Kuwait Stock Exchange Price Index <KWSE> closed at 5,916.20 point. The recovery initiated at this year’s low at 5,746 point was impressive, but it would take a firm cross over the upper end of the declining trend line located at 6,050 point, also found there the 38.2% level of the Fibonacci Retracements from 6,537 point – 5,746 point, to confirm further buying potential towards 6,141 point and 6,235 point (50% and 61.8% levels, respectively). As was expected in our last analysis, the index is currently in a correction mode downwards due to the overbought status of the daily “RSI” at that time but the market is unlikely to witness a sharp fall on the coming period, rather it could see some fluctuations until further clarifications emerge. However, only a slippage below 5,746 point would validate a lower-high and lower-low pattern, a case if happens will lead to 5,600 point and 5,380 point. Weekly “RSI” indicator is currently negative.

**Strategy:** Medium-term (11 weeks) and long-term (50 weeks) investors can enter the market at levels higher than 5,975 point and 6,375 point, respectively.
Al-Jazeera Airways Co. <JAZK.KW>

Al-Jazeera Airways’ stock price closed at KWD0.280. The extreme overbought mode of both the weekly and daily “RSI” indicators indicates an exhaustion of the rally that started on last May, with the possibility of a peak formation around KWD0.295. This is supported by the bearish “shooting star” on the weekly chart, which usually suggests a loss of buying interest when it comes after a prolonged uptrend. However, if it takes place, the bearish correction phase downwards does not necessarily mean an end to the bullish outlook, rather it could be for an accumulation of positive momentum leading to KWD0.320 (50% level of the Fibonacci Retracements from KWD0.545 – KWD0.096) and KWD0.375 (61.8% level). Nearby support levels are located at KWD0.265 and KWD0.234.

Strategy: Medium-term (11 weeks) and long-term (50 weeks) investors who would like to hold should be aware if the stock trades below KWD0.246 and KWD0.186, respectively.

National Bank of Kuwait <NBKK.KW>

NBK’s stock price closed at KWD1.060. The stock has lost its recovery impetus as a result of its failure to overcome its resistance line at KWD1.120. This forced the price to dip below its medium-term (11 weeks) moving average once again and may threaten to re-visit last month’s low at KWD0.990. Knowing that a close below there would open the risk for further declines towards the critical horizontal line at KWD0.900. Also, it is important to know that chances are there for the price to fluctuate between the range of KWD0.990 – KWD1.120 in the absence of heavy trading activity. Therefore, an escape of this zone is believed to be the indicator of the next directional move. However, breaking above KWD1.120 would promote KWD1.200 and KWD1.240. Weekly and daily “RSI” indicators are looking negative at present.

Strategy: Medium-term and long-term (50 weeks) investor can buy if the price sustains a close above KWD1.080 and KWD1.140, respectively.
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