

Technical Analysis – Dubai Financial Market

13-May-2019

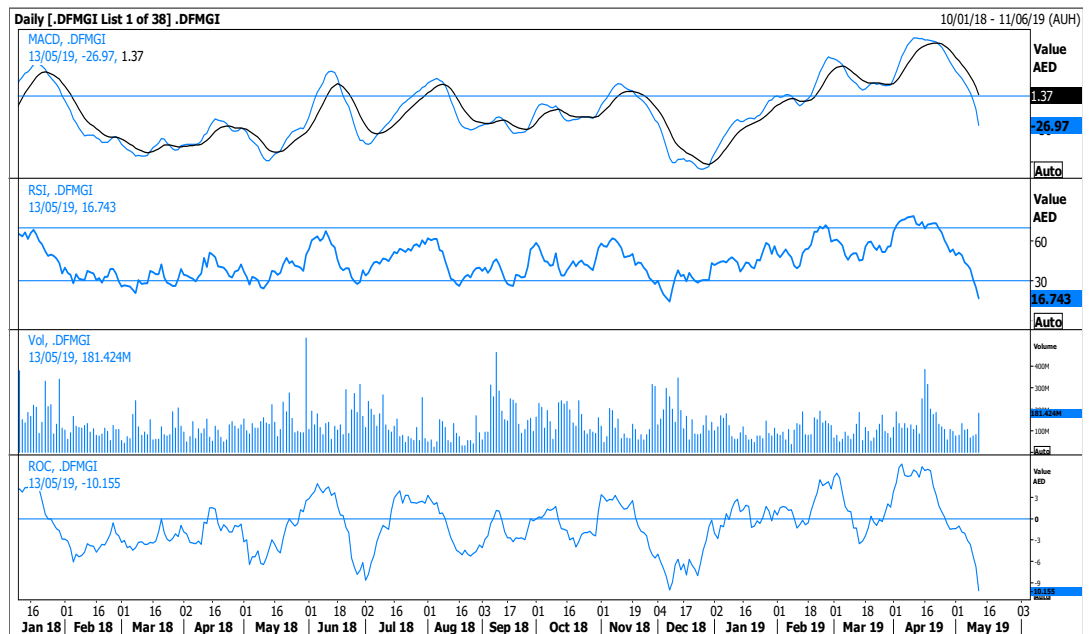
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 2,525.61. The market witnessed a sharp fall after it approached the strong resistance level at 2,855 point. The next level of defense comes at 2,475 point, at which some buying activity is more likely to take place, knowing that a sudden break below this will bring back to focus the low of last year at 2,430 point. However, an upward natural correction could be seen on the short-term period as the daily RSI indicator has reached the oversold territory but only above 2,855 point would call for a new bullish trend.

Medium-term and long-term investors can enter the market at levels higher than 2,675 point and 2,855 point, respectively.



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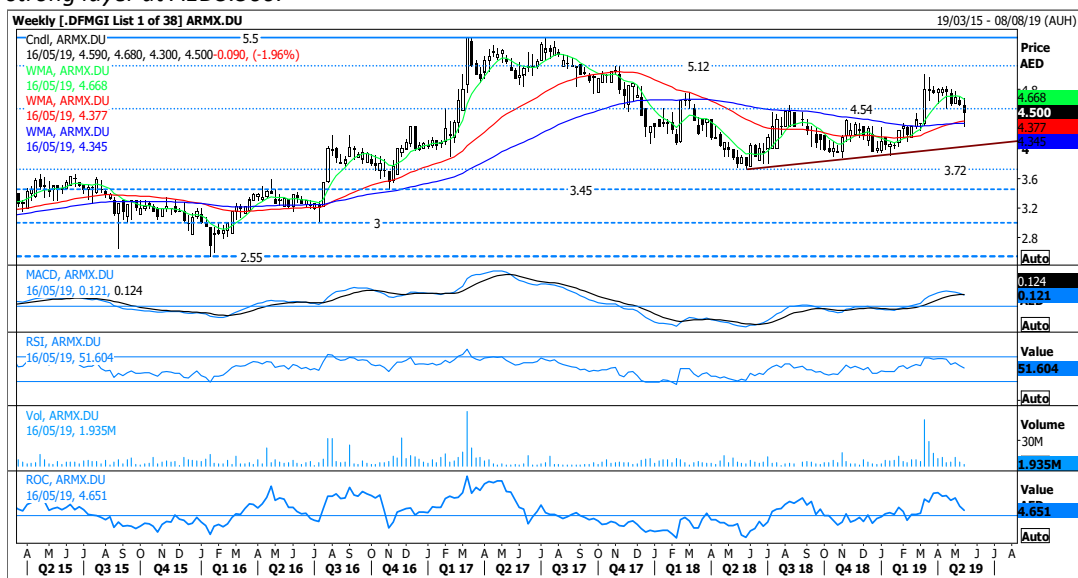
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Aramex

Reuters Ticker: <ARMX.DU>

Price closed at AED4.500. The stock eased down from this year high at around AED5.000, while a fall below AED5.540 would call for additional weaknesses to the strong support level at AED4.250; however, only below this will delay any chances of bullish reversal and trigger AED3.890. On the counter side, re-gaining strength above AED5.000 would most likely target AED5.120 before the strong layer at AED5.500.



RSI	51.604
MACD	0.124
ROC	4.651
M10	4.668
M50	4.377
M100	4.345
S1	4.250
S2	3.900
S3	3.720
R1	5.000
R2	5.120
R3	5.500

Air Arabia

Reuters Ticker: <AIRA.DU>

Price closed at AED0.972. The price is currently supported by the horizontal line at AED0.970, which if broken down would call for a re-test of this year low at AED0.900 but only losing this will deepen the bearish tone and lead to AED0.750. However, a jump over the resistance area at AED1.080-AED1.110 is needed to decrease the downside risk and confirm a positive continuation pattern in an attempt to reach AED1.330.

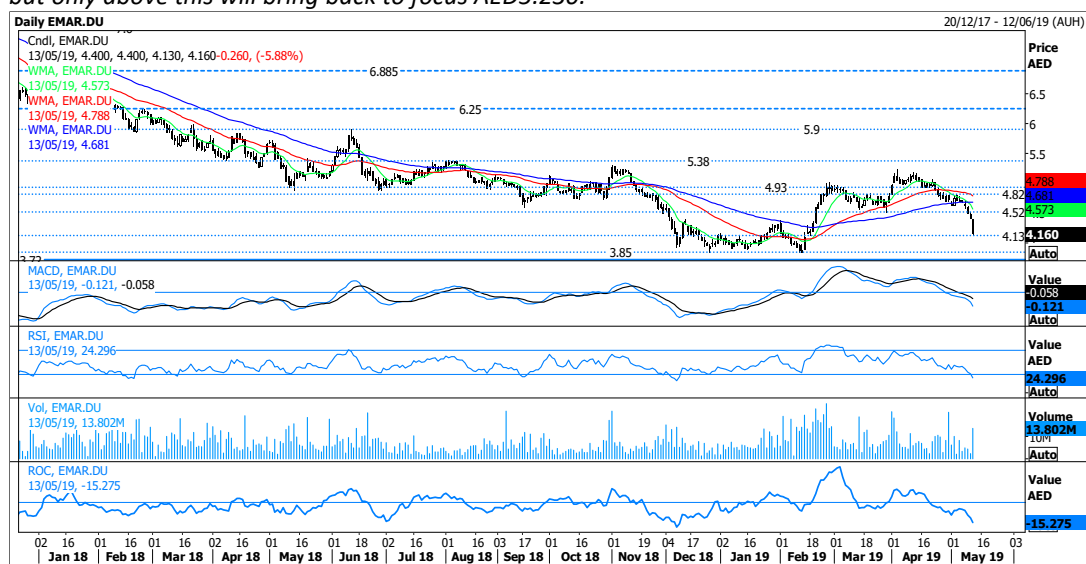


RSI	46.867
MACD	-0.012
ROC	-2.800
M10	0.984
M50	0.990
M100	1.054
S1	0.970
S2	0.900
S3	0.750
R1	1.110
R2	1.220
R3	1.330

Emaar Properties

Reuters Ticker: <EMAR.DU>

Price closed at AED4.160. The stock continues to correct downwards from this year high at AED5.230, falling below the 61.8% level of the Fibonacci Retracements from AED3.850-AED5.230 at AED4.380. Knowing that this break could lead to more weaknesses to AED4.000. On the other side, a close once again above the horizontal line at AED4.640 will promote the resistance zone at AED4.820-AED4.930, but only above this will bring back to focus AED5.230.



RSI	24.296
MACD	-0.058
ROC	-15.275
M10	4.573
M50	4.788
M100	4.681
S1	4.130
S2	4.000
S3	3.850
R1	4.520
R2	4.820
R3	5.380

Emirates Integrated Telecommunications Co.

Reuters Ticker: <DU.DU>

Price closed at AED5.050. The stock looks ambiguous regarding the next move and needs to show some signals to turn the trend brighter. A fall below the first support level at AED5.000 will lead to AED4.880 and AED4.730, while only below the last line will call for a deeper bearish move and target AED4.200. However, the price should print a firm foothold above AED5.400 to validate a positive continuation pattern, a case if happens would lead to AED5.900.



RSI	47.295
MACD	0.029
ROC	-0.591
M10	5.118
M50	5.066
M100	5.056
S1	5.000
S2	4.730
S3	4.200
R1	5.400
R2	5.900
R3	6.200

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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