

## Should I Buy now or Wait?

November 15, 2021

Should I buy now or wait for a decent correction? Well, this is the dilemma where most retail investors are into. Sitting on cash just because the ADX or DFMGI stocks appreciated a lot from lower levels is a big mistake. One must remember that registering higher highs or new highs doesn't mean that the markets have topped and the correction or strong profit taking scenario is imminent. These higher levels are seen on short term charts, but if you see weekly or monthly charts, we still have to recover a lot to form new highs in the coming year and there certainly exists strong profit opportunities.

In the below monthly chart, the previous two bullish reversal patterns, when the index broke over its previous high, appreciated 38% and 120% respectively. The current bullish reversal pattern where the index broke over the critical resistance of 3000 is expected to register a gain of around 80% in the coming months and target 5500 area. Considering this, one still have good opportunity to enter in the market from current levels.



Let's have a look how higher have we gone on the DFMGI since its initial bullish breakout and how much further upside still left.



DFMGI gained around 10% from its initial bullish breakout and is expected to add 58% from current levels. Overall we can say the levels where we trade are still considered attractive and has immense potential to appreciate. We see a “Cup & Handle” pattern formation on monthly chart and such formations are considered extremely bullish.

### DFM stock doubled:

The bullish run in DFM stock from AED1.00 to AED2.57 on huge volume is a clear message that Dubai markets are going to register huge volumes in the coming months and this sharp increase in trading activity with new listings to happen will definitely boost DFM's profitability. Dubai market today registered huge volumes with 940mm shares traded and the value stood at 1.79Bln.

### Market sentiments extremely bullish:

Markets will always have ups and down and one may not be able to control them. But we always have control on how to invest and manage risk accordingly. Traders who time the markets by just waiting on the side-lines sitting on cash, wanting markets to fall lower to their desired support levels is like leaving your financial future up to chance.

So if you're afraid to invest because the market is up, consider the cost of missing the best days. Deciding whether or not it's a good time to invest shouldn't have much to do with recent market conditions. We are aware that buying strong fundamental stocks will fetch us handsome rewards in the time to come, so why not enter when the market sentiments have gone extremely bullish. Stocks which were trading below their book values are getting more attention.

Traders who were seen sellers in the previous month on lower levels, have now turned aggressive buyers on these higher levels with no hesitation. This sudden turnaround on market sentiment is due to the plan to launch Dh2 billion market-maker fund for enhancement of trading activity on the stock market, In addition to this Dubai plans to list 10 state-owned companies on DFM which will boost the size of Dubai stock market to 3 trillion dirhams in order to catch up with Abu Dhabi and Riyadh stock exchanges.

### Update on our Top 10 Medium Term Stock picks:

We sent our Medium Term Report on 2<sup>nd</sup> Nov when the index was at 2860, with the target of 5000 by next year. The index gained 14.5% to trade higher at 3275 level now.

#### Trade Recommendations sent on 2<sup>nd</sup> Nov -

Name	Trade	Entry	Stop	Target	CMP	P / L	Details
EMAAR	BUY	4.37	4.00	5.80/7.85	5.10	17.00%	Add Further
DIB	BUY	5.35	4.85	6.20/7.00	5.51	3.00%	Buy
DIC	BUY	1.91	1.80	2.50/3.00	2.03	6.28%	Buy
EMAAR DEV	BUY	4.09	3.75	4.23/4.75	4.68	15.00%	Add Further
DFM	BUY	1.20	1.00	2/3.20/4	2.57	114.20%	First target Met
GFH	BUY	0.84	0.70	1.30/1.60	1.12	33.30%	Add Further
AMANAT	BUY	1.14	1.10	1.50/1.70	1.18	3.50%	Buy
SHUAA	BUY	0.68	0.65	1.05	0.75	10.30%	Buy
DEYAAR	BUY	0.318	0.28	0.56/0.80	0.414	30.19%	Add Further
UPP	BUY	0.34	0.25	0.42/0.60	0.278	1.76 %	Exit

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