

## Technical Analysis – Dubai Financial Market

14-May-2018

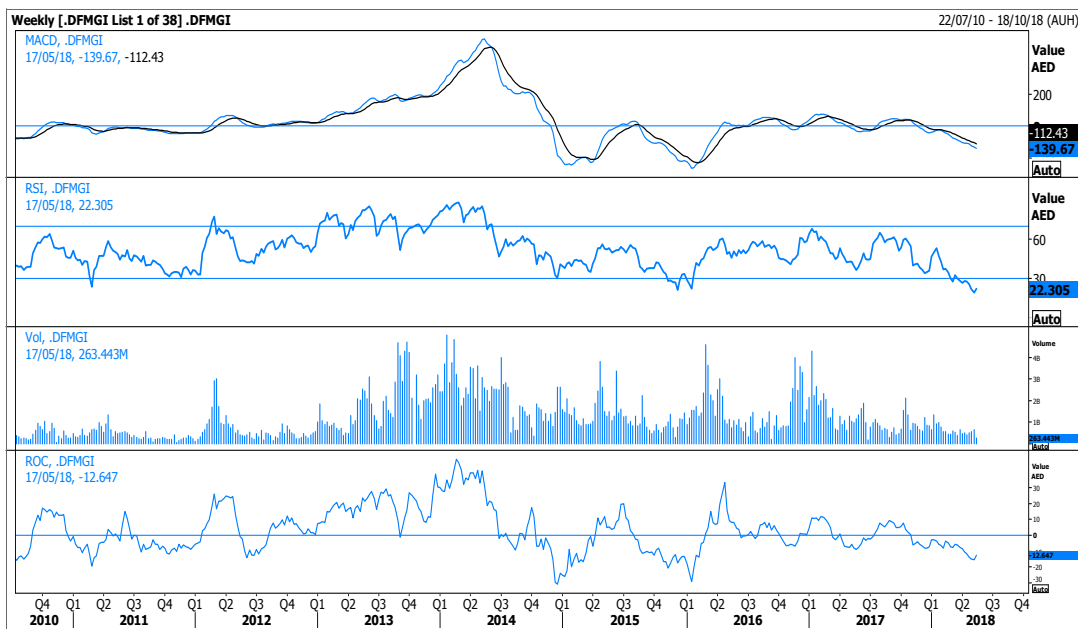
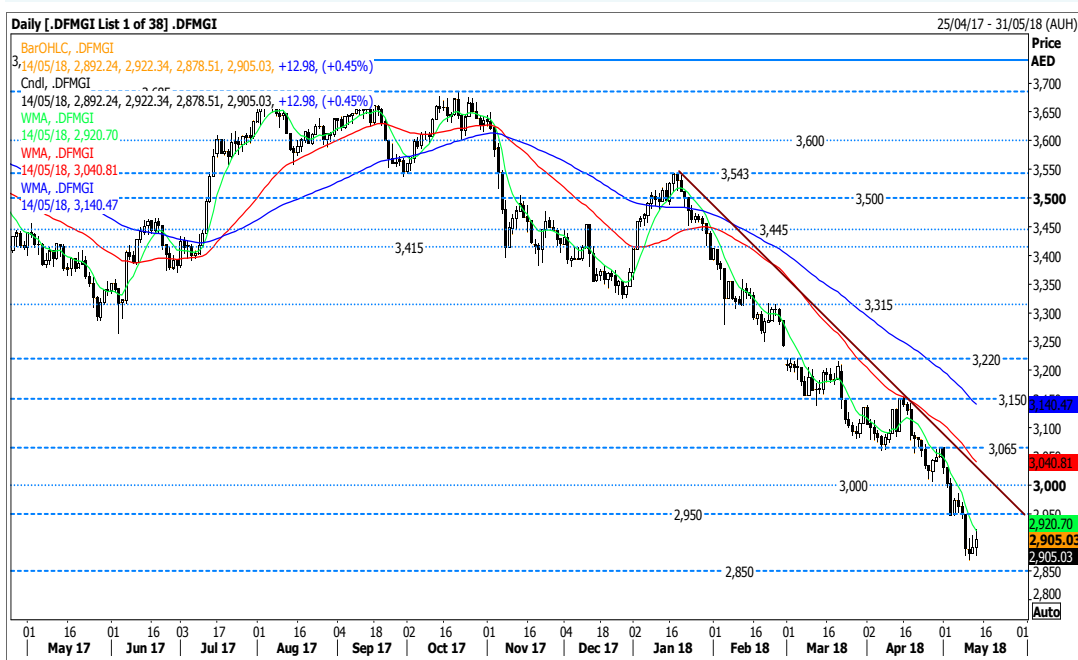
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### Dubai Financial Market

**DFM General Index <.DFMGI> closed at 2,905.03.** The market continues to move within the negative territory and the support level at 2,850 point just about held. However, chances now are higher for an upward technical correction as both daily and weekly RSI indicators are looking oversold but to gain confidence, we would like to see an impulsive move above the resistance area at 2,950 point-3,000 point. Managing to do so will promote 3,065 point and 3,150 point. On the counter side, a fall below 2,850 point will most likely target the next defense line at 2,750 point and maybe 2,590 point.

Medium-term and long-term investors can re-enter the market at levels higher than 3,300 point and 3,400 point, respectively.



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## Aramex

Reuters Ticker: &lt;ARMX.DU&gt;

**Price closed at AED3.890.** The stock continues to move south and the next support area comes at AED3.650-AED3.450, which should prevent further weaknesses but losing it would deepen the bearish tone to AED3.000. On the counter side, a break above the horizontal line at AED4.100 would attract some buying potential to AED4.400 but a close above the resistance zone at AED4.550-AED4.750 is needed to alleviate the downside pressure.

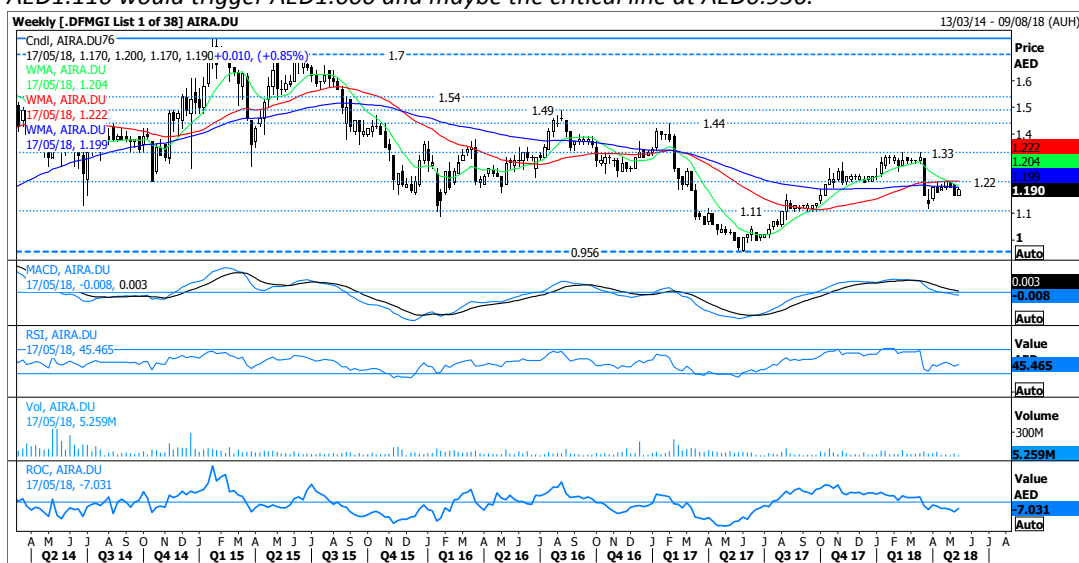


RSI	32.775
MACD	-0.167
ROC	-4.890
M10	4.040
M50	4.467
M100	4.606
S1	3.650
S2	3.450
S3	3.000
R1	4.100
R2	4.400
R3	4.550

## Air Arabia

Reuters Ticker: &lt;AIRA.DU&gt;

**Price closed at AED1.190.** The stock has been swinging between AED1.110-AED1.220 for the last couple of weeks, while a break of either line would turn the signal brighter. Knowing that a break above AED1.220 could most likely call for a re-test of the strong resistance level at AED1.330, which if broken would seal a more constructive outlook and target AED1.440. However, a dip below AED1.110 would trigger AED1.000 and maybe the critical line at AED0.956.

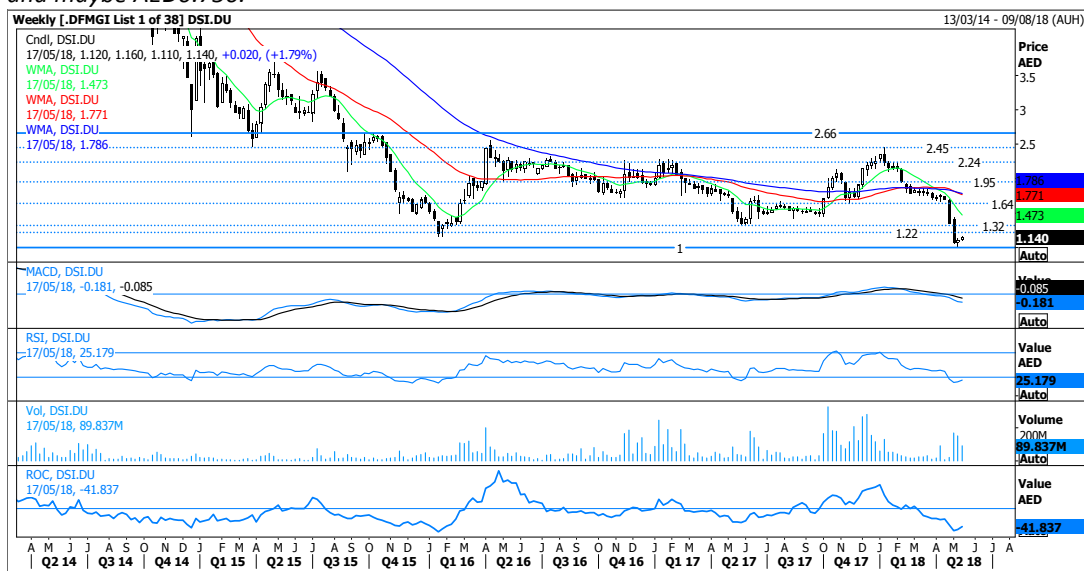


RSI	45.465
MACD	0.003
ROC	-7.031
M10	1.205
M50	1.222
M100	1.200
S1	1.110
S2	1.000
S3	0.956
R1	1.220
R2	1.330
R3	1.440

## Drake &amp; Scull International

Reuters Ticker: &lt;DSI.DU&gt;

**Price closed at AED1.140.** The stock rebounded from its recent low at AED1.000 as the daily RSI indicator has reached the oversold territory. Additional strength is still expected to take place on the short-term period towards AED1.220 and AED1.320, while above this should be enough to anticipate a move back to AED1.640. On the other side, a fall below AED1.000 will call for a slippage to AED0.900 and maybe AED0.750.



RSI	25.179
MACD	-0.085
ROC	-41.837
M10	1.473
M50	1.771
M100	1.786
S1	1.000
S2	0.900
S3	0.750
R1	1.220
R2	1.320
R3	1.640

## Shuaa Capital

Reuters Ticker: &lt;SHUA.DU&gt;

**Price closed at AED1.090.** The stock encounters a tiny resistance level at AED1.150 after seeing a relief from the recent low at AED0.910. However, managing to surpass AED1.150 would promote AED1.300, while above this will call for an advance towards AED1.460. On the negative side, an aggressive move down is neglected but a close below AED0.910 will re-instate the bearish tone and allow additional losses to take place to AED0.730.



RSI	47.266
MACD	-0.040
ROC	-1.802
M10	1.059
M50	1.118
M100	1.229
S1	1.000
S2	0.910
S3	0.750
R1	1.150
R2	1.300
R3	1.460

## 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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