



MONTHLY TECHNICAL REPORT

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This report is intended to present a general view for the market. This report does not take into consideration the specific financial position of every investor and/or his/her risk appetite in relation to investing in the security or any other assets, and hence, no information in this analysis should be considered as being business, financial and legal advice.



KSA Equity Market ANALYSIS

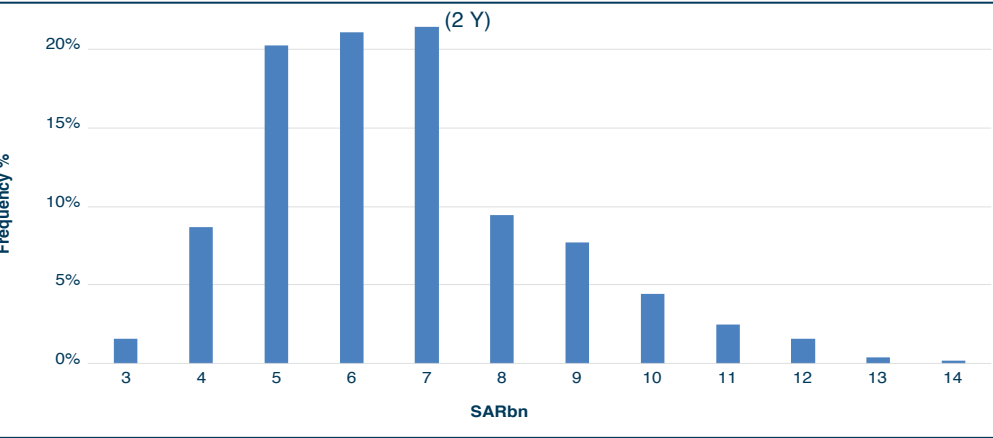


Tadawul Index (Weekly): The index is exhibiting a temporary profit-booking attitude after penetrating a positive Wedge pattern which suggests targets near 12,545 followed by 12,880. Moreover, the RSI indicator has penetrated a declining trendline as well as the level of 50, confirming the price action. Otherwise, a weekly close below the 10-week SMA near the level of 11,935, would pave the way for a further decline toward the zone of the prior bottoms near 11,450 – 11,320.

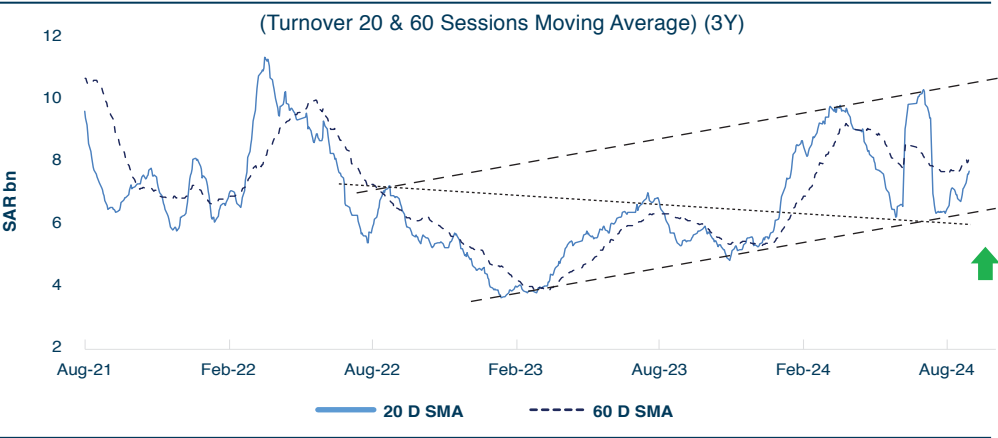


Tadawul Index (Stat.): During the prior two years, TASI recorded daily turnovers between SAR 5 – 7bn almost two-thirds of the time, with the highest frequency of SAR 7bn. It recorded a weekly spread between 2.0 – 3.5% more than two-thirds of the same period with the highest frequency of 2.0%. The trend of the liquidity of the index started to bounce off the lower boundary of a rising channel near the prior bottom of around SAR 6bn suggesting a possible rise toward the previous peak near SAR 10bn. Moreover, the average weekly spread is currently moving upwards indicating a potential rise toward the levels of prior peaks around 3.30% - 3.80%.

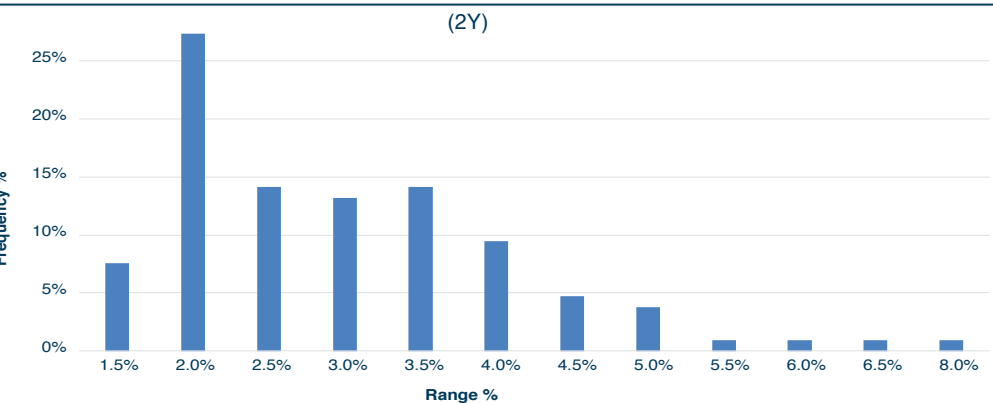
Daily Turnover



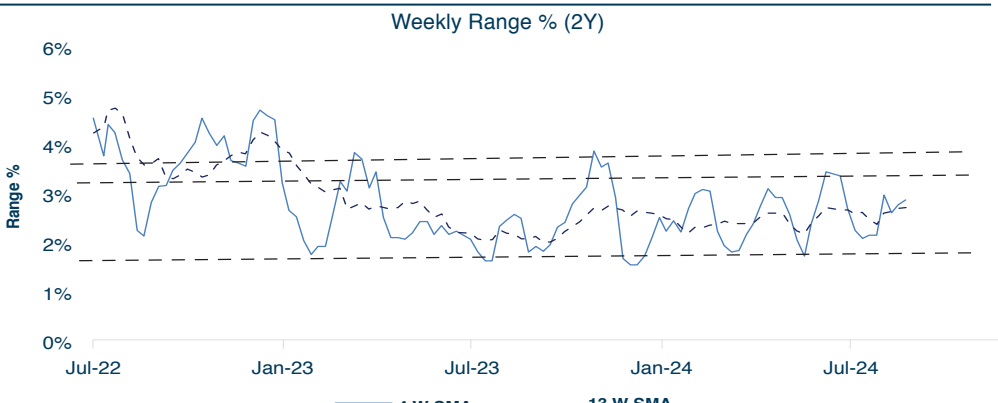
Liquidity Trend (3Y)



Weekly Range %



Volatility Trend



Source: Argaam, Aljazira Capital

Banks Sector (Weekly): The index is currently retesting the previously penetrated declining trendline that suggested targets near 12,665 followed by 13,135. Moreover, the RSI indicator is testing a rising trendline as well as the level of 50 confirming the price action. On the flip side, a weekly close below the 20-week SMA near the level of 11,725, would pave the way for a further decline toward the 200-week SMA around 11,385.



Materials Sector (Weekly): The index is testing the upper boundary of a declining channel near 5,725, and the penetration would suggest targets near 5,920 followed by 6,175. Moreover, the RSI indicator has penetrated a declining channel indicating a potential breakout in the price action. On the flip side, a weekly close below 5,575 would indicate the weakness of the index and pave the way for a possible further decline toward the last bottom around 5,400.



Source: Tradingview.com, Aljazira Capital

Energy Sector (Weekly): The index penetrated the upper boundary of a declining channel suggesting potential targets near 5,430 followed by 5,650. Moreover, the RSI indicator penetrated a declining trendline and exhibited a positive divergence confirming the positive price action. Otherwise, a weekly close below 5,185 would pave the way for a further decline toward the prior bottom near 5,070.



Telecommunication Services Sector (Weekly): The index is testing the support zone of an upside Gap between 8,030 – 7,840 where a potential resurgence of buying attitude may occur. Meanwhile, the RSI indicator is moving upward after penetrating the 50 level. Otherwise, a weekly close below 7,840 would indicate the weakness of the index and pave the way for a possible further decline toward the 10-week SMA of around 7,675.



Source: Tradingview.com, Aljazira Capital

Insurance Sector (Weekly): The index started to exhibit a profit-booking attitude near the resistance zone of prior peaks, and a weekly close below 11,227 would suggest a potential further decline toward near 10,900 followed by 10,230. Meanwhile, the RSI indicator continued moving below a declining trendline after penetrating a rising trendline. On the flip side, a weekly close above 12,100 would indicate the strength of the index and pave the way for a possible further rise toward the prior peak of around 12,690.



Health Care Equipment and Service Sector (Weekly): The index is currently exhibiting a temporary profit-booking attitude after penetrating a positive Wedge pattern which suggests targets near 13,845 followed by 14,430. Moreover, the RSI indicator has penetrated a declining trendline confirming the price action. Otherwise, a weekly close below the 10-week SMA around 12,925 would pave the way for a further decline toward the 50-week SMA near 12,380.



Source: Tradingview.com, Aljazira Capital



GLOBAL BROAD MARKETS ANALYSIS



S&P500 (Weekly): The index is still moving within a rising channel; however, it is approaching a test of the level of the prior peak around 5,670 which needs to be penetrated to suggest targets near 5,820 followed by 6,000. Meanwhile, the RSI indicator is moving laterally within the bullish territory above the level of 50. Otherwise, a weekly close below the 10-week EMA near 5,500 could pave the way for a further decline toward the zone of the 20-week EMA and the 23.6% Fibonacci level near 5,390 - 5,300.



Source: Tradingview.com, Aljazira Capital

Brent (Weekly): The contract is approaching a test of a major rising trendline near the zone of USD 75.00 – 73.70, and a decisive weekly close below it would suggest further decline toward targets near USD 69.85 followed by USD 66.90. Moreover, the RSI indicator is currently testing the level of previous bottoms after breaching a rising trendline. On the flip side, a decisive weekly close above the 20-week SMA near USD 82.40 would pave the way for a possible further rise toward the zone of the prior peak near USD 87.00 – 88.00.



Source: Tradingview.com, Aljazira Capital

Gold (Weekly): The contract started to experience a profit booking attitude after fulfilling the target of the Rectangle price pattern near USD 2,560; suggesting a potential retracement toward the 23.6% Fibonacci level near USD 2,400. Additionally, the RSI indicator exhibits a negative divergence after re-testing a previously breached rising trendline, indicating a potential profit-booking attitude. On the flip side, a weekly close above the level of USD 2,570 would pave the way for a further rise toward USD 2,625.

Gold Futures - 1W - COMEX O 2,545.1 H 2,564.3 L 2,526.6 C 2,527.6 -18.7 (-0.73%)



Source: Tradingview.com, Aljazira Capital



U.S. Dollar Index (Weekly): The index is experiencing a temporary rebound after breaching the lower boundary of a Symmetrical Triangle pattern, suggesting targets near the zone of 99.60 – 99.00 followed by 97.00. Moreover, the RSI indicator simultaneously breached the level of the prior bottoms confirming the price action. On the flip side, a weekly close above the 10-week SMA around 103.45 would pave the way for a possible further rise toward the 20-week SMA near 104.35.



Source: Tradingview.com, Aljazira Capital

US 10Y T-Bonds Yield (Weekly): The yield has fulfilled the 1st target of the Wedge pattern around 3.75% and breaching this level could pave the way toward the 2nd target near 3.25%. Meanwhile, the RSI indicator has breached the level of the prior bottom; indicating a potential further decline in the yield. On the flip side, a weekly close above the 10-week SMA near 4.06% would pave the way for a further rise toward the 20-week SMA around 4.26%.



Source: Tradingview.com, Aljazira Capital

Bitcoin (Weekly): After testing its 20-week SMA, the contract experienced a profit booking attitude suggesting a potential decline to retest of the support zone of the 38.2% - 50% Fibonacci retracement and the 50-week SMA between USD 55,500 – 49,670. Moreover, the RSI indicator started to decline after retesting a previously breached rising trendline indicating a potential further profit booking sentiment. On the flip side, a weekly close above the 20-week SMA of around USD 63,750 would indicate the strength of the price and pave the way for a further rise toward the level of around USD 70,850.



Source: Tradingview.com, Aljazira Capital



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Candlestick: A candlestick (candle) is a type of price chart used to display the high, low, opening, and closing prices of a security for the period under consideration. The candlestick's wide part is known as the 'real body' and shows opening and closing levels of the security for the period. The shadows of the candlestick show the high and low prices for the period. The shape of the candlestick varies based on the relationship between the high, low, opening, and closing prices.

Bullish candle: This is a candle whose closing value is higher than the opening value (usually green in color).

Bearish candle: This is a candle whose closing value is lesser than the opening value (usually red in color).

Support: This is the price level at which demand is strong enough to avoid any further price decline.

Resistance: This is the price level at which supply is strong enough to stop any further price increase.

Pattern/formation: This is a plot of a security's price activity over a certain period that can be used to identify potential trends, reversal of trends, price targets, entry and exit points, etc. There are various formations – such as head & shoulders, triangles, flags, etc.

Simple moving average: A simple moving average is formed by computing the average price of a security over a specific number of periods. Moving averages are based on closing prices; for example, a 5-day simple moving average is the five-day sum of closing prices divided by five.

Exponential moving averages (EMA): Exponential moving averages reduce the lag by applying more weight to recent prices. The weights applied to the most recent price depend on the number of periods in the moving average.

Relative strength index (RSI): RSI is a momentum indicator that compares a security's price gains to its losses for a predetermined number of periods (generally, 14 periods are used). The RSI attempts to point out how security, in relative terms, is in the overbought/oversold zone. Securities with a RSI above 70 could be considered "overbought" and those below 30 could be considered "oversold"

Moving average convergence/divergence (MACD): MACD is a trading indicator that shows changes in the strength, direction, momentum, and duration of a trend in a stock's price through a collection of three-time series calculated from historical closing prices.

Fibonacci retracements: These are horizontal lines that indicate the expected areas of support/resistance for a security based on a predetermined price movement. These are usually indicated by Fibonacci ratios of 23.6%, 38.2%, 50.0%, 61.8%, and 100% from that movement.

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