



# 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



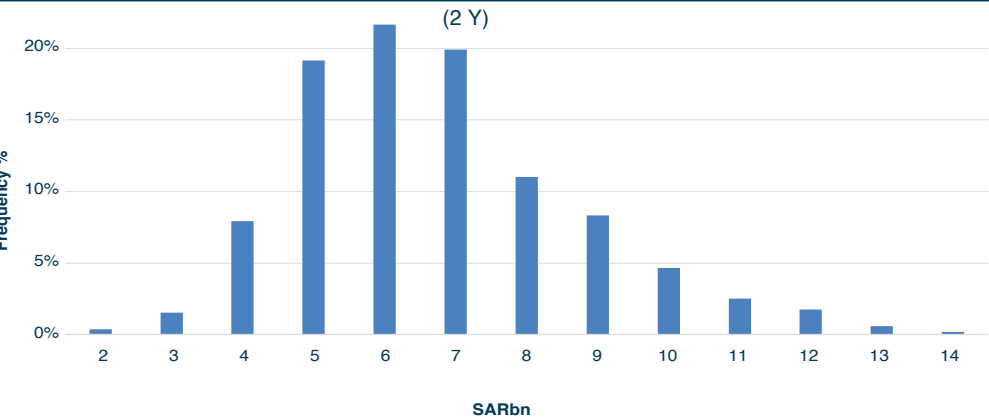
**Tadawul Index (Weekly):** The index is currently heading toward a potential target near the zone of 11,500 – 11,380 suggested by a completed Rising Wedge pattern. Moreover, the RSI indicator simultaneously is heading to retest a rising trendline after breaching the level of 50. Otherwise, a weekly close above the 20-week SMA near 11,990 would indicate the strength of the index and could pave the way for a further rise toward the previous peak near the zone of 12,250 – 12,350.



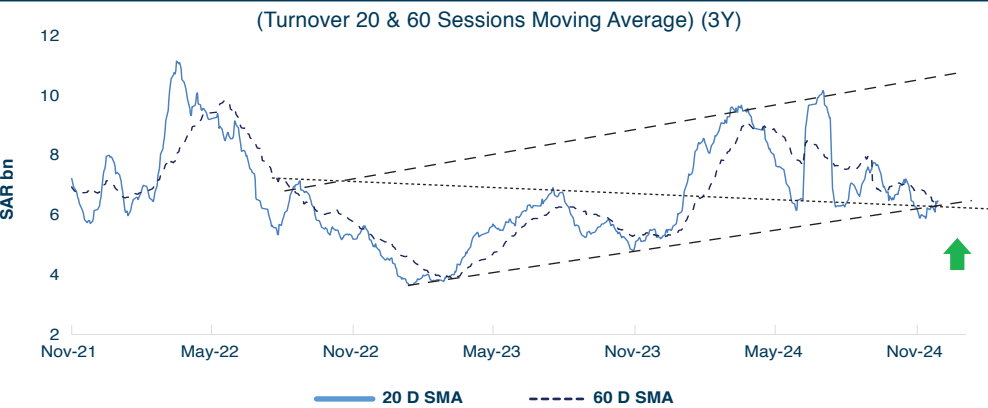
Source: Tradingview.com, Aljazira Capital

**Tadawul Index (Stat.):** During the prior two years, TASI recorded daily turnovers between SAR 4 – 7bn nearly two-thirds of the time, with the highest frequency of SAR 6bn. It recorded a weekly high-low 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 is currently hovering near the lower boundary of a rising channel near the prior bottom of around SAR 6bn suggesting a possible rise toward the previous peak near 10bn. Moreover, the average weekly spread started to bounce off the level of prior bottoms suggesting a potential rise toward the prior peaks' level of around 3.30%.

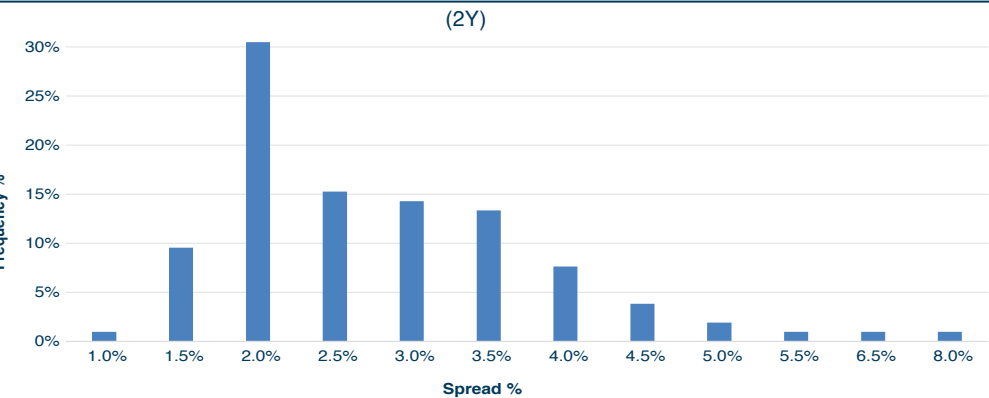
Daily Turnover



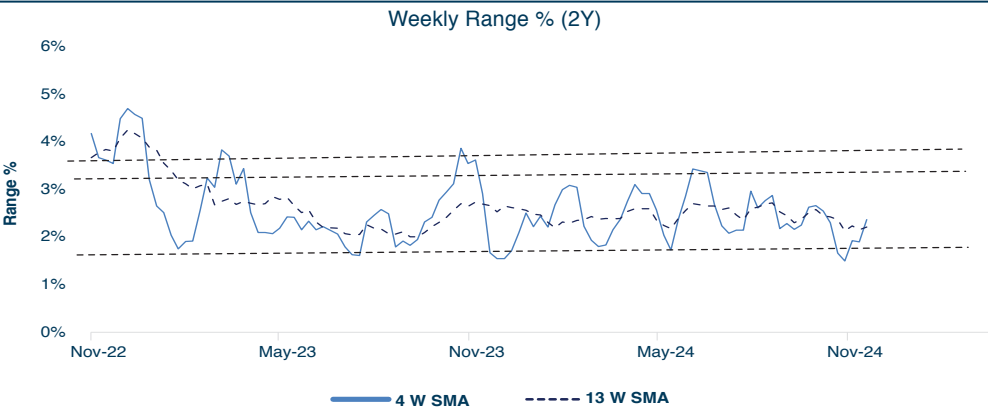
Liquidity Trend (3Y)



Weekly High-Low Spread %



Weekly Spread Trend



Source: Argaam, Aljazira Capital

**Banks Sector (Weekly):** The index started to experience profit booking attitude after retesting the upper boundary of a Symmetrical triangle pattern, suggesting a potential decline toward the lower boundary near the zone of 11,275 – 11,050. Moreover, the RSI indicator started to decline heading to retest a rising trendline. On the flip side, a weekly close above the prior minor peak around 12,250, would pave the way for a further rise toward the previous peak of around 12,900 – 13,135.



**Materials Sector (Weekly):** The index is currently heading to retest the support zone of the previous bottom near 5,520 – 5,410 where potential buying attitudes may reemerge. Moreover, the RSI indicator is currently heading to retest a rising trendline after displaying a positive divergence. On the flip side, a weekly close below the support level of 5,410 would indicate the weakness of the index and may trigger further selling pressure toward the level of 5,250.



Source: Tradingview.com, Aljazira Capital

**Energy Sector (Weekly):** The index is hovering laterally within a potential Rectangle pattern after testing the support level of the previous bottom near 5,070. Moreover, a decisive weekly close above the upper boundary near 5,350 is still required to suggest a target zone near 5,550 – 5,660. Additionally, the RSI indicator is heading to test a rising trendline. Otherwise, a weekly close below the lower boundary near 5,070 would pave the way for a further decline toward the zone of around 4,990 – 4,885.



**Telecommunication Services Sector (Weekly):** The index is currently moving in a temporary lateral action within a dominant downward trajectory toward potential targets near 7,710 followed by 7,465. Meanwhile, the RSI indicator is simultaneously moving within a declining channel indicating weakening momentum. Otherwise, a weekly close above the level of around 8,220 would indicate a possible further rise toward the resistance zone of 8,390 / 8,580.



Source: Tradingview.com, Aljazira Capital

**Insurance Sector (Weekly):** The index is approaching the 2nd target of the breached rising channel near 9,320 where potential buying attitudes may reemerge. Meanwhile, the RSI indicator is hovering near the lower boundary of a declining channel, confirming the price action. Otherwise, a weekly close above the 10-week SMA of around 10,050 could pave the way for a possible further rise toward the 20-week SMA of around 10,570.

**Utilities Sector (Weekly):** The index is currently heading to test the level of the previous bottom near 11,850 after breaching the levels of prior troughs. Moreover, the RSI indicator is still moving downwards after breaching the 50 level indicating a negative momentum structure. Otherwise, a weekly close above 13,750 would pave the way for a further rise toward the 20-week SMA near 14,335.



Source: Tradingview.com, Aljazira Capital



# GLOBAL BROAD MARKETS ANALYSIS





**S&P500 (Weekly):** The index is currently heading toward the potential 3rd target near 6,145 – 6,220 after fulfilling the 2nd target near 6,010. Meanwhile, the RSI indicator is moving upwards after penetrating a declining trendline above the level of 50. Otherwise, a weekly close below the rising trendline and the 10-week SMA around 5,850 could pave the way for a further decline toward the 20-week SMA near 5,690.



Source: Tradingview.com, Aljazira Capital



**Brent (Weekly):** The contract experienced a profit booking attitude after retesting the previously breached major rising trendline as well as the lower boundary of a Symmetrical Triangle pattern; which suggests a potential target zone near USD 66.90 / 65.00. Moreover, the RSI indicator started to decline after testing a declining trendline near the level of 50. On the flip side, a decisive weekly close above the 20-week SMA near USD 75.75 could pave the way for a possible further rise toward the 50-week SMA near USD 80.20.



Source: Tradingview.com, Aljazira Capital



**Gold (Weekly):** After experiencing a profit booking attitude following approaching the target zone near USD 2,815 / 2,850, the contract bounced off its 20-week SMA and the lower boundary of a rising channel indicating a potential revisit to the same target zone. Additionally, the RSI indicator bounced off a declining trendline near the 50-level. Otherwise, a weekly close below the 20-week SMA near USD 2,600 would indicate the weakness of the contract and pave the way for a possible further decline toward the 50-week SMA around USD 2,375.



Source: Tradingview.com, Aljazira Capital

**U.S. Dollar Index (Weekly):** Profit-taking behavior emerged as the index approached the upper boundary of the horizontal channel, with a potential move towards testing the 10-week SMA at around 104.25 followed by 103.30. Moreover, the RSI indicator displayed a decline after reaching the overbought 70 level. However, a definitive breakthrough above the 108.00 level is necessary to indicate a primary upside target in the range of 109.60 – 110.40.



**US 10Y T-Bonds Yield (Weekly):** Profit-taking emerged as the yield approached the upper boundary of a descending channel, signaling a potential test of the 20-week SMA around 4.0% and then 3.75%. At the same time, the RSI indicator is downward bound approaching the 50 level. Despite this, a conclusive weekly close above the upper boundary at around 4.50% is needed to confirm potential upside targets near 4.7% and then 5.0%.



Source: Tradingview.com, Aljazira Capital

**Bitcoin (Weekly):** The contract has just reached the 2nd target zone near USD 99,500 / 103,000, where a temporary balance between buying and selling attitudes started to appear. Moreover, a confirmation by a subsequent bearish weekly candlestick could indicate a potential further profit booking attitude toward the support zone near the previous upside Gap near USD 80,700 – 77,500. Additionally, the RSI indicator is currently hovering within its overbought. On the flip side, a weekly close above the level of around USD 103,000 could pave the way for a further rise toward the level of around USD 115,000.



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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