



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



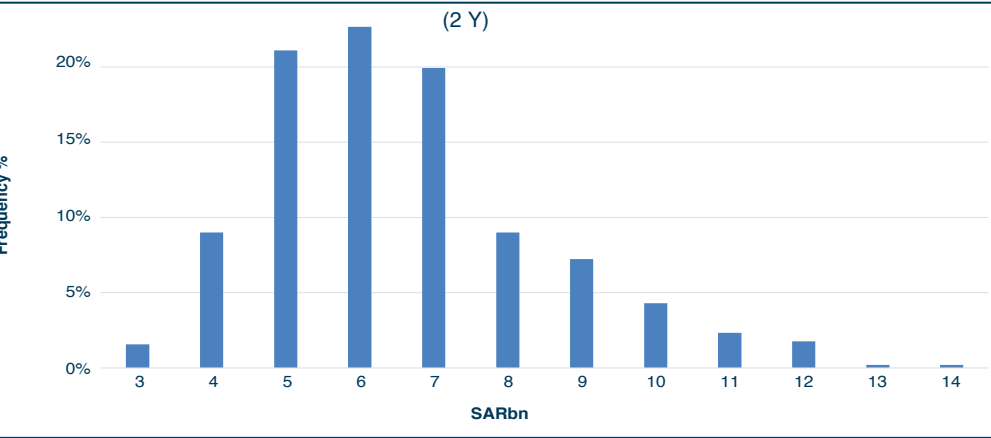
Tadawul Index (Weekly): The index started to bounce off the support level of the 127.2% near 11,470, approaching to test a declining trendline near 11,900 which is required to be penetrated to signify the end of the previous correction. Meanwhile, the RSI indicator has just penetrated its declining trendline indicating a potential following positive breakout in the price action. Otherwise, a weekly close below the level of 11,440, would pave the way for an extended correction toward the 161.8% Fibonacci level around 11,080 where a positive reversal may occur.



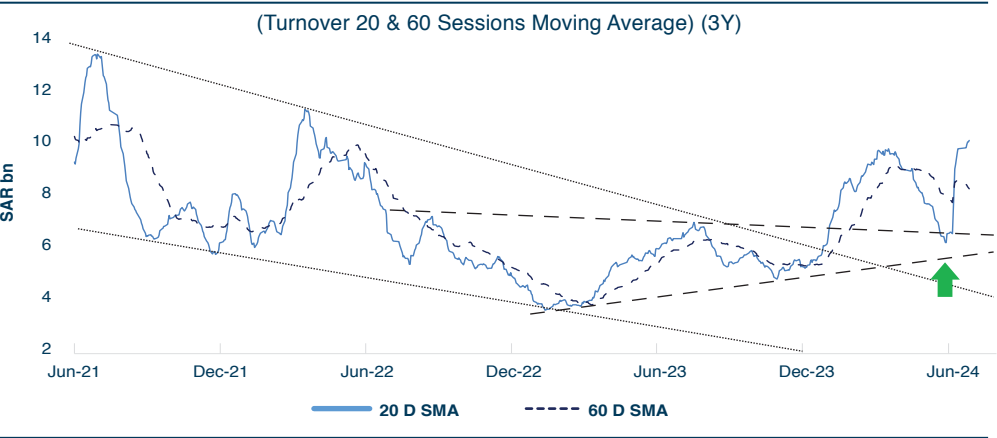
Source: Tradingview.com, Aljazira Capital

Tadawul Index (Stat.): During the prior two years, TASI recorded daily turnovers between SAR 5 – 7bn more than half of the time, with the highest frequency of SAR 6bn. It recorded a weekly spread between 2.0 – 3.0% nearly half of the same period with the highest frequency of 2.0%. The trend of the liquidity of the index has turned into an uptrend, breaking through the prior peak around 9bn and heading toward the level of the previous peak near 11bn. Moreover, the average weekly spread has penetrated a declining trendline suggesting a potential rise toward the levels of previous peaks around 3.70% followed by 4.70%.

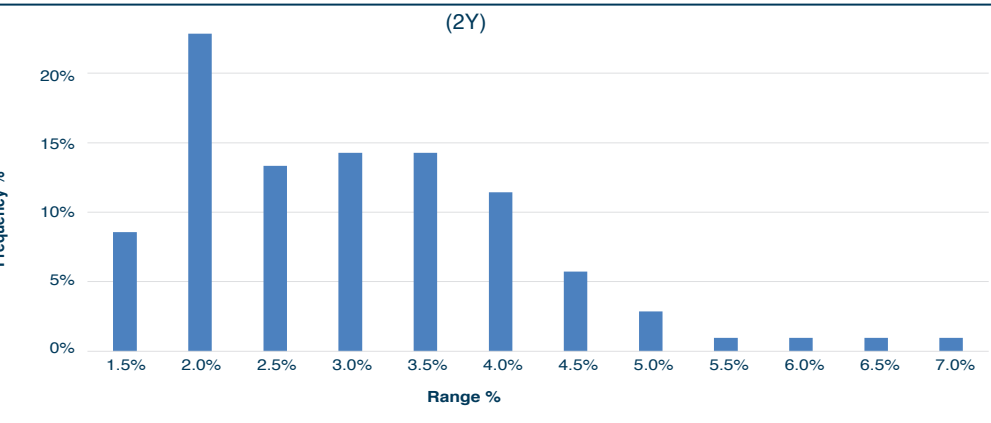
Daily Turnover



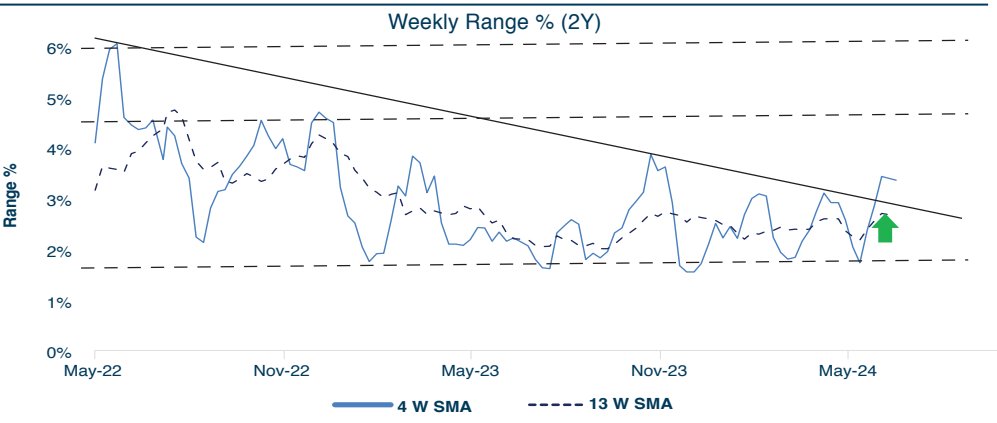
Liquidity Trend



Weekly Range %



Volatility Trend



Source: Argaam, Aljazira Capital

Banks Sector (Weekly): The index bounced off the 61.8% Fibonacci level around 10,950, and penetrated the 10-week SMA around 11,535 suggesting a potential further rise toward the 20-week SMA around 12,100. Moreover, the RSI indicator has just penetrated a declining trendline. On the flip side, breaching the level of 10,950 would suggest a downside target near the 78.6% level around 10,350 where a potential positive reversal may occur.

Materials Sector (Weekly): The index is still moving downward; approaching the level of the prior bottom around 5,600; where a potential positive reversal may occur. Moreover, the RSI indicator is still moving downward, below a declining trendline. On the flip side, a decisive weekly close above 5,900 would indicate the strength of the index and pave the way for a possible further rise toward 6,125.



Source: Tradingview.com, Aljazira Capital



Energy Sector (Weekly): The index breached the support level of the 78.6% Fibonacci retracement level around 5,400 suggesting a possible further decline toward the previous bottom near the zone of 5,170 – 5,075. Moreover, the RSI indicator is still moving downward within its oversold zone. On the flip side, a weekly close above 5,500 would penetrate a declining trendline, indicating the end of the previous downside correction and suggesting a further rise toward the 20-week SMA around 5,700.



Telecommunication Services Sector (Weekly): The index has penetrated the upper boundary of a declining channel indicating the end of the previous correction and suggesting a potential upside target near the 50% Fibonacci level around 7,800. Moreover, the RSI indicator is currently moving upward after penetrating a declining trendline. Otherwise, breaching the 10-week SMA near 7,500 would indicate the weakness of the index and pave the way for a possible further decline toward 7,330.



Source: Tradingview.com, Aljazira Capital



GLOBAL BROAD MARKETS ANALYSIS



S&P500 (Weekly): The index is still moving upward heading towards an upside target near the 161.8% Fibonacci level around 5,635 where profit booking attitudes may reemerge. Additionally, the RSI indicator is still moving upward within a rising channel. On the flip side, a weekly close below the level of 5,420 would pave the way for a further profit-booking toward the 10-week SMA around 5,300.



Source: Tradingview.com, Aljazira Capital

Brent (Weekly): The contract penetrated the upper boundary of a declining channel suggesting a potential upside target near the level of around USD 88.80. Moreover, the RSI indicator is currently hovering above the level of 50. On the flip side, a decisive weekly close below USD 82.10 would pave the way for a possible further decline toward the prior trough near USD 76.75.



Source: Tradingview.com, Aljazira Capital

Gold (Weekly): After retesting the level of the previous peak around USD 2,450, the contract breached its 10-week SMA; suggesting a possible further profit-booking action toward the support zone of around USD 2,220 – 2,170. Additionally, the RSI indicator breached a rising trendline indicating the weakness of the contract. On the flip side, a weekly close above the last peak near USD 2,450 would indicate the strength of the contract and pave the way for a further rise toward the level of around USD 2,560.



Source: Tradingview.com, Aljazira Capital

U.S. Dollar Index (Weekly): The index bounced off the lower boundary of a rising channel near 104.25, heading towards the resistance zone of the previous peaks near 106.50 – 107.25. Moreover, the RSI indicator simultaneously bounced off a rising trendline near the level of 50. On the flip side, a weekly close below the 20-week SMA around 104.80 would indicate the weakness of the index and suggest a potential downside target around 102.25.



Source: Tradingview.com, Aljazira Capital



US 10Y T-Bonds Yield (Weekly): The yield breached the lower boundary of a rising channel after retesting the lower boundary of the Wedge pattern around 4.75% suggesting potential downside targets near 3.80%, followed by 3.25%. Meanwhile, the RSI indicator simultaneously breached a rising trendline. On the flip side, a weekly close above 4.63% would pave the way for a further rise toward the prior peak near 5.00%.



Source: Tradingview.com, Aljazira Capital

Bitcoin (Weekly): After retesting the resistance zone of the previous peak near USD 72,500, the contract breached its 20-week SMA and currently is heading to test a rising trend line near USD 56,900. Moreover, a decisive weekly close below this level would suggest a potential further decline towards downside targets around USD 52,150 followed by USD 46,100. Furthermore, the RSI indicator has breached a rising trendline indicating a potential similar breach in the price action. On the flip side, a weekly close above the 10-week SMA of around USD 65,300 would indicate the strength of the price and pave the way for a further rise toward previous peak around USD 72,500.



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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