

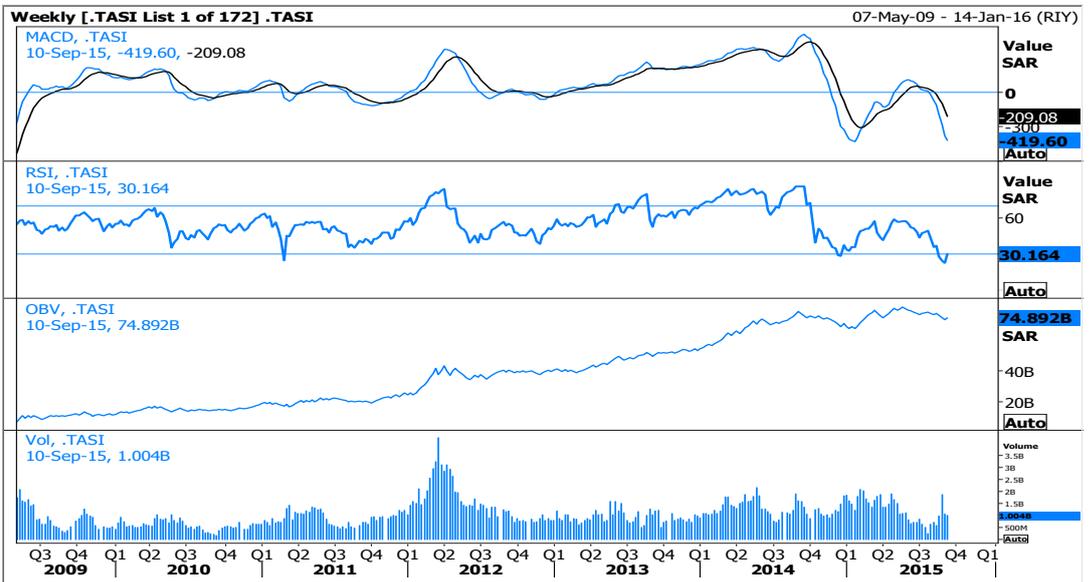
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### Saudi Stock Exchange

**Tadawul All Share Index <.TASI> closed at 7,718.40.** A natural correction in the market from this year's low at 6,920 point took place after an aggressive move down but still early to assume this is the start of a prolonged recovery. The index saw a rejection near the 38.2% level of the Fibonacci Retracement from 9,900 point-6,920 point at 8,060 point, while failure to print a close above there could put back the market under pressure. However, a successful break above 8,060 point would promote the second resistance line at 8,400 point (50% level) and maybe 8,750 point (61.8% level). On the negative side, a fall below 7,220 point would bring back to focus 6,920 point but only a dip below this would re-instate the negative tone and trigger 6,400 point. Weekly RSI indicator is leaning more towards the bulls, while the daily one is looking neutral at present.

Short-term investors could still consider entering the market near 7,220 point, while medium-term and long-term investors can do so only above 8,400 point and 9,000 point, respectively.



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**Saudi Basic Industries Corp.**

Reuters Ticker: <2010.SE>

**Price closed at SAR80.75.** Last year's low at SAR70.25 arrested further weaknesses and pushed the price once again higher, forming a temporarily double bottom on the weekly chart. Buyers are required to clear the resistance line at SAR86.00 (38.2% level of the Fibonacci Retracement from SAR110.50-SAR70.50) to up the probability of achieving SAR90.50 (50% level) and SAR95.20 (61.8% level). However, we should be cautious about drifting down towards the SAR70.25 again if the stock fell below SAR75.00.



RSI	36.118
MACD	-1.72
ROC	-21.981
M10 (SAR)	89.15
M50 (SAR)	93.60
M100 (SAR)	101.25
S1 (SAR)	75.00
S2 (SAR)	70.25
S3 (SAR)	65.00
R1 (SAR)	86.00
R2 (SAR)	90.50
R3 (SAR)	95.20

**National Industrialization Co.**

Reuters Ticker: <2060.SE>

**Price closed at SAR14.35.** The price struggled to make much headway stalling at SAR14.90 after reaching the low of year 2009 at SAR12.25. However, we remain unable to rule out stabs higher on the short-term period helped by the positive status of the RSI indicator as it resides in the oversold territory but should show buying interest above SAR14.90 to call for an advance towards SAR17.75 and SAR19.45. Only below SAR12.25 would delay any upwards potential.



RSI	22.011
MACD	-2.61
ROC	-39.958
M10 (SAR)	16.55
M50 (SAR)	21.90
M100 (SAR)	26.25
S1 (SAR)	12.25
S2 (SAR)	10.00
S3 (SAR)	7.50
R1 (SAR)	14.90
R2 (SAR)	17.75
R3 (SAR)	19.45

**Alujain Corp.**

Reuters Ticker: <2170.SE>

**Price closed at SAR16.60.** The failure to break last December's low at SAR14.05 is a positive sign but not enough to conclude an end to the bearish move. Both weekly and daily RSI indicators are of no help at present as they look neutral but reluctance to dip below SAR14.05 would increase the probability of seeing further retracement towards SAR18.50 before SAR19.70.



RSI	31.223
MACD	-0.60
ROC	-29.512
M10 (SAR)	19.40
M50 (SAR)	21.20
M100 (SAR)	22.30
S1 (SAR)	14.05
S2 (SAR)	12.95
S3 (SAR)	9.00
R1 (SAR)	18.50
R2 (SAR)	19.70
R3 (SAR)	20.90

**Saudi Industrial Investment Group**

Reuters Ticker: <2250.SE>

**Price closed at SAR19.90.** The sell off has reached SAR17.10 (near the strong support line at SAR15.80), which promoted some buying momentum. However, the stock could move either way, but re-gaining the resistance area at SAR20.90-SAR22.00 would allow another phase of upward move towards SAR23.50 and SAR25.00 to take place. On the counter side, losing the support zone at SAR17.10-SAR15.80 (not favored) would deepen the bearish sentiment and trigger SAR12.50.



RSI	32.448
MACD	-1.15
ROC	-26.568
M10 (SAR)	23.25
M50 (SAR)	25.65
M100 (SAR)	29.15
S1 (SAR)	17.10
S2 (SAR)	15.80
S3 (SAR)	12.50
R1 (SAR)	22.00
R2 (SAR)	23.50
R3 (SAR)	25.00

## Definitions

**Technical Analysis:** Aims to identify the direction of prices and reveal any indication of possible changes as soon as possible, so it can be used as much as possible in making buying and selling decisions in the most appropriate time in order to minimize risk and maximize profits.

**Trend:** The general direction of a market or of the price of an asset.

**Resistance:** A chart point or range that caps an increase in the level of a stock or index over a period of time.

**Support:** The price level which, historically, a stock has had difficulty falling below. It is thought of as the level at which a lot of buyers tend to enter the stock.

**Breakout:** A signal that prices are beginning to trend, either upward or downward.

**Bull:** An investor who thinks the market, a specific security or an industry is likely to rise.

**Bear:** An investor who thinks the market, a specific security or an industry is likely to decline.

**Channel:** is two parallel trend lines either rising or declining.

**Consolidation Area:** is a sideways movement in prices that interrupts or reverse a trend.

**Moving Average (MA):** The most common applications of MAs are to identify the trend direction and to determine support and resistance levels.

**MACD (Moving Average Convergence-Divergence):** A trend-following momentum indicator that shows the relationship between two moving averages of prices.

**Relative Strength Index:** A technical momentum indicator (ranges from 0 to 100) that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions of an asset.

**Overbought:** A situation in which the price of a security has risen to such a degree that an oscillator has reached its upper bound. This is generally interpreted as a sign that the price of the asset is becoming overvalued and may experience a pullback.

**Oversold:** A situation in which the price of a security has fallen to such a degree that an oscillator has reached its upper bound. This is generally interpreted as a sign that the price of the asset is becoming undervalued and may represent a buying opportunity for investors.

**Fibonacci:** A term refers to areas of support or resistance and to help identify strategic places for transactions to be placed, target prices or stop losses.

**On Balance Volume (OBV):** is a simple running total of up day (added) and down day (subtracted) volume. If OBV is moving with price, it confirms the current trend. Divergences between OBV and price indicates the price may be due for a reversal.

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