



# 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



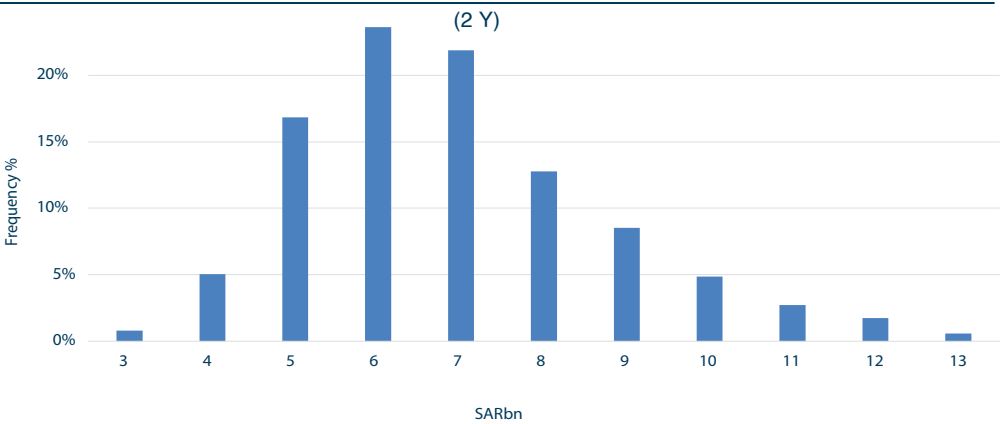
**Tadawul Index (Weekly):** The index experienced a profit-booking attitude after encountering the upper boundary of the dominating sideways movement near 12,455, breaching the lower boundary of a rising channel, which suggests a potential further decline toward a target zone near 11,950 – 11,790. TASI continued fluctuating laterally below the significant resistance level of around 12,455, impacted by the poor performance of the Energy and Materials sectors, accompanied by diminishing liquidity. Meanwhile, the RSI indicator started to breach the level of 50. However, a decisive penetration above the level of 12,455 would indicate a change of the previous trend and pave the way for a further rise toward the level of 12,600, followed by 12,885.



Source: Tradingview.com, Aljazira Capital Research

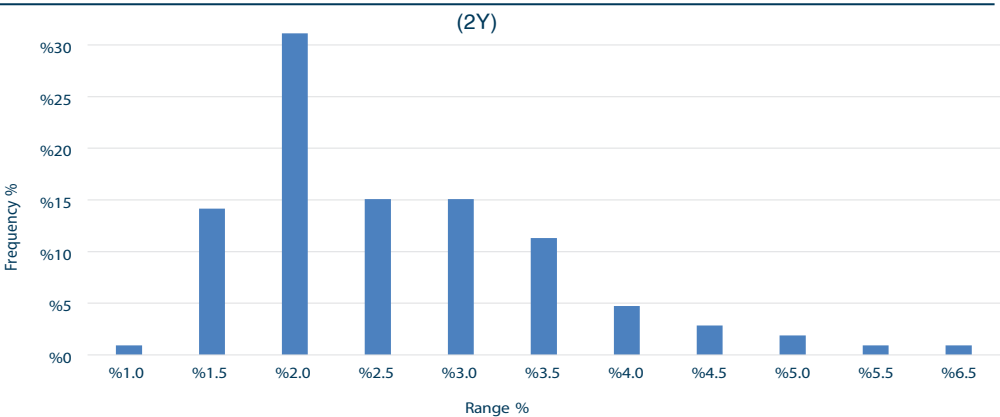


Daily Turnover



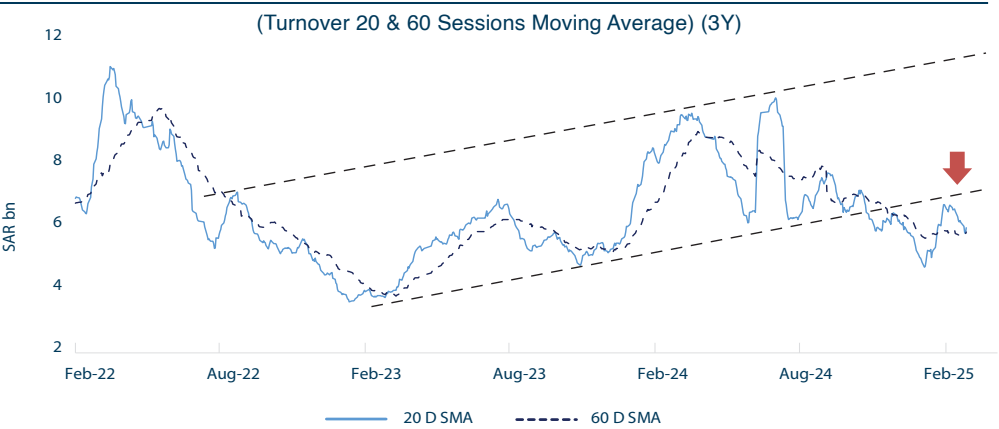
During the prior two years, TASI recorded daily turnovers between SAR 5 – 7bn nearly two-thirds of the time, with the highest frequency of SAR 6bn.

Weekly Range %



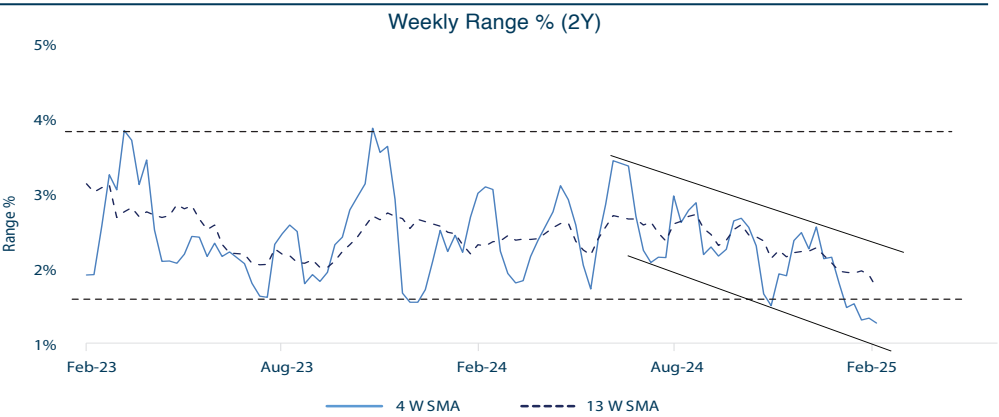
During the prior two years, TASI recorded a weekly spread between 1.5 – 2.5% nearly two-thirds of the time with the highest frequency of 2.0%.

Liquidity Trend (3Y)



The trend of the liquidity of the index started to decline after retesting the previously breached boundary of a rising channel indicating a possible further decline toward the previous bottom near 4.8bn.

Volatility Trend



The trend of the weekly range breached the level of the previous bottoms heading toward the lower boundary of a declining channel near 1.0%.

Source: Argaam, Aljazira Capital Research

**Banks Sector (Weekly):** The profit booking attitude started to appear after encountering the significant resistance zone around the previous peak near 13,070 – 13,200, suggesting a potential decline to retest the 10-week SMA and 127.2% Fibonacci level around 12,650 – 12,550. Moreover, the RSI indicator is currently testing a rising trendline. On the flip side, a weekly close above the level of the prior peak around 13,135 would pave the way for a further rise toward the level of the 127.2% Fibonacci level near 13,730.



**Materials Sector (Weekly):** The index breached the level of the prior bottom, suggesting a potential further decline toward a downside target near 5,060. Moreover, the RSI indicator breached the level of prior bottoms, confirming the bearish price action. On the flip side, a weekly close above the level of the previous bottom near 5,410 would pave the way for a further rise toward the level of the 20-week SMA near 5,620.



Source: Tradingview.com, Aljazira Capital Research

**Energy Sector (Weekly):** The index breached the lower boundary of a rising channel, suggesting a potential further selling pressure toward the support level near 5,075, followed by 4,960. Additionally, the RSI indicator breached a rising trendline, confirming the bearish price action. Otherwise, a weekly close above the 20-week SMA around 5,265 could pave the way for a further rise toward the 50-week SMA around 5,370.



**Telecommunication Services Sector (Weekly):** The index displayed a Doji weekly candlestick near a significant resistance, which requires a subsequent bearish candlestick to indicate a potential profit-booking attitude toward the significant support zone near 8,600 – 8,435. Meanwhile, the RSI indicator is testing the level of previous peaks. Otherwise, a weekly close above the level of 9,120 would indicate a possible further rise toward the level of around 9,600.



Source: Tradingview.com, Aljazira Capital Research



**Insurance Sector (Weekly):** The index continued to experience a profit-taking attitude and breached its 20-week SMA, suggesting a potential further decline toward the level of the previous bottom near 9,445. Meanwhile, the RSI indicator has breached the level of 50. Otherwise, a weekly close above the 10-week SMA around 10,650 could pave the way for a possible further rise toward the prior peak near the upper boundary of the declining channel near 11,300.



**Software and Services Sector (Weekly):** The index has breached a rising trendline, suggesting a potential further profit-taking attitude toward a downside target zone near 77,100 - 75,650. Moreover, the RSI indicator has breached the level of 50 after displaying a negative divergence. Otherwise, a weekly close below the 10-week SMA near 83,600 would pave the way for a further rise toward the resistance zone of around 87,750 - 92,060.



Source: Tradingview.com, Aljazira Capital Research



# GLOBAL BROAD MARKETS ANALYSIS





**S&P500 (Weekly):** The index fulfilled the target zone of around 6,145 and currently tests the lower boundary of a rising channel near 5,825, which if breached, would pave the way for a potential further decline toward the 50-week SMA near 5,635, followed by 5,400. Moreover, the RSI indicator displays a negative divergence and currently tests the level of the previous bottoms. Otherwise, a weekly close above the resistance of 6,220 could pave the way for a possible further rise toward 6,425.



Source: Tradingview.com, Aljazira Capital Research

**Brent (Weekly):** The contract is re-testing the lower boundary of a rising channel around USD 72.00, with a leading bearish signal on the RSI indicator. Moreover, breaching this level would suggest a target zone near the previous bottom around USD 68.70 – 66.90. Additionally, the RSI indicator breached a rising trendline and the level of 50. On the flip side, a decisive weekly close above the 10-week SMA near USD 76.15 could trigger a possible further rise toward the level of the prior peak of around USD 81.25 / 82.60.



Source: Tradingview.com, Aljazira Capital Research



**Gold (Weekly):** The contract is currently experiencing profit booking sentiment after fulfilling its target near USD 2,960, suggesting a potential further retracement to retest the lower boundary of the rising channel near USD 2,750. Moreover, breaching this level could trigger additional selling pressure toward the 50-week SMA near USD 2,550. Meanwhile, the RSI indicator started to decline after displaying a negative divergence. Otherwise, a weekly close above USD 2,960 could pave the way for a possible further rise toward the level of around USD 3,060.



Source: Tradingview.com, Aljazira Capital Research

**U.S. Dollar Index (Weekly):** The index started to bounce off the zone of previous peaks and the 20-week SMA, suggesting a potential retest of the 1st target of the declining channel near 109.85, which, if penetrated, could suggest another upside target near 112.00. Additionally, the RSI indicator started to bounce off a previously penetrated declining trendline. On the flip side, a weekly close below the 50-week SMA around 105.10 would indicate the weakness of the index and pave the way for a further decline toward the 61.8% Fibonacci level around 104.00.



Source: Tradingview.com, Aljazira Capital Research

**Bitcoin (Weekly):** The contract finished a Double Top price pattern, suggesting a target zone around the 50-week SMA near USD 77,400 – 73,450, where the buying attitude may reemerge. Meanwhile, the RSI indicator continued to decline after showing a negative divergence. On the flip side, a weekly close above the 10-week SMA around USD 97,500 could pave the way for a further rise toward the previous peak of around USD 110,000.



Source: Tradingview.com, Aljazira Capital Research



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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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