

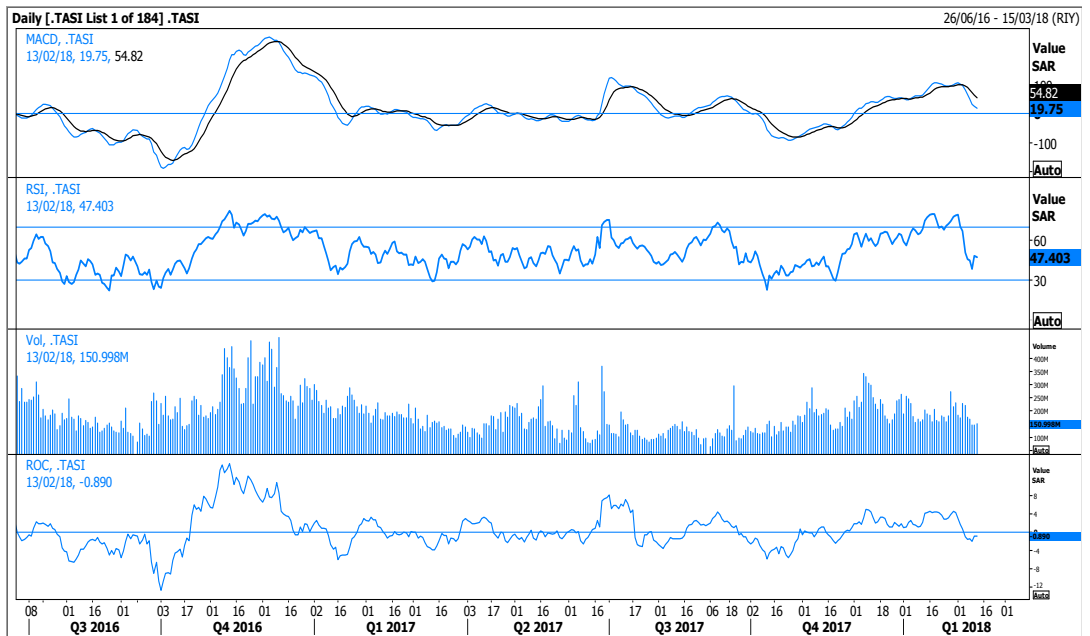
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Saudi Stock Exchange

Tadawul All Share Index <.TASI> closed at 7,412.56 point. The market witnessed a natural downward correction after a prolonged bullish move that posted a temporarily high at 7,700 point. The current picture looks ambiguous as the index could move in either way, knowing that a dip below the recent low at 7,310 point would trigger 7,220 point (50% level of the Fibonacci Retracements from 6,750 point-7,700 point) and maybe more to 7,130 point. On the counter side, re-gaining strength above 7,470 point would allow another jump to 7,560 point, but only a close above 7,700 point would confirm a positive continuation pattern.

Medium-term and long-term investors can stay in the market as long as the index is closing above 7,200 points and 7,000 points, respectively.



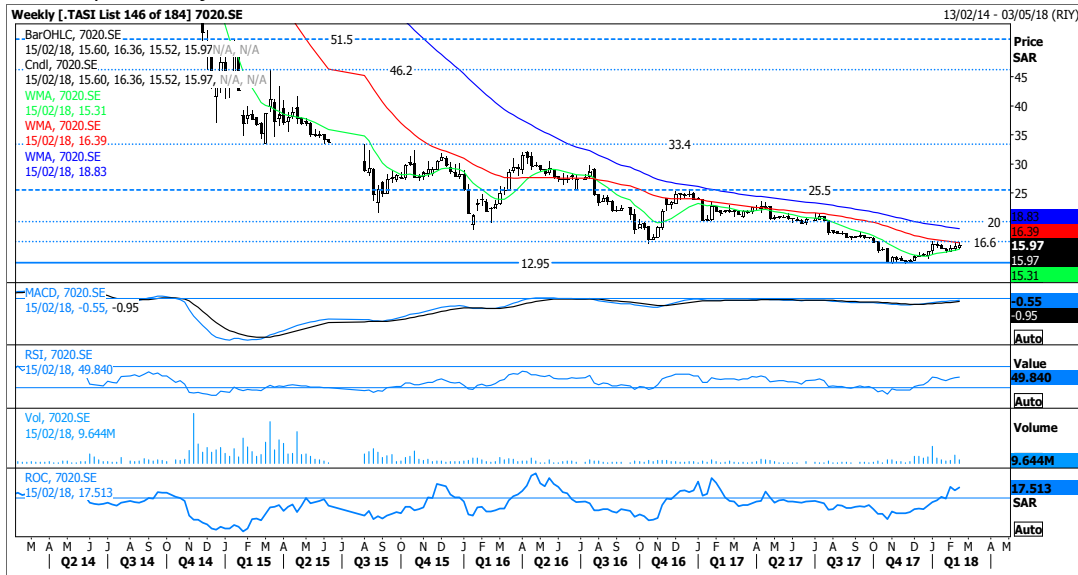
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Etihad Etisalat Co.

Reuters Ticker: <7020.SE>

Price closed at SAR15.97. The stock found a strong support at around SAR12.95, as it failed to fall below it several times, before seeing some relief. Currently, bulls encounter a resistance level at SAR16.60, which if broken would call for a jump towards SAR20.00 and maybe more to SAR23.60. On the counter side, back below SAR14.85 will trigger SAR13.75 and maybe a re-test of SAR12.95 but it is not expected to fall below the last line.

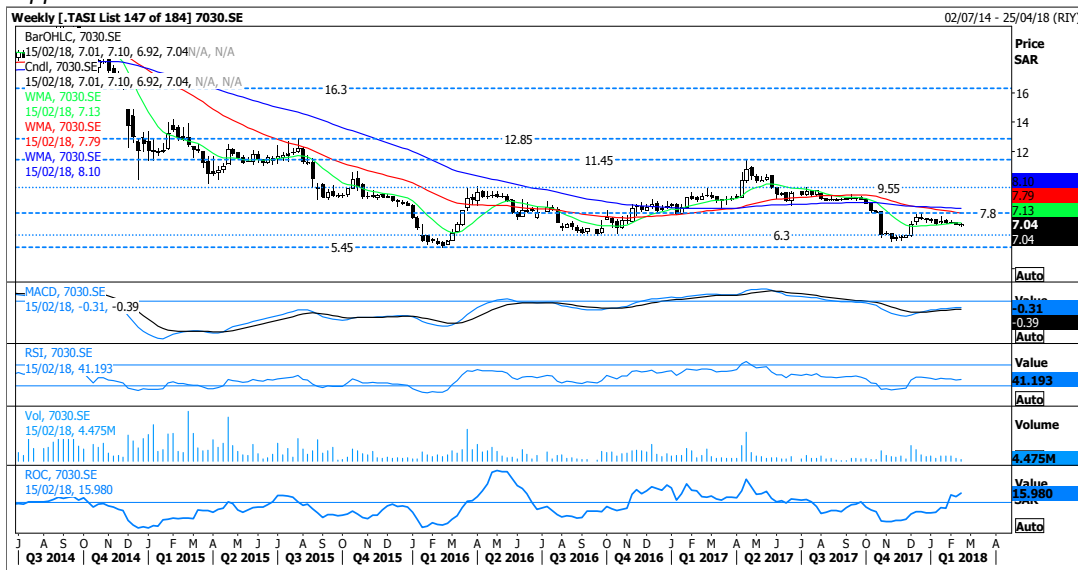


RSI	49.840
MACD	-0.95
ROC	17.513
M10	15.30
M50	16.40
M100	18.85
S1	14.85
S2	13.75
S3	12.95
R1	16.60
R2	20.00
R3	25.50

Mobile Telecommunications Co. Saudi Arabia

Reuters Ticker: <7030.SE>

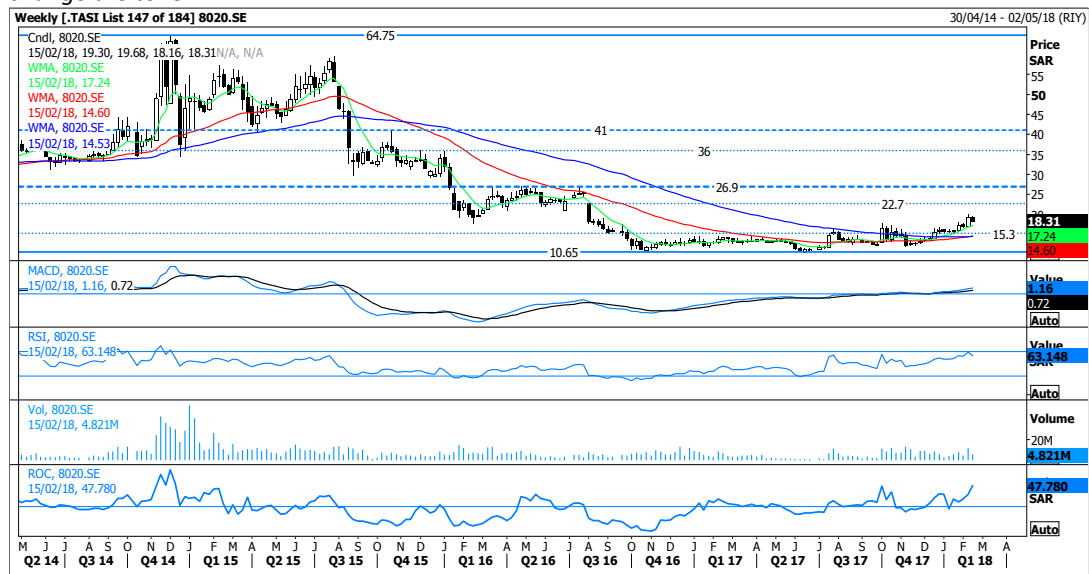
Price closed at SAR7.04. Sentiment turned cautious since mid-December when the upward potential weakened. A jump over the tiny resistance level at SAR7.80 is needed to re-activate the buying momentum and call for an advance towards SAR9.55; however, only above SAR11.45 would confirm a base near SAR5.45. On the other side, a dip below SAR6.30 could put pressure once again on the support level at SAR5.45.



RSI	41.193
MACD	-0.39
ROC	15.980
M10	7.15
M50	7.80
M100	8.10
S1	6.30
S2	5.45
S3	5.00
R1	7.80
R2	9.55
R3	11.45

Malath Cooperative Insurance Co. Reuters Ticker: <8020.SE>

Price closed at SAR18.31. The stock remains within the positive territory and further strength could still be seen as long as the price is holding above SAR15.30. The next target price is expected to be at SAR22.70, while above this should promote the strong resistance level at SAR26.90. However, losing the support level at SAR15.30 would lead to SAR12.20 but only below SAR10.65 (not favored) would change the tone.



RSI	63.148
MACD	0.72
ROC	47.780
M10	17.25
M50	14.60
M100	14.55
S1	15.30
S2	12.20
S3	10.65
R1	22.70
R2	26.90
R3	36.00

Wataniya Insurance Co. Reuters Ticker: <8300.SE>

Price closed at SAR29.61. The stock has been moving within a wide range between SAR24.85-SAR35.75 for more than one year and an escape out of this zone is required to turn the picture brighter. Knowing that a close above SAR37.75 along with an increase in trading activity would open the road for a gradual move towards SAR48.50, while back below SAR24.85 will most likely bring back to focus all-time low at SAR15.60.



RSI	55.752
MACD	-0.27
ROC	11.736
M10	28.20
M50	28.70
M100	27.90
S1	24.85
S2	19.80
S3	15.60
R1	35.75
R2	48.50
R3	56.80

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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