



# MONTHLY TECHNICAL REPORT

February 2024

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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

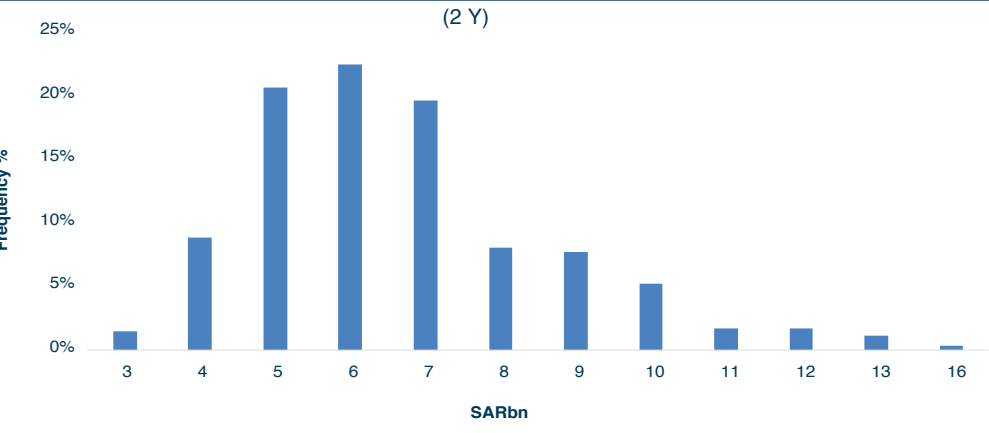


**Tadawul Index (Weekly):** The index hovers within a horizontal channel, and a close above the upper boundary around 12,280 would suggest a target near the zone of 12,700 – 12,900. Additionally, maintaining above the support level of the prior trough around 11,770 is crucial for keeping the positive view alive. Moreover, the RSI indicator is simultaneously testing a declining trendline. Otherwise, a weekly close below 11,770 would indicate the weakness of the index in the short term and pave the way for a further decline toward 11,550.

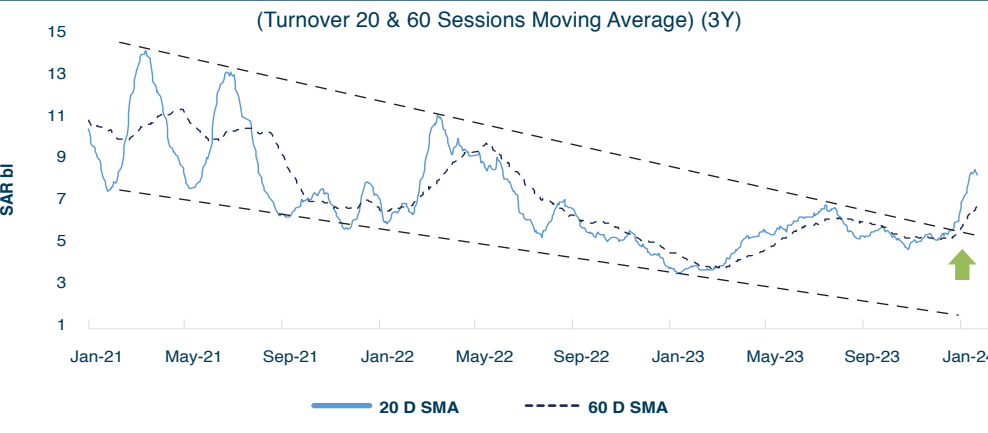


**Tadawul Index (Stat.):** During the prior two years, TASI recorded daily turnovers between SAR 5 – 7bn almost two-thirds of the time with the highest frequency of SAR 6bn. It recorded a weekly spread between 2.0 – 3.0% near the half of the same period with the highest frequency of 2.0%. The trend of the liquidity of the index soared upward after penetrating the upper boundary of the declining channel, suggesting a possible resumption toward the level of the prior peak near SAR 11bn. Moreover, the average weekly spread bounced off the lower boundary of its lateral range near 2.0% suggesting a possible upside rebound toward the upper boundary near the zone of 4.5 – 6.0%.

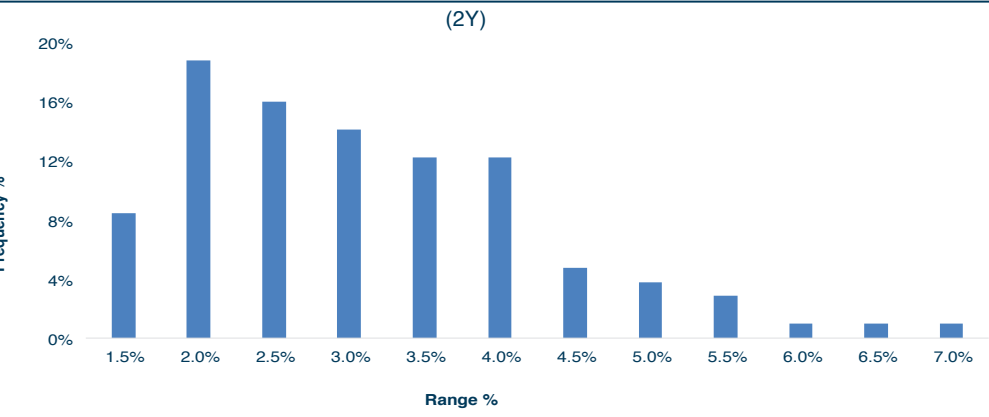
Daily Turnover



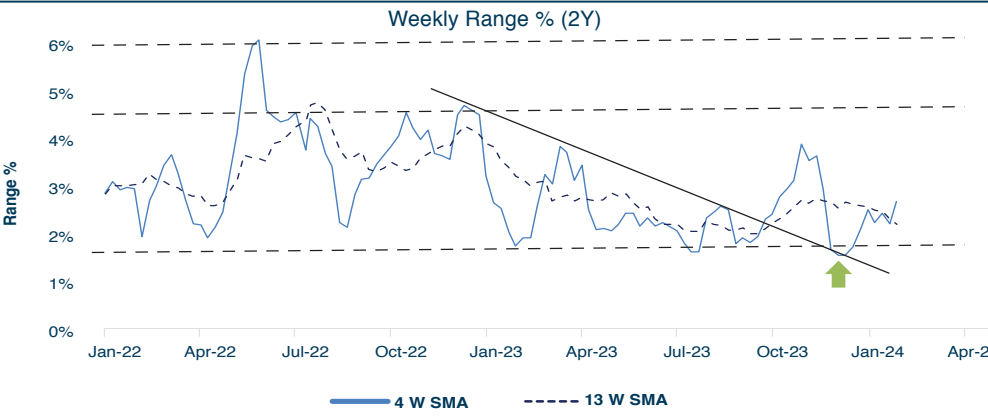
Liquidity Trend



Weekly Range %



Volatility Trend



Source: Argaam, Aljazira Capital

**Banks Sector (Weekly):** The index hovers above the level of the middle peak of the completed Double Bottom pattern and a breakthrough of 12,750 is needed to resume the way toward the second target around 13,620. Moreover, the RSI indicator is still hovering within the bullish zone above the level of 50. On the flip side, a decisive weekly close below 12,050 would indicate the weakness of the index in the short term and pave the way for a further decline toward the 50-week SMA near 11,175.



Source: Tradingview.com, Aljazira Capital

**Materials Sector (Weekly):** The index has re-penetrated its 20-week SMA, paving the way for a possible rise toward a target near 6,300. Moreover, a weekly close above this target level would suggest another target near 6,750. Furthermore, the RSI indicator started to bounce off a previously penetrated declining trendline. On the flip side, a decisive weekly close below 5,850 would indicate the weakness of the index and pave the way for a further decline toward 5,620.



Source: Tradingview.com, Aljazira Capital



**Consumer Discretionary & Retail Sector (Weekly):** The index bounced off the neckline of an inverted Head and Shoulders pattern that suggests targets near 8,900 followed by 9,400. Moreover, the RSI indicator started to bounce off a previously penetrated declining trendline. On the flip side, a decisive weekly close below 8,250 would indicate the weakness of the index and pave the way for a further decline toward 8,065.



Source: Tradingview.com, Aljazira Capital



# GLOBAL BROAD MARKETS ANALYSIS





**S&P500 (Weekly):** The index is currently heading toward a target near the 127.2% Fibonacci level around 5,180, after penetrating the level of the prior major peak. Moreover, the RSI indicator is still moving upward within the overbought zone. On the flip side, a weekly close below 4,800 would indicate the weakness of the index and pave the way for a further decline toward the 20-week SMA near 4,600.



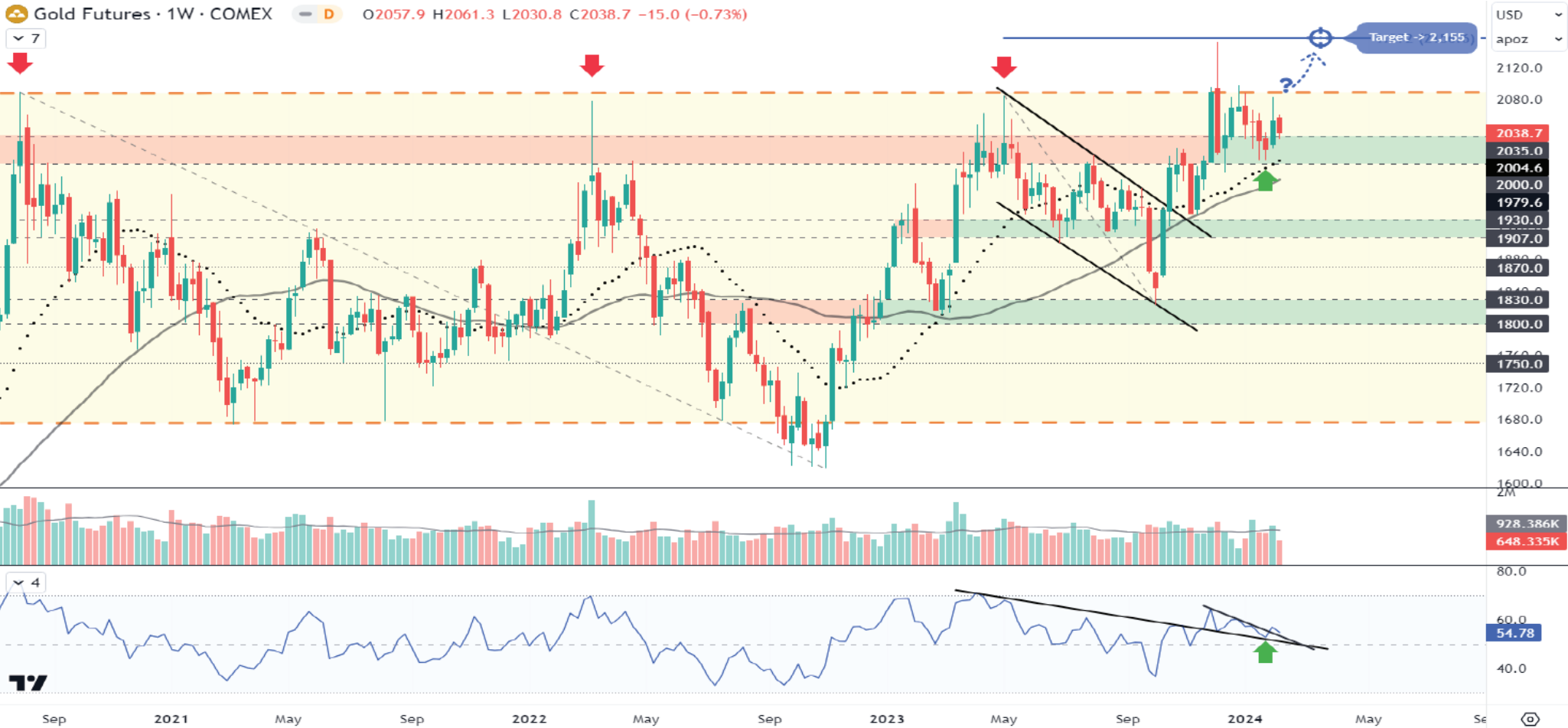
Source: Tradingview.com, Aljazira Capital

**Brent (Weekly):** The contract is heading to retest the resistance level of the 50% Fibonacci level around USD 84.15 after bouncing off a major rising trendline. A breakthrough of this resistance level would suggest a possible further rise toward the previous peak around USD 96.00. Moreover, the RSI indicator is simultaneously testing the level of 50. On the flip side, a decisive weekly close below USD 72.30 would indicate the weakness of the contract and pave the way for a further decline toward USD 69.00 followed by USD 65.00.



Source: Tradingview.com, Aljazira Capital

**Gold (Weekly):** The contract is witnessing a coiling profit booking action near the upper boundary of its major sideways movement around USD 2,090, which needs to be surpassed to pave the way for an upside target near the 127.2% Fibonacci level around USD 2,155. Moreover, the RSI indicator penetrated a declining trendline as a leading indication. On the flip side, a weekly close below USD 2,000 would indicate the weakness of the contract and pave the way for a further decline toward USD 1,930.



Source: Tradingview.com, Aljazira Capital

**U.S. Dollar Index (Weekly):** The index is currently facing a significant declining trendline near the 61.8% Fibonacci retracement level around the zone of 104.60 – 105.00, where selling pressure may appear to drive the index toward the support zone of 101.25 – 99.60. Moreover, the RSI indicator is hovering around the level of 50 where previous turning points have occurred. On the flip side, a weekly close above 105.00 would pave the way for a further rise toward the previous peak near 107.30.



Source: Tradingview.com, Aljazira Capital

**US 10Y T-Bonds Yield (Weekly):** The yield is currently witnessing a temporary upside pullback move to retest the broken boundary of a rising Wedge pattern, which suggests targets near 3.65% followed by 3.25%. Meanwhile, the RSI is retesting its previously broken rising trendline near the level of 50. On the flip side, a weekly close above 4.40% would indicate the strength of the yield and pave the way for a further rise toward the zone of 4.75%.



Source: Tradingview.com, Aljazira Capital

**Bitcoin (Weekly):** The price is heading to retest the 200% Fibonacci level around USD 49,400, which needs to be surpassed to pave the way for an upside target near the 261.8% Fibonacci level around USD 60,060. Moreover, the RSI indicator has penetrated a declining trendline. On the flip side, a weekly close below USD 44,900 would indicate the weakness of the price in the short term and pave the way for a further decline toward USD 39,000.



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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