

Technical Analysis – Dubai Financial Market

21-October-2019

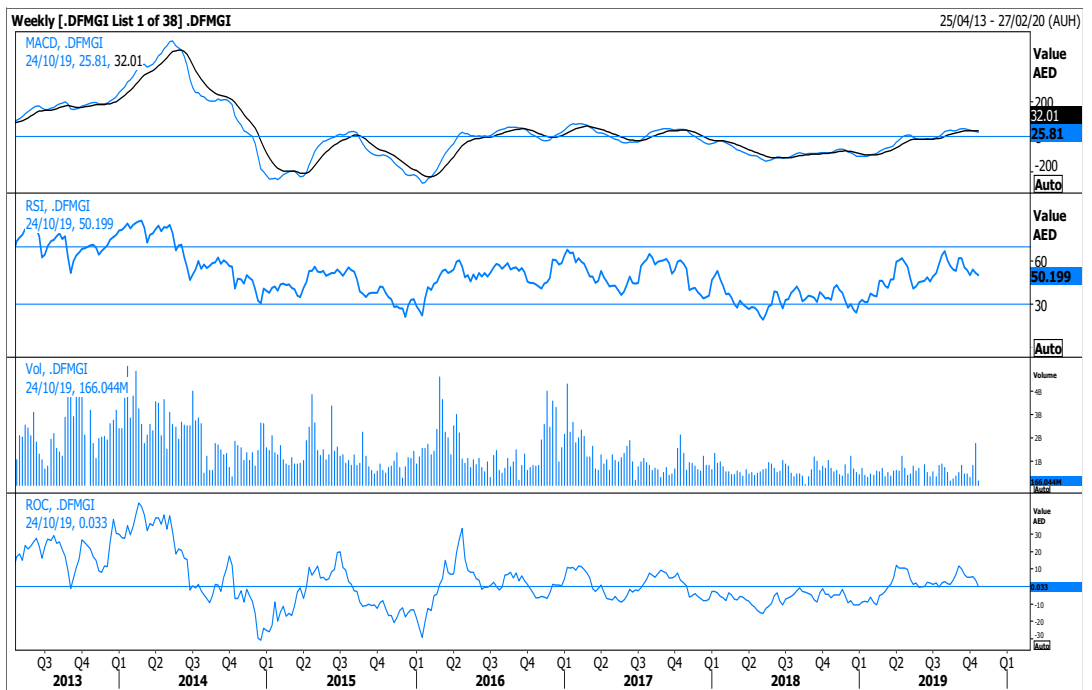
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 2,763.89. The market remains within the range of 2,740 point-2,840 point for the last one month and needs to break one of the two lines to clear the picture. Knowing that a fall below 2,740 point will allow a slippage to 2,700 point and maybe lower to the horizontal line at 2,600 point. On the counter side, managing to jump over 2,840 point would increase the chances of moving up towards the strong resistance area at 2,950 point-3,000 point.

Medium-term and long-term investors can re-enter the market at levels above 2,800 point.



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Arabtec Holding Co.

Reuters Ticker: <ARTC.DU>

Price closed at AED1.960. The stock has been gradually moving up on the last couple of weeks and recently crossed over its MAs on the weekly chart. The next target comes at AED2.410, which if broken would decrease the downside risk and call for an advance to AED2.790 and maybe AED3.640. However, a fall below AED1.570 will most likely put selling pressure once again on the strong support level at AED1.250.



RSI	59.973
MACD	-0.054
ROC	11.364
M10	1.760
M50	1.810
M100	1.910
S1	1.570
S2	1.250
S3	1.000
R1	2.410
R2	2.790
R3	3.640

Emirates NBD Bank

Reuters Ticker: <ENBD.DU>

Price closed at AED12.400. The stock has been witnessing a downward correction since it hit AED14.450 (high of this year) and eyes now on the horizontal line at AED12.100. Knowing that a break below this would trigger additional losses towards the next line at AED10.700 and maybe AED10.000. On the counter side, regaining strength above AED13.450 would promote AED14.450 but only above this will call for a positive continuation pattern.



RSI	55.471
MACD	0.584
ROC	6.897
M10	12.850
M50	11.600
M100	10.730
S1	12.100
S2	10.700
S3	10.000
R1	13.450
R2	14.450
R3	16.500

Dubai Islamic Bank

Reuters Ticker: <DISB.DU>

Price closed at AED5.280. Although the stock remains within the positive territory, but it has been seeing continuous reluctance to break above the strong resistance level at AED5.410, while over this will increase the upward chances towards AED5.610 and AED5.900. Knowing that only above AED5.900 will confirm the establishment of a new positive trend. However, a dip below the support zone at AED5.150-AED5.000 will change the tone and could lead to AED4.660 once again.



RSI	54.315
MACD	0.041
ROC	1.931
M10	5.255
M50	5.155
M100	5.135
S1	5.150
S2	5.000
S3	4.660
R1	5.410
R2	5.610
R3	5.900

Dubai Investments

Reuters Ticker: <DINV.DU>

Price closed at AED1.280. The current picture is neutral, with no help from the RSI indicators at present to anticipate the next move. The jump over the tiny resistance level at AED1.430, along with an increase in trading activity, would target AED1.650 but only a firm close above this will confirm a base at AED1.040 and lead to AED2.200. On the opposite side, a break below AED1.160 will most likely trigger a re-test of AED1.040 and maybe lower to AED0.815.



RSI	44.107
MACD	-0.029
ROC	-5.882
M10	1.290
M50	1.315
M100	1.485
S1	1.160
S2	1.040
S3	0.815
R1	1.430
R2	1.650
R3	2.200

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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