



MONTHLY TECHNICAL REPORT

June 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



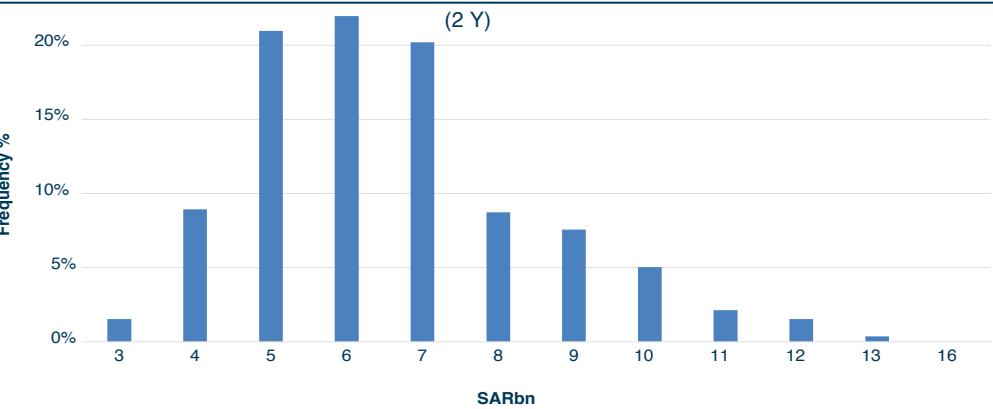
Tadawul Index (Weekly): The index is approaching the significant support zone near the 61.8% Fibonacci level around 11,260 where a potential positive reversal may occur. In case of high volatility, the correction action may extend toward the level of the 200-week SMA around 10,925 before witnessing the potential reversal. Additionally, the RSI indicator is currently heading toward the oversold zone near the level of 30. Otherwise, a weekly close above the level of 11,915, would indicate the strength of the index and pave the way for a further rise toward the prior peak of around 12,875.



Source: Tradingview.com, Aljazira Capital

Tadawul Index (Stat.): 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. 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 is currently moving downward, breaking the level of SAR 8bn and heading toward a potential reversal zone of around 6bn. Moreover, the average weekly spread started to bounce off the historical reversal zone around 2.0%.

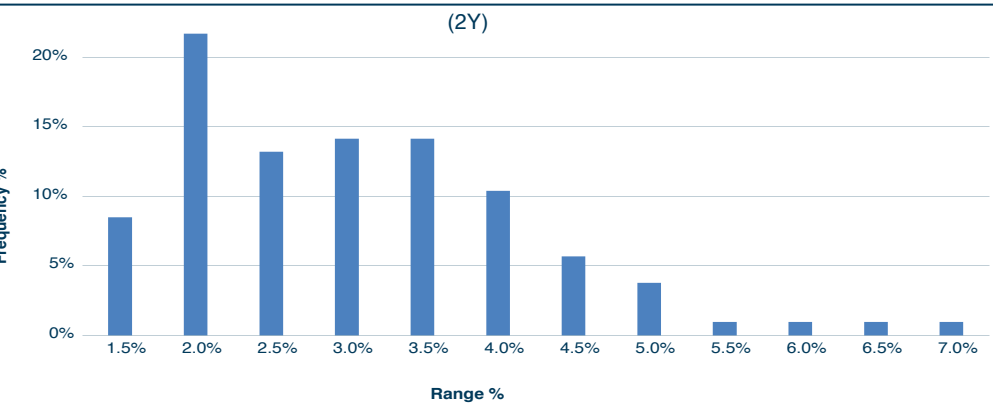
Daily Turnover



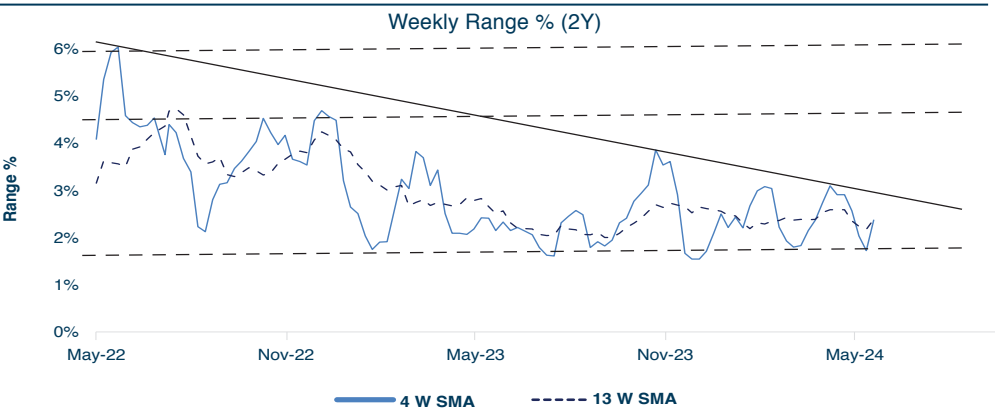
Liquidity Trend



Weekly Range %



Volatility Trend



Source: Argaam, Aljazira Capital

Banks Sector (Weekly): The index bounced off the 61.8% Fibonacci level around 10,950, and penetrating the 50-week SMA around 11,525 is required to pave the way for a further rise toward the 20-week SMA around 12,210. Otherwise, breaking 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. Moreover, the RSI indicator is still moving toward the oversold zone near the level of 30.



Materials Sector (Weekly): The index is currently moving downward; heading toward the target of the broken rising channel near the prior bottom around 5,600, where a potential positive rebound may start. Moreover, the RSI indicator is still moving downward, below a declining trendline. On the flip side, a decisive weekly close above 6,000 would indicate the strength of the index and pave the way for a possible further rise toward 6,210.



Source: Tradingview.com, Aljazira Capital



Insurance Sector (Weekly): The index tests the 20-week SMA around 9,980, however, breaking this level would suggest a further decline toward the rising trendline around the zone of 9,570 – 9,320. Moreover, the RSI indicator broke a rising trendline, indicating the weakness of the index. On the flip side, a decisive weekly close above the level of 10,700 near the 10-week SMA would pave the way for a further rise toward the level of around 11,200.



Telecommunication Services Sector (Weekly): The index bounced off near the 78.6% Fibonacci level around 7,070 and a weekly close above 7,490 is required to pave the way for a further rise toward the 20-week SMA near 7,850. Otherwise, breaking the support level of 7,070 would suggest a downside target near the level of the previous bottom around 6,685 where a potential positive reversal may occur. Moreover, the RSI indicator is currently hovering near its oversold zone.



Source: Tradingview.com, Aljazira Capital

Energy Sector (Weekly): The index has reached the support zone near the 78.6% Fibonacci retracement level around 5,400 – 5,250 where a potential positive rebound may occur. Moreover, the RSI indicator reached its oversold zone. On the flip side, a weekly close below the level of 5,250 would pave the way for a further decline toward the level of the previous bottom around 5,075 where a positive reversal may materialize.



Consumer Durables and Apparel Sector (Weekly): The index broke the lower boundary of a rising channel suggesting a downside target zone near 5,125 – 4,910. Moreover, the RSI indicator started to break the level of 50 after breaking a rising channel. On the flip side, a decisive weekly close above the 10-week SMA around 5,625 would indicate the strength of the index and pave the way for a further rise toward the previous peak near 6,025.



Source: Tradingview.com, Aljazira Capital



GLOBAL BROAD MARKETS ANALYSIS



S&P500 (Weekly): The index has closed above the level of the prior peak as well as the 127.2% Fibonacci level; suggesting a possible resumption toward an upside target of around 5,635. Additionally, the RSI indicator is still hovering above the level of 50 within a rising channel. On the flip side, a weekly close below the 20-week SMA around 5,115 would indicate the weakness of the index and pave the way for a further decline toward the support zone near 4,950 - 4,820.



Source: Tradingview.com, Aljazira Capital

Brent (Weekly): The contract broke the lower boundary of a rising channel and is currently heading toward a downside target zone near USD 76.50 – 72.30. Moreover, the RSI indicator broke its rising trendline confirming the price action. On the flip side, a decisive weekly close above the 10-week SMA around USD 85.75 would indicate the strength of the contract and pave the way for a further rise toward the prior peak near USD 92.20.



Source: Tradingview.com, Aljazira Capital

Gold (Weekly): After fulfilling the second target of the Rectangle price pattern, the contract started to show negative signs; suggesting a possible profit-taking action toward the support zone of around USD 2,220 – 2,170. Additionally, the RSI indicator has broken 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 is currently testing the lower boundary of its rising channel near 104.25, a decisive weekly close below this level would pave the way for downside targets around 102.25 followed by 101.25. Moreover, the RSI indicator simultaneously tests a rising trendline near the level of 50. On the flip side, a weekly close above the level of 105.50 would indicate the strength of the index in the short term and pave the way for a further rise toward the prior peak near 106.50.



Source: Tradingview.com, Aljazira Capital

US 10Y T-Bonds Yield (Weekly): The yield is still moving within an upside correction; re-testing the previously broken lower boundary of the rising Wedge pattern around 4.75% and a decisive close below the 20-week SMA near 4.30% would pave way the for downside targets near 3.80%, followed by 3.25%. Meanwhile, the RSI indicator is currently testing a rising trendline. On the flip side, a weekly close above 4.75% would pave the way for a further rise toward the prior peak near 5.00%.



Source: Tradingview.com, Aljazira Capital

Bitcoin (Weekly): The contract is currently hovering around the upper boundary of a declining channel, where a profit action may start toward the support zone of USD 64,350 – 60,450. Nevertheless, breaking through the upper boundary near USD 72,500 would pave the way for an upside target near USD 84,160. Moreover, the RSI indicator is still hovering above a rising trendline. On the flip side, a weekly close below the 20-week SMA of around USD 60,450 would indicate the weakness of the price and pave the way for a further decline toward the 38.2% Fibonacci level of around USD 51,700.



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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