

Technical Analysis – Saudi Stock Exchange

19-March-2018

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Saudi Stock Exchange

Tadawul All Share Index <.TASI> closed at 7,710.57 point. The index recorded new high for this period at 7,840 point due to the continuous move above its MAs and the ascending trend line. However, some natural weaknesses went through as the RSI indicators reached the overbought territory, while additional losses cannot be neglected but not expected to be aggressive, knowing that the first defense level comes at 7,560 point and below it could trigger 7,470 point but the market should not break below the strong line at 7,310 point. On the counter side, re-gaining strength above 7,840 point would allow another jump to 8,000 point and maybe 8,250 point.

Medium-term and long-term investors can stay in the market as long as the index is closing above 7,310 points and 7,100 points, respectively.



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Reuters Ticker: <2020.SE>

[illegible]

RSI	63.843
MACD	1.21
ROC	14.698
M10	68.78
M50	64.55
M100	65.55
S1	64.00
S2	57.00
S3	50.00
R1	82.00
R2	88.25
R3	101.25

Reuters Ticker: <2060.SE>

[illegible]

RSI	71.445
MACD	0.57
ROC	2.944
M10	17.72
M50	15.89
M100	15.61
S1	17.20
S2	15.75
S3	13.20
R1	20.00
R2	26.70
R3	29.20

Northern Region Cement Co.

Reuters Ticker: <3004.SE>

Price closed at SAR10.76. The failure to dip below all-time low at SAR9.00 several times forced the stock to inch upwards and is currently attempting to overcome the resistance level at SAR11.15. A successful break over this would shift the trading range to SAR11.15-SAR13.40. On the other side, a sharp move down is not likely but some attempts to go down could be seen; however, a fall below SAR9.80 will put pressure on SAR9.00 once again.



RSI	57.892
MACD	0.15
ROC	4.859
M10	1.59
M50	10.06
M100	10.40
S1	9.80
S2	9.00
S3	8.50
R1	11.15
R2	13.40
R3	15.30

Aseer Trading, Tourism & Manufacturing Co.

Reuters Ticker: <4080.SE>

Price closed at SAR11.56. Although the stock rebounded from the strong support level at SAR10.68, but a break above the horizontal line around SAR13.70 is still needed to confirm a base at SAR10.68 and call for additional gains. However, managing to print a close above SAR13.70 will open the road for an advance to SAR17.20 before SAR19.45. On the counter side, a fall below SAR10.68 could deepen the bearish move and lead to the critical level at SAR8.55 (low of year 2008).



RSI	33.951
MACD	-0.78
ROC	-7.292
M10	11.90
M50	13.37
M100	14.68
S1	10.68
S2	8.55
S3	8.00
R1	13.70
R2	17.20
R3	19.45

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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