

Technical Analysis – Saudi Stock Exchange

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In this Report...

Tadawul Index.....	1
City Cement.....	2
Yamama Cement.....	2
MEDGULF.....	3
Al Alamiya.....	3

Saudi Stock Exchange

Tadawul All Share Index <.TASI> closed at 8,335.35 point. The index fulfilled and exceeded the target level at around 8,250 point (50% level of the Fibonacci Retracements from 11,160 point-5,327 point) as it continues to move within its ascending trend line. The next layer of resistance comes at 8,500 point, while above it will most likely lead to 8,700 point before 9,000 point (near the 61.8% level). On the bearish side, we won't be surprised if a downward technical correction takes place on the short-term period as both daily and weekly RSI indicators has reached the overbought territory but not expected to be aggressive, knowing that below 8,000 point could trigger 7,750 point.

Medium-term and long-term investors can stay in the market as long as the index is closing above 7,450 points and 7,200 points, respectively.



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City Cement Co.

Reuters Ticker: <3003.SE>

Price closed at SAR13.06. The stock continues to recover from the history low at SAR9.35, breaking above the first resistance level at SAR12.40. Additional gains could still be seen on the coming period towards the strong horizontal line at SAR15.70, which should be cleared to confirm a return to SAR19.40. On the other side, the nearby support levels are located at SAR11.80, SAR11.10 and SAR10.35 but only below this would call for a re-test of SAR9.35.



RSI	70.739
MACD	0.14
ROC	16.192
M10	11.95
M50	11.10
M100	11.65
S1	12.40
S2	10.35
S3	9.35
R1	15.70
R2	19.40
R3	21.65

Yamama Cement Co.

Reuters Ticker: <3020.SE>

Price closed at SAR17.04. The critical support level at SAR15.55 (low of year 2016) continues to prevent additional losses and the current picture is leaning more towards the bulls, knowing that a successful close above the first resistance level at SAR18.00 would confirm an establishment of a new positive trend and call for an advance to SAR20.65 and SAR23.20. However, losing SAR15.55 would deepen the bearish tone and trigger SAR13.35 and SAR11.85.



RSI	56.289
MACD	-0.18
ROC	-1.332
M10	16.40
M50	16.60
M100	17.45
S1	15.55
S2	13.35
S3	11.85
R1	18.00
R2	20.65
R3	23.20

The Mediterranean and Gulf Insurance and Reinsurance Co.

Reuters Ticker: <8030.SE>

Price closed at SAR25.80. The stock recovered from its history low at SAR18.40 and is expected to show further upward potential on the coming period. The overhead resistance levels are intense as we have SAR30.00 and SAR35.8, while above this would open the road to fulfill SAR45.00. On the counter side, a steep move downward is not likely but a fall below SAR24.50 will lead to SAR22.80 and maybe a revisit of SAR18.40.



RSI	43.353
MACD	-2.56
ROC	-3.363
M10	25.70
M50	28.20
M100	37.25
S1	24.50
S2	22.80
S3	18.40
R1	30.00
R2	35.80
R3	45.00

Al Alamiya for Cooperative Insurance Co.

Reuters Ticker: <8280.SE>

Price closed at SAR31.10. The current technical picture of the stock is bullish as it crossed over its MAs on the weekly chart and the failure to dip below the support level at SAR21.40 several times. The next target price comes at SAR35.20, while above it will confirm a positive continuation pattern and promote SAR47.50 and maybe further to SAR56.00. However, losing SAR21.40 would bring back to focus the low of year 2016 at SAR15.30.



RSI	73.168
MACD	-0.03
ROC	32.415
M10	26.00
M50	25.15
M100	25.10
S1	21.40
S2	15.30
S3	9.75
R1	35.20
R2	47.50
R3	56.00

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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