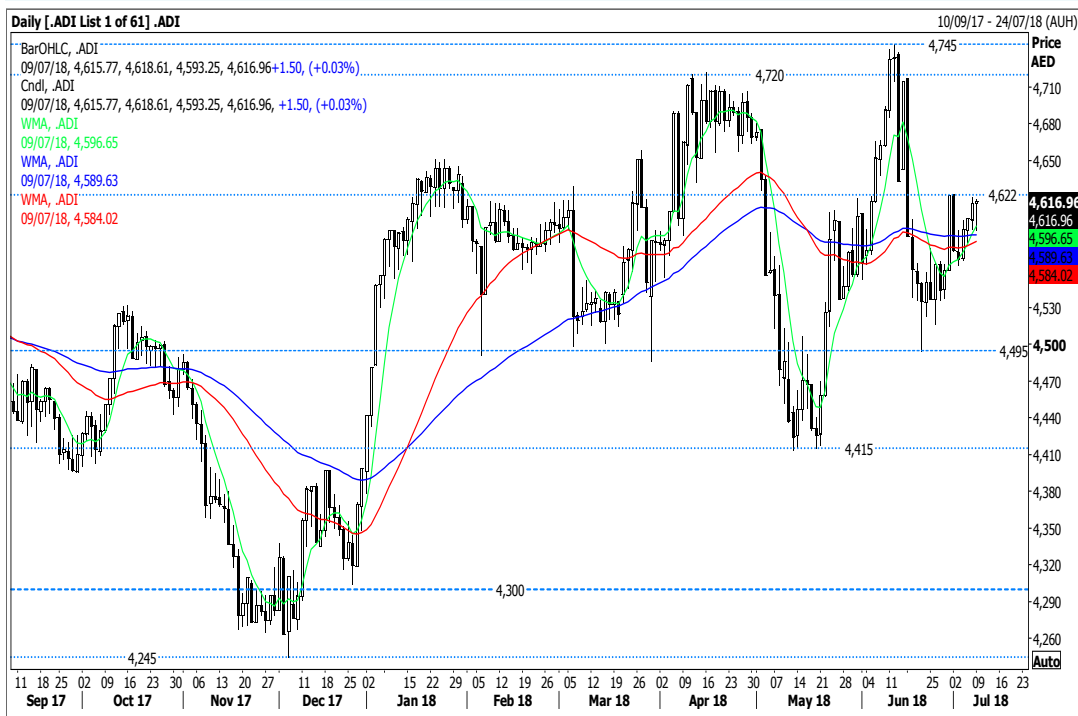
Abu Dhabi Securities Exchange

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ADX General Index <.ADI> closed at 4,616.96 point. The market is hovering near the high of last week at 4,622 point, while a jump over it could decrease the downside risk and would most likely call for a re-visit to this year high at 4,745 point and maybe more to 4,900 point. On the counter side, the nearby support levels are located at 4,565 point, 4,515 point and 4,495 point but only below this will bring back to focus the strong support level at 4,415 point.

Medium-term and long-term investors can stay in the market with a stop-loss below 4,550 and 4,520 point, respectively.



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First Abu Dhabi Bank

Reuters Ticker: <FAB.AD>

Price closed at AED12.20. The stock failed its first attempt to surpass the resistance level at AED12.80 but it remains a move above the 30-months ascending trend line, knowing that a successful close above there would call for a positive continuation pattern to AED14.10 and maybe to the critical line at AED15.70. However, a fall below AED11.80 would trigger the support area at AED11.30-AED10.75 but only losing this will delay any upward potential.

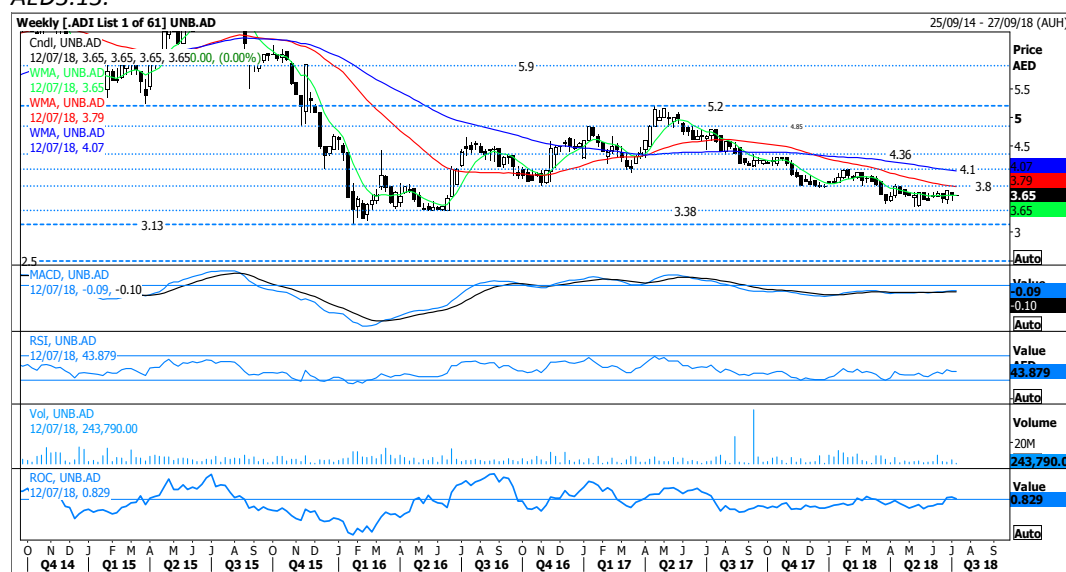


RSI	56.458
MACD	0.35
ROC	-1.613
M10	12.20
M50	11.55
M100	11.05
S1	11.80
S2	11.30
S3	10.75
R1	12.80
R2	14.10
R3	15.70

Union National Bank

Reuters Ticker: <UNB.AD>

Price closed at AED3.65. The stock is trapped between AED3.38-AED3.80 for the last 3-months and an escape out of this would clear the picture. However, managing to cross over AED3.80 would increase the upward chances and lead to AED4.10 and AED4.36. On the other side, a dip below the support level at AED3.38 is not favored but losing it will bring back to focus the low of year 2016 at AED3.13.

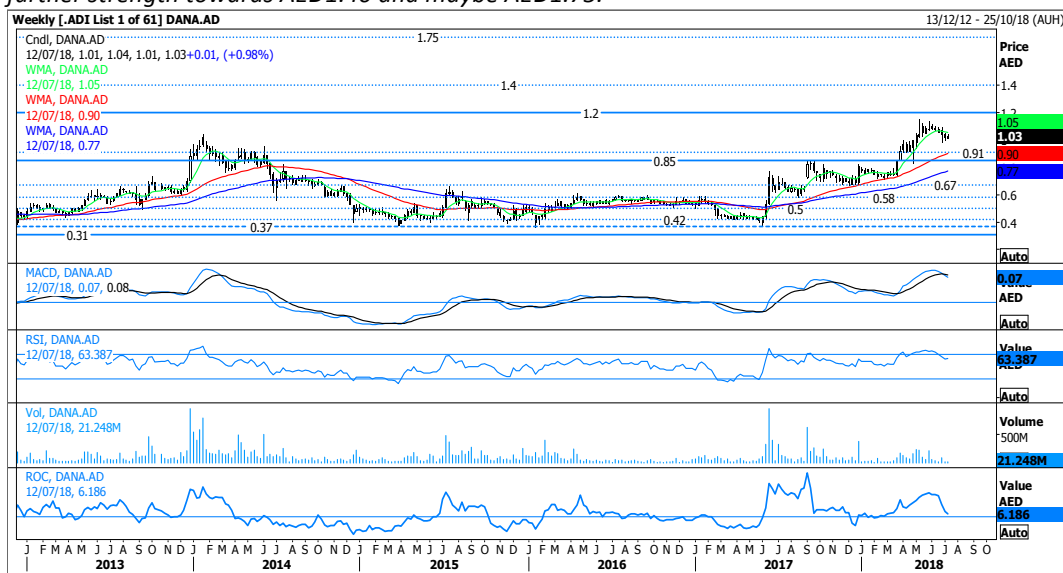


RSI	43.879
MACD	-0.10
ROC	0.829
M10	3.65
M50	3.80
M100	4.07
S1	3.38
S2	3.13
S3	2.50
R1	3.80
R2	4.10
R3	4.36

Dana Gas

Reuters Ticker: <DANA.AD>

Price closed at AED1.03. The stock met and exceeded our target price at AED1.04 by approaching the strong resistance level at AED1.20 before seeing some weaknesses due to the overbought status of the RSI indicators. There could be additional attempts to head south but not expected to fall below the horizontal line at AED0.85. However, gaining confidence above AED1.20 would open the road for further strength towards AED1.40 and maybe AED1.75.



RSI	63.387
MACD	0.08
ROC	6.186
M10	1.05
M50	0.90
M100	0.77
S1	0.91
S2	0.85
S3	0.67
R1	1.20
R2	1.40
R3	1.75

Abu Dhabi National Energy Co.

Reuters Ticker: <TAQA.AD>

Price closed at AED1.20. The upward move was pronounced after our last analysis as the stock hit a high last seen in year 2014 at AED1.45 before easing down. The current picture is neutral as the price is moving between AED1.03-AED1.30 and a break of either line would indicate the next move, knowing that back above AED1.30 will promote AED1.45 and AED1.58, while losing AED1.03 would lead to additional downward correction to AED0.90 and AED0.82.



RSI	64.756
MACD	0.15
ROC	33.333
M10	1.20
M50	0.93
M100	0.77
S1	1.03
S2	0.90
S3	0.82
R1	1.30
R2	1.45
R3	1.58

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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