

Technical Analysis – Dubai Financial Market

09-June-2024

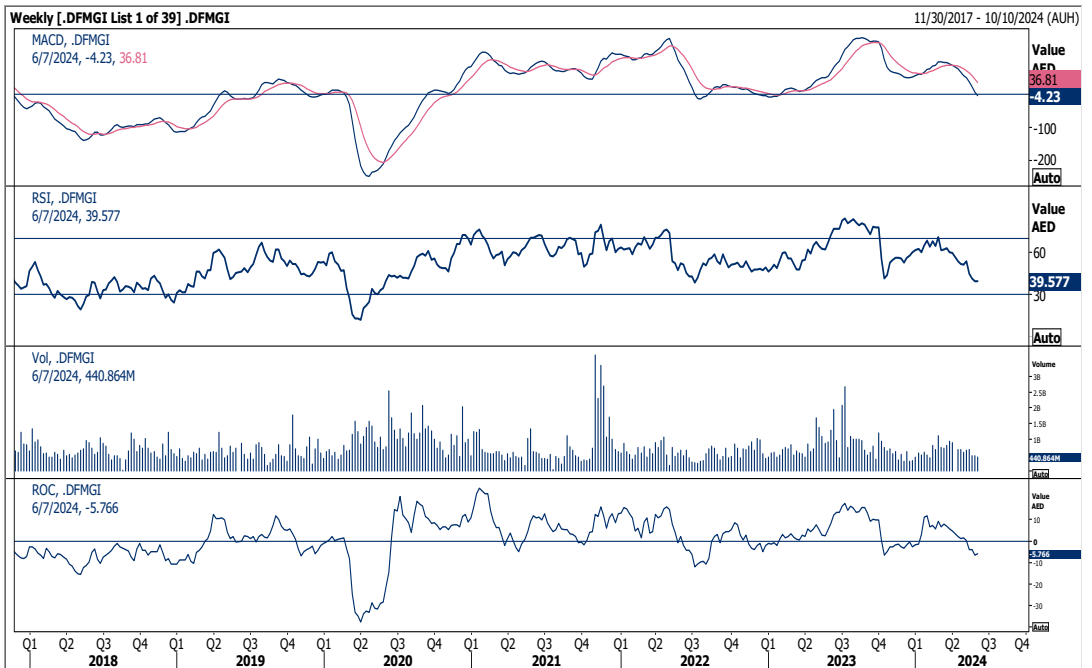
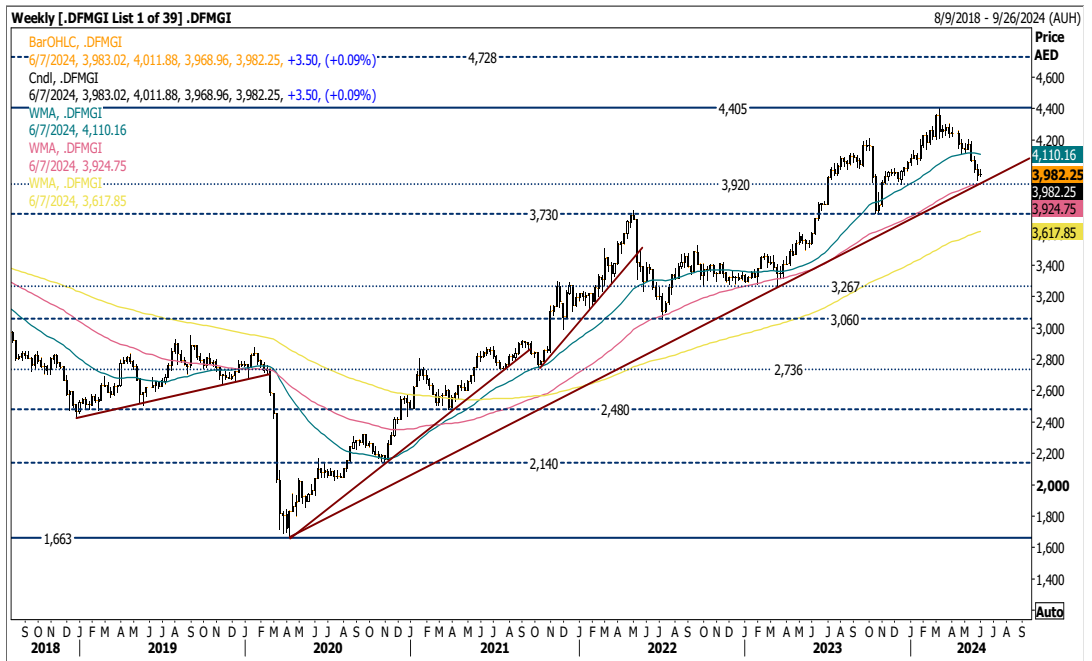
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Dubai Financial Market

DFM General Index <.DFMGI> closed at 3,982.25 points. The index has lost its upward momentum and eyes now have shifted towards the strong support level at 3,920 point, also found here the lower-end of the descending trend line and the 100-weeks MA, which if broken would deepen the downward correction move to 3,730 point and maybe lower to 3,500 point. On the other side, back above the resistance level at 4,110 point would be a positive sign that could lead to a re-test of 4,405 point (high of this year).

Medium-term and long-term investors can stay in the market with a stop-loss below 3,920 points and 3,600 points, respectively.



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Air Arabia

Reuters Ticker: <AIRA.DU>

Price closed at AED2.32. The stock retreated after finding a strong resistance level at AED3.03 and is now threatening to go below its 200-weeks MA, a case if happens would lead to the strong support level at AED2.00, while below this could target AED1.80. However, back above AED2.60 would decrease the downside risk and promote a jump to AED2.83 and maybe higher to AED3.03.



RSI (W)	28.599
MACD (W)	-0.025
ROC (W)	-20.000
MA50 (W)	2.720
MA100 (W)	2.600
MA200 (W)	2.260
S1	2.000
S2	1.800
S3	1.600
R1	2.700
R2	2.830
R3	3.030

Emirates Integrated Telecommunications Co.

Reuters Ticker: <DU.DU>

Price closed at AED5.80. Although the price has maintained a close above all MAs on the weekly chart, but there is a need to print a firm close above the resistance level at AED6.05 to end the recent sideways move and fulfill the next target price at AED6.45 before AED6.88. On the counter side, only a dip below the horizontal line at AED5.50 would shift the tone to the downside and lead to AED4.95.



RSI (W)	57.818
MACD (W)	0.107
ROC (W)	1.045
MA50 (W)	5.580
MA100 (W)	5.610
MA200 (W)	5.730
S1	5.500
S2	4.950
S3	4.330
R1	6.050
R2	6.450
R3	6.880

Aramex

Reuters Ticker: <ARMX.DU>

Price closed at AED2.66. The stock saw a recovery after finding a strong support at AED1.93, while further advance above the recent high at AED2.82 would most likely lead to a jump to AED3.05 and maybe more to AED3.40. However, a break below AED2.37 is expected to delay the upward momentum and put selling pressure on the horizontal line at AED1.93 once again.



RSI (W)	59.288
MACD (W)	0.041
ROC (W)	16.667
MA50 (W)	2.400
MA100 (W)	2.670
MA200 (W)	3.150
S1	2.370
S2	1.930
S3	1.500
R1	2.820
R2	3.050
R3	3.400

Dubai Investments

Reuters Ticker: <DINV.DU>

Price closed at AED2.11. The price is currently closing below all MAs on the weekly chart and is hovering near the strong support line at AED2.04, though it remains within the ascending trend line, knowing that a break below this would allow further weaknesses to AED1.80 before AED1.63. On the other side, a move above AED2.21 would shift the trading range to AED2.21-AED2.45 once again.



RSI (W)	34.199
MACD (W)	-0.036
ROC (W)	-9.052
MA50 (W)	2.290
MA100 (W)	2.310
MA200 (W)	2.220
S1	2.040
S2	1.800
S3	1.630
R1	2.210
R2	2.450
R3	2.660

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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